

Section 1: 10-K (10-K)

**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: 001-36523 (Urban Edge Properties)
Commission File Number: 333-212951-01 (Urban Edge Properties LP)

**URBAN EDGE PROPERTIES
URBAN EDGE PROPERTIES LP**

(Exact name of Registrant as specified in its charter)

Maryland	(Urban Edge Properties)	47-6311266
Delaware	(Urban Edge Properties LP)	36-4791544
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification Number)
888 Seventh Avenue,	New York,	New York
(Address of Principal Executive Offices)		10019
		(Zip Code)

Registrant's telephone number including area code: _____ (212) 956-2556

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

Title of Each Class	Trading symbol	Name of Each Exchange on Which Registered
Common Shares, \$.01 par value per share	UE	New York Stock Exchange

Urban Edge Properties LP

Title of Each Class	Trading symbol	Name of Each Exchange on Which Registered
None	N/A	N/A

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

Urban Edge Properties: None Urban Edge Properties LP: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Urban Edge Properties Yes NO Urban Edge Properties LP 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.

Urban Edge Properties YES No Urban Edge Properties LP 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.

Urban Edge Properties Yes NO Urban Edge Properties LP 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 (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Urban Edge Properties Yes NO Urban Edge Properties LP 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 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.

Urban Edge Properties:

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company Emerging Growth Company

Urban Edge Properties LP:

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 pursuant to Section 13(a) of the Exchange Act.

Urban Edge Properties **Urban Edge Properties LP**

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

Urban Edge Properties YES NO **Urban Edge Properties LP** YES NO

As of June 28, 2019, the last business day of the Registrant’s most recently completed second fiscal quarter, the aggregate market value of the Common Shares held by nonaffiliates of the Registrant was approximately \$2.1 billion based upon the last reported sale price of \$17.33 per share on the New York Stock Exchange on such date.

As of January 31, 2020, Urban Edge Properties had 121,386,592 common shares outstanding. There is no public trading market for the common units of Urban Edge Properties LP. As a result, the aggregate market value of the common units held by non-affiliates of Urban Edge Properties LP cannot be determined.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates by reference information from certain portions of the Urban Edge Properties’ definite proxy statement for the 2020 annual meeting of shareholders to be filed with the Securities and Exchange Commission within 120 days after the close of the fiscal year.

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2019 of Urban Edge Properties and Urban Edge Properties LP. Unless stated otherwise or the context otherwise requires, references to “UE” and “Urban Edge” mean Urban Edge Properties, a Maryland real estate investment trust (“REIT”), and references to “UELP” and the “Operating Partnership” mean Urban Edge Properties LP, a Delaware limited partnership. References to the “Company,” “we,” “us” and “our” mean collectively UE, UELP and those entities/subsidiaries consolidated by UE.

UELP is the entity through which we conduct substantially all of our business and own, either directly or through subsidiaries, substantially all of our assets. UE is the sole general partner and also a limited partner of UELP. As the sole general partner of UELP, UE has exclusive control of UELP’s day-to-day management.

As of December 31, 2019, UE owned an approximate 95.4% ownership interest in UELP. The remaining approximate 4.6% interest is owned by limited partners. The other limited partners of UELP are members of management, our Board of Trustees and contributors of property interests acquired. Under the limited partnership agreement of UELP, unitholders may present their common units of UELP for redemption at any time (subject to restrictions agreed upon at the time of issuance of the units that may restrict such right for a period of time). Upon presentation of a common unit for redemption, UELP must redeem the unit for cash equal to the then value of a share of UE’s common shares, as defined by the limited partnership agreement. In lieu of cash redemption by UELP, however, UE may elect to acquire any common units so tendered by issuing common shares of UE in exchange for the common units. If UE so elects, its common shares will be exchanged for common units on a one-for-one basis. This one-for-one exchange ratio is subject to specified adjustments to prevent dilution. UE generally expects that it will elect to issue its common shares in connection with each such presentation for redemption rather than having UELP pay cash. With each such exchange or redemption, UE’s percentage ownership in UELP will increase. In addition, whenever UE issues common shares other than to acquire common units of UELP, UE must contribute any net proceeds it receives to UELP and UELP must issue to UE an equivalent number of common units of UELP. This structure is commonly referred to as an umbrella partnership REIT, or UPREIT.

The Company believes that combining the annual reports on Form 10-K of UE and UELP into this single report provides the following benefits:

- enhances investors’ understanding of UE and UELP by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation because a substantial portion of the disclosure applies to both UE and UELP; and
- creates time and cost efficiencies throughout the preparation of one combined report instead of two separate reports.

The Company believes it is important to understand the few differences between UE and UELP in the context of how UE and UELP operate as a consolidated company. The financial results of UELP are consolidated into the financial statements of UE. UE does not have any other significant assets, liabilities or operations, other than its investment in UELP, nor does it have employees of its own. UELP, not UE, generally executes all significant business relationships other than transactions involving the securities of UE. UELP holds substantially all of the assets of UE. UELP conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from equity offerings by UE, which are contributed to the capital of UELP in exchange for units of limited partnership in UELP, as applicable, UELP generates all remaining capital required by the Company’s business. These sources may include working capital, net cash provided by operating activities, borrowings under the revolving credit agreement, the issuance of secured and unsecured debt and equity securities and proceeds received from the disposition of certain properties.

Shareholders’ equity, partners’ capital and noncontrolling interests are the main areas of difference between the consolidated financial statements of UE and UELP. The limited partners of UELP are accounted for as partners’ capital in UELP’s financial statements and as noncontrolling interests in UE’s financial statements. The noncontrolling interests in UELP’s financial statements include the interests of unaffiliated partners in consolidated entities. The noncontrolling interests in UE’s financial statements include the same noncontrolling interests at UELP’s level and limited partners of UELP. The differences between shareholders’ equity and partners’ capital result from differences in the equity issued at UE and UELP levels.

To help investors better understand the key differences between UE and UELP, certain information for UE and UELP in this report has been separated, as set forth below: Part II, Item 8. Financial Statements which includes specific disclosures for UE and UELP, and Note 14, Equity and Noncontrolling Interests, Note 16, Earnings Per Share and Unit and Note 17 thereto, Quarterly Financial Data.

This report also includes separate Part II, Item 9A. Controls and Procedures sections and separate Exhibits 31 and 32 certifications for each of UE and UELP in order to establish that the requisite certifications have been made and that UE and UELP are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

URBAN EDGE PROPERTIES AND URBAN EDGE PROPERTIES LP
ANNUAL REPORT ON FORM 10-K
YEAR ENDED DECEMBER 31, 2019

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PART I - FINANCIAL INFORMATION

ITEM 1. BUSINESS

The Company

Urban Edge Properties (“UE”, “Urban Edge” or the “Company”) (NYSE: UE) is a Maryland REIT that manages, develops, redevelops, and acquires retail real estate, primarily in the New York metropolitan area. Urban Edge Properties LP (“UEL” or the “Operating Partnership”) is a Delaware limited partnership formed to serve as UE’s majority-owned partnership subsidiary and to own, through affiliates, all of our real estate and other assets. UE and UEL were created in 2014 to own the majority of Vornado Realty Trust’s (“Vornado”) (NYSE: VNO) former shopping center business (the “UE Business”), and separated from Vornado in January 2015. Our portfolio is currently comprised of 74 shopping centers, four malls and a warehouse park totaling approximately 15.2 million square feet (sf) with a consolidated occupancy rate of 92.9%.

Unless the context otherwise requires, “we”, “us” and “our” refer to UE after giving effect to the transfer of the UE Business from Vornado, and for periods prior to such transfer, refer to the UE Business while owned by Vornado.

The Company elected to be taxed as a REIT under sections 856-860 of the Internal Revenue Code of 1986, as amended (the “Code”), commencing with the filing of its 2015 tax return for its tax year ended December 31, 2015. With the exception of the Company’s taxable REIT subsidiary (“TRS”), to the extent the Company meets certain requirements under the Code, the Company will not be taxed on its federal taxable income. If we fail to qualify as a REIT for any taxable year, we will be subject to federal income taxes at regular corporate rates (including any alternative minimum tax, which, for corporations, was repealed under the Tax Cut and Jobs Act (“TCJA”) for tax years beginning after December 31, 2017) and may not be able to qualify as a REIT for the four subsequent taxable years. In addition to its TRS, the Company is subject to certain foreign and state and local income taxes, including a 29% non-resident withholding tax on its two Puerto Rico malls, which are included in income tax expense in the consolidated statements of income.

Company Strategies

Our goal is to be a leading owner and operator of retail real estate in major urban markets, with a focus on the New York metropolitan area. We believe urban markets offer attractive acquisition and redevelopment opportunities resulting from high population density, strong demand from consumers for differentiated live-work-play environments with access to public transportation, above average retailer sales trends, a limited supply of institutional quality assets and a strong supply of older, undermanaged assets that remain privately owned. We seek to create value through the following primary strategies:

Maximizing the value of existing properties through proactive management. We intend to maximize the value of each of our assets through comprehensive, proactive management encompassing: continuous asset evaluation for highest-and-best-use; efficient and cost-conscious day-to-day operations that minimize retailer operating expense and enhance property quality; and targeted leasing to desirable tenants. Leasing is a critical value-creation function that includes:

- Monitoring retailer sales, merchandising, store operations, timeliness of payments, overall financial condition and related factors;
- Being constantly aware of each asset’s competitive position and recommending physical improvements or adjusting merchandising if circumstances warrant;
- Continuously canvassing trade areas to identify unique operators that can distinguish a property and enhance its offerings;
- Maintaining regular contact with the brokerage community to stay abreast of new merchants, potential relocations, new supply and overall trade area dynamics;
- Conducting regular portfolio reviews with key merchants;
- Building and nurturing deep relationships with retailer decision-makers;
- Focusing on spaces with below-market leases that might be recaptured;
- Understanding the impact of options, exclusives, co-tenancy and other restrictive lease provisions; and
- Optimizing required capital investment in every transaction.

Actively investing. We intend to acquire properties in our target markets that meet our criteria for risk-adjusted returns and enhance the overall quality of our existing portfolio.

Investment considerations include:

- *Geography:* We focus primarily on the New York metropolitan area and secondarily on the Washington, DC to Boston corridor. We intend to invest in our existing core markets, and, overtime, may expand into new markets that have similar characteristics.
- *Product:* We generally seek large properties that provide scale relative to the competition and optionality for redevelopment to meet the changing demands of the local community.
- *Tenancy:* We consider tenant mix, sales performance and related occupancy cost, lease term, lease provisions, omni-channel capabilities, susceptibility to e-commerce disruption and other factors. Our tenant base comprises a diverse group of merchants, including department stores, supermarkets, discounters, entertainment offerings, health clubs, DIY stores, in-line specialty shops, restaurants and other food and beverage vendors and service providers.
- *Rent:* We consider existing rents relative to market rents and target submarkets that have potential for market rent growth as evidenced by strong retailer sales performance.
- *Competition and Barriers-to-Entry:* We seek assets in underserved, high barrier-to-entry markets in densely populated, affluent trade areas. We believe that properties located in such markets present more attractive risk-return profile relative to other markets.
- *Access and Visibility:* We seek assets with convenient access and good visibility.
- *Physical Condition:* We consider aesthetics, functionality, building and site conditions and environmental matters in evaluating asset quality.

Constantly evaluating our portfolio and, where appropriate, engaging in selective dispositions. We regularly evaluate each property and intend to dispose of those properties that do not meet our investment criteria.

Maintaining capital discipline. We intend to keep our balance sheet flexible and capable of supporting growth. We expect to generate increasing levels of cash flow from internally generated funds and to have substantial borrowing capacity under our existing revolving credit agreement and from potential secured debt financing on our existing assets.

Significant Tenants

None of our tenants accounted for more than 10% of total revenues in any of the years ended December 31, 2019, 2018 and 2017. The Home Depot, Inc. is our largest tenant and accounted for approximately \$23.0 million, or 5.9% of our total revenue for the year ended December 31, 2019.

Employees

Our headquarters are located at 888 Seventh Avenue, New York, NY 10019. As of December 31, 2019, we had 117 employees.

Available Information

Copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, as well as Reports on Forms 3, 4 and 5 regarding officers, trustees or 10% beneficial owners of us, filed or furnished pursuant to Section 13(a), 15(d) or 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are available free of charge through our website (www.uedge.com) as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission. Also available on our website are copies of our Audit Committee Charter, Compensation Committee Charter, Corporate Governance and Nominating Committee Charter, Code of Business Conduct and Ethics and Corporate Governance Guidelines. In the event of any changes to these charters or the code or guidelines, changed copies will also be made available on our website. Copies of these documents are also available directly from us free of charge. Our website also includes other financial information, including certain non-GAAP financial measures, none of which is a part of this Annual Report on Form 10-K. Copies of our filings under the Exchange Act are also available free of charge from us, upon request.

ITEM 1A. RISK FACTORS

Risk factors that may materially and adversely affect our business, results of operations and financial condition are summarized below. These risks have been separated into three groups: (1) Risks Related to Our Business and Operations and to Our Status as a REIT, (2) Risks Related to Our Common Shares and (3) Risks Related to Our Organization and Structure. The risks and uncertainties described herein may not be the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial, may also adversely affect our business. See “Forward-Looking Statements” contained herein.

RISKS RELATED TO OUR BUSINESS AND OPERATIONS AND TO OUR STATUS AS A REIT

There are inherent risks associated with real estate investments and the real estate industry, particularly retail real estate, each of which could have an adverse impact on our financial performance and the value of our properties.

Real estate investments are subject to various risks, many of which are beyond our control. Our operating and financial performance and the value of our properties can be affected by many of these risks, including, but not limited to, the following:

- the convenience and quality of competing retail properties and other retailing platforms such as e-commerce;
- local real estate conditions, such as an oversupply of retail space or a reduction in demand for retail space, resulting in vacancies or compromising our ability to rent space on favorable terms;
- adverse changes in the financial condition of tenants at our properties, including financial difficulties, lease defaults or bankruptcies;
- national, regional and local economies, which may be negatively impacted by inflation, deflation, government deficits, high unemployment rates, severe weather or other natural disasters, decreased consumer confidence, industry slowdowns, reduced corporate profits, lack of liquidity and other adverse business conditions;
- civil unrest, acts of war, terrorist attacks and natural or man-made disasters, including seismic activity and floods, which may result in uninsured and underinsured losses;
- changes in the enforcement or creation of laws, regulations and governmental policies, including, without limitation, health, safety, environmental, zoning and tax laws, government fiscal policies and the Americans with Disabilities Act (“ADA”);
- the illiquid nature of real estate investments, which may limit our ability to sell properties at the terms desired or at terms favorable to us;
- competition for investment opportunities from other real estate investors with significant capital, including other REITs, real estate operating companies and institutional investment funds; and
- fluctuations in interest rates and the availability and cost of financing, which could adversely affect our ability and the ability of potential buyers and tenants of our properties, to obtain financing on favorable terms or at all.

During a period of economic slowdown or recession, or the public perception that such a period may occur, declining demand for real estate could result in a general decline in rents or an increased incidence of defaults among our existing tenants, and, consequently, our properties may fail to generate revenues sufficient to meet operating, debt service and other expenses. As a result, we may have to borrow funds to cover fixed costs, and our cash flow, financial condition and results of operations could be adversely affected. As such, the market price of our common shares, and our ability to service debt obligations and pay dividends and other distributions to security holders could be adversely affected.

E-commerce may have an adverse impact on our tenants and our business.

E-commerce continues to gain popularity and growth in Internet sales is likely to continue in the future. E-commerce could result in a downturn in the business of some of our current tenants and could affect the way other current and future tenants lease space. For example, the migration towards e-commerce has led many omnichannel retailers to prune the number and size of their traditional “brick and mortar” locations to increasingly rely on e-commerce and alternative distribution channels. Many tenants also permit merchandise purchased on their websites to be picked up at, or returned to, their physical store locations, which may have the effect of decreasing the reported amount of their in-store sales and the amount of rent we are able to collect from them (particularly with respect to those tenants who pay rent based on a percentage of their in-store sales). We cannot predict with certainty how growth in e-commerce will impact the demand for space at our properties or how much revenue will be generated at traditional store locations in the future. If the shift towards e-commerce causes declines in the “brick and mortar” sales generated by our tenants and/or causes our tenants to reduce the size or number of their retail locations in the future, our cash flow, financial condition and results of operations could be materially and adversely affected.

Retail real estate is a competitive business.

Competition in the retail real estate industry is intense. We compete with a large number of public and private retail real estate companies, including property owners and developers. We compete with these companies to attract customers to our properties, as well as to attract anchor, non-anchor and other tenants. We also compete with these companies for development, redevelopment and acquisition opportunities. Other owners and developers may attempt to take existing tenants from our shopping centers by offering lower rents or other incentives to compel them to relocate. This competition could have a material adverse effect on our ability to lease space and on the amount of rent and expense reimbursements that we receive.

We depend on leasing space to tenants on economically favorable terms and on collecting rent from tenants who ultimately may not be able to pay.

Our financial results depend significantly on leasing space in our properties to tenants on economically favorable terms. A majority of our income depends on the ability of our tenants to pay the full amount of rent and other charges due under their leases on a timely basis. Some of our leases provide for the payment, in addition to base rent, of additional rent above the base amount according to a specified percentage of the gross sales generated by the tenants and generally provide for reimbursement of real estate taxes and expenses of operating the property. Economic and/or competitive conditions may impact the success of our tenants' retail operations and therefore the amount of rent and expense reimbursements we receive from our tenants. While demand for our retail spaces has been strong, there can be no assurance in our ability to maintain our occupancy levels on favorable terms. Any reduction in our tenants' abilities to pay base rent, percentage rent or other charges on a timely basis will decrease our income, funds available to pay indebtedness and funds available for distribution to shareholders. If a tenant does not pay its rent, we might not be able to enforce our rights as landlord without delays and might incur substantial legal and other costs. During periods of economic adversity, there may be an increase in the number of tenants that cannot pay their rent and an increase in vacancy rates, which could materially and adversely affect our cash flow, financial condition and results of operations.

We may be unable to renew leases or relet space as leases expire.

When our tenants decide not to renew their leases upon their expiration, we may not be able to relet the space. Spaces that accounted for approximately 8% of our annualized base rent for the fiscal year ended December 31, 2019 were vacant as of December 31, 2019, excluding leases signed but not commenced. In addition, leases accounting for approximately 22% of our annualized base rent for the fiscal year ended December 31, 2019 are scheduled to expire within the next three years. Even if tenants do renew or we can relet the space, the terms of the renewal or reletting, taking into account among other things, the cost of improvements to the property and leasing commissions, may be less favorable than the terms in the expired leases. In addition, changes in space utilization by our tenants may impact our ability to renew or relet space without the need to incur substantial costs in renovating or redesigning the internal configuration of the relevant property. If we are unable to promptly renew the leases or relet the space at similar rates or if we incur substantial costs in renewing or reletting the space, our cash flow and ability to service debt obligations and pay dividends and other distributions to security holders could be adversely affected.

Bankruptcy or insolvency of tenants may decrease our revenues, net income and available cash.

From time to time, some of our tenants have declared bankruptcy and other tenants may declare bankruptcy or become insolvent in the future. For example, during the year ended December 31, 2018, Toys "R" Us Inc. ("Toys "R" Us"), Sears Holding Corporation ("Sears"), National Stores Inc. ("Fallas") and National Wholesale Liquidators filed for Chapter 11 bankruptcy protection. See Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources included in Part II, Item 7. in this Annual Report on Form 10-K and the Notes to Consolidated Financial Statements included in Part II, Item 8. in this Annual Report on Form 10-K.

Tenants who file for bankruptcy protection have the legal right to reject any or all of their leases and close related stores. In the event that a tenant with a significant number of leases in our properties files for bankruptcy and rejects its leases, we could experience a significant reduction in our revenues and we may not be able to collect all pre-petition amounts owed by that party, which may adversely affect our cash flow, financial condition and results of operations. The bankruptcy or insolvency of a major tenant at one of our properties could also negatively impact our ability to lease other existing or future vacancies at any such property. In addition, our leases generally do not contain restrictions designed to ensure the ongoing creditworthiness of our tenants. The bankruptcy or insolvency of a major tenant could result in a lower level of net income, which may adversely affect our cash flow, financial condition and results of operations and decrease funds available to pay our indebtedness or make distributions to shareholders. See Part I, Item 2. "Properties" in this Annual Report on Form 10-K.

A significant number of our properties are located in the New York metropolitan area and are affected by the economic cycles there.

Because a significant number of our properties are located in the New York metropolitan area, we are particularly susceptible to adverse economic and other developments in that area. Notably, as of December 31, 2019, one of our New York metropolitan area properties, The Outlets at Bergen Town Center, in Paramus, NJ, generated in excess of 10% of our rental revenue. Collectively, our New York metropolitan area properties in the aggregate generated 75% of our rental revenue as of December 31, 2019. Real estate markets are subject to economic downturns and we cannot predict the economic conditions in the New York metropolitan area in either the short-term or long-term. Poor economic or market conditions in the New York metropolitan area, may adversely affect our cash flow, financial condition and results of operations.

Risks related to Puerto Rico.

Our two malls in Puerto Rico make up approximately 8% of our Net Operating Income. Puerto Rico faces significant fiscal and economic challenges, including its government filing for bankruptcy protection in 2017. In addition, Hurricanes Irma and Maria placed significant, lasting stress on the island's already strained economy and infrastructure, exacerbated by recent earthquakes. These factors have led to an ongoing emigration trend of Puerto Rico residents to the United States and elsewhere. The combination of these circumstances could result in less disposable income for the purchase of goods sold in our malls and the inability of merchants to pay rent and other charges. Any of these events could negatively impact our ability to lease space on terms and conditions we seek and could have a material adverse effect on our business and results of operations. As of December 31, 2019, the Company has individual, non-recourse mortgages on each of its Puerto Rico properties as follows: a \$113.2 million mortgage, comprised of a senior and junior loan, maturing in July 2021 secured by The Outlets at Montehiedra and a \$129 million mortgage maturing in August 2024 secured by the Las Catalinas Mall.

Natural disasters could have a concentrated impact on us.

We own properties near the Atlantic Coast and in Puerto Rico which are subject to natural disasters such as hurricanes, floods and storm surges. We also have four properties in California that could be impacted by earthquakes. As a result, we could become subject to business interruption, significant losses and repair costs, such as those we experienced from Hurricane Maria, which damaged and caused the temporary closure of our two properties in Puerto Rico. The Company maintains comprehensive, all-risk property and rental value insurance coverage on our properties, however losses resulting from a natural disaster may be subject to a deductible or not fully covered and such losses could adversely affect our cash flow, financial condition and results of operations.

Some of our properties depend on anchor or major tenants and decisions made by these tenants, or adverse developments in the businesses of these tenants, could materially and adversely affect our business, results of operations and financial condition.

Some of our properties have anchor or major tenants that generally occupy larger spaces, sometimes pay a significant portion of a property's total rent and often contribute to the success of other tenants by drawing customers to a property. If an anchor or major tenant closes, such closure could adversely affect the property even if the tenant continues to pay rent due to the loss of the anchor or major tenant's drawing power. Additionally, closure of an anchor or major tenant could result in lease terminations by, or reductions in rent from, other tenants if the other tenants' leases have co-tenancy clauses that permit cancellation or rent reduction if an anchor tenant closes. Retailer consolidation, store rationalization, competition from internet sales and general economic conditions may decrease the number of potential tenants available to fill available anchor tenant spaces. As a result, in the event one or more anchor tenants were to leave one or more of our centers, we cannot be sure that we would be able to lease the vacant space on equivalent terms or at all. In addition, we may not be able to recover costs owed to us by the closed tenant. In certain cases, some anchor and non-anchor tenants may be able to terminate their leases if they do not achieve defined sales levels.

Development and redevelopment activities have inherent risks, which could adversely impact our cash flow, financial condition and results of operations.

We may develop or redevelop properties when we believe that doing so is consistent with our business strategy. As of December 31, 2019, we had 13 properties in our redevelopment project pipeline and nine active redevelopment projects. We have invested a total of approximately \$35.7 million in our active projects, which are at various stages of completion, and based on our current plans and estimates, we anticipate it will cost an additional \$29.9 million to complete our active projects. We anticipate engaging in additional development and redevelopment activities in the future. In addition to the risks associated with real estate investments in general as described elsewhere, the risks associated with future development and redevelopment activities include:

- expenditure of capital and time on projects that may never be completed;
- failure or inability to obtain financing on favorable terms or at all;
- inability to secure necessary zoning or regulatory approvals;

- higher than estimated construction or operating costs, including labor and material costs;
- inability to complete construction on schedule due to a number of factors, including inclement weather, labor disruptions, construction delays, delays or failure to receive zoning or other regulatory approvals, acts of terror or other acts of violence, or natural disasters (such as fires, seismic activity or floods);
- significant time lag between commencement and stabilization resulting in delayed returns and greater risks due to fluctuations in the general economy, shifts in demographics and competition;
- decrease in customer traffic during the redevelopment period causing a decrease in tenant sales;
- inability to secure key anchor or other tenants at anticipated pace of lease-up or at all; and
- occupancy and rental rates at a newly completed project that may not meet expectations.

If any of the above events were to occur, they may hinder our growth and may have an adverse effect on our cash flow, financial condition and results of operations. In addition, new development and significant redevelopment activities, regardless of whether they are ultimately successful, typically require substantial time and attention from management.

We face significant competition for acquisitions of properties, which may reduce the number of acquisition opportunities available to us and increase the costs of these acquisitions.

The current market for acquisitions of properties in our core markets continues to be competitive. This competition may increase the demand for the types of properties in which we typically invest and, therefore, increase the prices paid for such acquisition properties. We also face significant competition for attractive acquisition opportunities from an indeterminate number of investors, including publicly-traded and privately-held REITs, private equity investors and institutional investment funds, some of which have greater financial resources, greater ability to borrow funds and the willingness to accept more risk than we can prudently manage, including risks with respect to the geographic proximity of investments and the payment of higher acquisition prices. This competition will increase if investments in real estate become more attractive relative to other forms of investment. Competition for investments may reduce the number of suitable investment opportunities available to us and may have the effect of increasing prices paid for such acquisition properties and, as a result, adversely affecting our ability to grow through acquisitions.

Our operating results at acquired properties may not meet our financial expectations.

Our ability to complete acquisitions on favorable terms and successfully operate or develop them is subject to the following risks:

- we may incur significant costs and divert management 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 new acquisitions, particularly the acquisition of portfolios of properties, into our existing operations;
- we may acquire properties that are not initially accretive to our results upon acquisition, and we may not successfully manage and lease those properties to meet our expectations; and
- we may acquire properties subject to liabilities and 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, trustees, officers and others indemnified by the former owners of the properties.

If we are unable to complete acquisitions on favorable terms, or efficiently integrate such acquisitions, our cash flow, financial condition and results of operations could be adversely affected.

It may be difficult to dispose of real estate quickly, which may limit our flexibility.

Real estate is relatively difficult to dispose of quickly. Consequently, we may have limited ability to promptly change our portfolio in response to changes in economic or other conditions. Moreover, our ability to dispose of, or finance real estate may be materially and adversely affected during periods of uncertainty or unfavorable conditions in the credit markets as we or potential buyers of our real estate may experience difficulty in obtaining financing. To dispose of low basis deferral or tax-protected properties efficiently we from time to time use like-kind exchanges, which are intended to qualify for non-recognition of taxable gain, but can be difficult to consummate and result in the property for which the disposed assets are exchanged inheriting their low tax bases and other tax attributes (including tax protection covenants). These challenges related to dispositions may limit our flexibility.

Many real estate costs are fixed, even if income from our properties decreases.

Our financial results depend primarily on leasing space in our properties to tenants on terms favorable to us. Costs associated with operating real estate, such as real estate taxes, insurance and maintenance costs, generally are not reduced even when a property is not fully occupied, rental rates decrease, or other circumstances cause a reduction in income from the property. As a result, cash flow from operations may be reduced if a tenant does not pay its rent or we are unable to rent our properties on favorable terms.

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

A number of the properties in our portfolio are either completely or partially on land that is owned by third parties and leased to us pursuant to ground or building leases. Accordingly, we only own a long-term leasehold or similar interest in those properties. If we are found to be in breach of a ground or building lease and that breach cannot be cured, we could lose our interest in the improvements and the right to operate the property. In addition, unless we can purchase a fee interest in the underlying land or building or extend the terms of these leases before or at their expiration, as to which no assurance can be given, we will lose our interest in the improvements and the right to operate these properties. However, in certain cases, our ability to exercise such options is subject to the condition that we are not in default under the terms of the ground or building lease at the time that we exercise such options, and we can provide no assurances that we will be able to exercise our options at such time. If we were to lose the right to operate a property due to a breach or non-renewal of the ground or building lease, we would be unable to derive income from such property, which could materially and adversely affect us.

Loss of our key personnel could adversely affect the value of our business, results of operations and financial condition.

We are dependent on our key executive personnel. Although we believe qualified replacements could be found for these key executives in the event of a departure, the loss of one or more of their services, market knowledge and business relationships, could materially and adversely affect our business, results of operations and financial condition.

Our business and operations would suffer in the event of system failures.

Despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for our information technology (“IT”) infrastructure, our systems are vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, terrorism, war and telecommunication failures. We have placed reliance on third party managed services to perform a number of IT-related functions. We implemented a new information technology platform in August 2017, including a new enterprise resources planning (“ERP”) system. We may experience system difficulties related to our new platform and integrating the services provided by third parties. If we experience a system failure or accident that causes interruptions in our operations, we could experience material and adverse disruptions to our business. We may also incur additional costs to remedy damages caused by such disruptions.

We face risks associated with security and cyber security breaches.

We face risks associated with security breaches, whether through cyber attacks or cyber intrusions over the internet, malware, computer viruses, attachments to emails, persons inside our organization or persons with access to systems, and other significant disruptions of our IT networks and related systems. Similarly, vendors from whom we receive outsourced IT-related services, including third-party platforms, face the same risks, which could in turn affect us. Our internal and outsourced IT networks and related systems are essential to the operation of our business and our ability to perform day to day operations. Although (i) we make efforts to maintain the security and integrity of our IT networks and related systems and ensure that our vendors do and (ii) we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we or our vendors may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

A breach or significant and extended disruption in the functioning of our systems, including our primary website, may damage our reputation and cause us to lose customers, tenants and revenues, generate third-party claims, result in the unintended and/or unauthorized public disclosure or the misappropriation of proprietary, personal identifying and confidential information, and require us to incur significant expenses to address and remediate or otherwise resolve these kinds of issues, and we may not be able to recover these expenses in whole or in any part from our service providers, responsible parties, or insurance carriers which could have a material adverse effect on our business and operations.

We may incur significant costs to comply with environmental laws and environmental contamination may impair our ability to lease and/or sell real estate.

Our operations and properties are subject to various federal, state and local laws and regulations concerning the protection of the environment including air and water quality, hazardous or toxic substances and health and safety. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of hazardous or toxic substances. The cost of any required remediation may exceed the value of the property and/or the aggregate assets of the owner or the responsible party. The presence of, or the failure to properly remediate, hazardous or toxic substances may adversely affect our ability to sell or lease a contaminated property or to use the property as collateral for a loan. We can provide no assurance that we are aware of all potential environmental liabilities; that any previous owner, occupant or tenant did not create any material environmental condition not known to us; that our properties will not be affected by tenants or nearby properties or other unrelated third parties; and that future uses or conditions, or changes in environmental laws and regulations will not result in additional material environmental liabilities to us. For example, during the years ended December 31, 2019 and December 31, 2018, the Company recognized \$1.4 million and \$0.6 million, respectively, of environmental remediation costs at certain properties based on third-party estimates of the potential costs of remediation at these properties.

Generally, our tenants must comply with environmental laws and meet remediation requirements. Our leases typically impose obligations on our tenants to indemnify us from any compliance costs we may incur as a result of the environmental conditions on the property caused by the tenant. If a lease does not require compliance or if a tenant fails to or cannot comply, we could be forced to pay these costs.

If not addressed, environmental conditions could impair our ability to sell or re-lease the affected properties in the future or result in lower sales prices or rent payments, which could adversely impact our cash flow, financial condition and results of operations.

Some of our potential losses may not be covered by insurance.

The Company maintains (i) general liability insurance with limits of \$200 million for properties in the U.S. and Puerto Rico and (ii) all-risk property insurance with limits of \$500 million per occurrence and in the aggregate for properties in the U.S. and \$139 million for properties in Puerto Rico, subject to the terms, conditions, exclusions, deductibles and sub-limits when applicable for certain perils such as floods and earthquakes and (iii) numerous other insurance policies including trustees' and officers' insurance, workers' compensation and automobile-related liabilities insurance. The Company's insurance includes coverage for acts of terrorism but excludes coverage for nuclear, biological, chemical or radiological terrorism events as defined by the Terrorism Risk Insurance Program Reauthorization Act, which expires in December 2020. In addition, the Company maintains coverage for certain cybersecurity losses providing first and third-party coverage including network interruption, event management, cyber extortion and claims for media content, security and privacy liability. Insurance premiums are typically charged directly to each of the retail properties and warehouses but not all of the cost of such premiums are recovered. The Company is responsible for deductibles, losses in excess of insurance coverage, and the portion of premiums not reimbursable by tenants at our properties, which could be material.

We continue to monitor the state of the insurance market and the scope and costs of available coverage. We cannot anticipate what coverage will be available on commercially reasonable terms in the future and expect premiums across most coverage lines to increase in light of recent events. The incurrence of uninsured losses, costs or uncovered premiums could materially and adversely affect our business, results of operations and financial condition.

Certain of our loans and other agreements contain customary covenants requiring the maintenance of insurance coverage. Although we believe that we currently have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. If lenders or other counterparties insist on greater coverage than we are able to obtain, such requirement could materially and adversely affect our ability to finance our properties and expand our portfolio.

Future terrorist acts and shooting incidents could harm the demand for, and the value of, our properties.

Over the past several years, a number of highly publicized terrorist acts and shootings have occurred at domestic and international retail properties. In the event concerns regarding safety were to alter shopping habits or deter customers from visiting shopping centers, our tenants would be adversely affected as would the general demand for retail space. Additionally, if such incidents were to continue, insurance for such acts may become limited or subject to substantial cost increases. Such an incident at one of our properties, particularly one in which we generate a significant amount of revenue, could materially and adversely affect our business, results of operations and financial condition.

Our assets may be subject to impairment charges.

Real estate is carried at cost, net of accumulated depreciation and amortization. Our properties are individually reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the property may not be recoverable. An impairment exists when the carrying amount of an asset exceeds the aggregate projected future cash flows over the anticipated holding period on an undiscounted basis. An impairment loss is measured by the excess of the property's carrying amount over its estimated fair value. Recording an impairment charge results in an immediate reduction in our income in the period in which the charge is taken, which could materially and adversely affect our results of operations and financial condition.

Compliance or failure to comply with the Americans with Disabilities Act, safety regulations or other requirements could result in substantial costs.

The ADA generally requires that public buildings including our properties meet certain federal requirements related to access and use by disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants and/or legal fees to their counsel. We could be required under the ADA to make substantial alterations to, and capital expenditures at, one or more of our properties, including the removal of access barriers, which could materially and adversely affect our business, results of operations and financial condition.

Our properties are subject to various federal, state and local regulatory requirements such as state and local fire and life safety regulations. If we fail to comply with these requirements, we could incur fines or private damage awards. We do not know whether existing requirements will change or whether compliance with future requirements will require significant unanticipated expenditures. If we incur substantial costs to comply with the ADA and any other legislation, our cash flow, financial condition and results of operations could be adversely affected.

Changes in accounting principles, or interpretations thereof, could have a significant impact on our financial position and results of operations.

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). These principles are subject to interpretation by the U.S. Securities and Exchange Commission and various bodies formed to interpret and create appropriate accounting principles. A change in these principles can have a significant effect on our reported results and may even retroactively affect previously reported transactions. Additionally, the adoption of new or revised accounting principles may require that we make significant changes to our systems, processes and controls.

For example, in February 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-02, *Leases*, which requires lessees to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months, regardless of classification. Implementing ASUs, as well as other new accounting guidance may require us to make significant upgrades to and investments in our ERP systems, and could result in significant adverse changes to our financial statements. For additional information regarding updated standards, see the section titled "Recently Issued Accounting Literature" in Note 3 to the audited consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K.

We face possible adverse changes in tax law.

Changes in U.S. federal, state and local tax laws or regulations, with or without retroactive application, could have a negative effect on us. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify to be taxed as a REIT and/or the U.S. federal income tax consequences to our investors and to the Company of such qualification. Any changes to the Code and Treasury Regulations promulgated thereunder that apply to determine the taxability of our separation from Vornado have been the subject of change and may continue to be the subject of change, possibly with retroactive application, which could have a negative effect on our shareholders and could adversely affect our business, results of operations and financial condition, and the amount of cash available for payment of dividends. Even changes that do not impose greater taxes on us could potentially result in adverse consequences to our shareholders.

In December 2019, the IRS issued proposed Treasury regulations related to Section 162(m) of the Code that extend the \$1 million deduction limit that publicly traded corporations may take for compensation paid to "covered employees" to a REIT's distributive share of any compensation paid by the REIT's operating partnership to certain current and former executive officers of the REIT. This change may limit our ability to deduct certain compensation that would have been deductible under prior law.

Our existing tax protection agreements, and any tax protection agreements that we enter into in the future, could limit our flexibility with respect to disposing of certain of properties or refinancing our indebtedness.

In connection with certain contributions of properties to UELP, we and UELP have entered into tax protection agreements with the contributors of such properties that generally provide that if we dispose of any interest in the contributed properties in a taxable transaction within a certain time period, subject to certain exceptions, we may be required to indemnify the contributors for their tax liabilities attributable to the built-in gain that existed with respect to such property interests, and certain tax liabilities incurred

as a result of such tax protection payments. Therefore, although it may be in our stockholders' best interests that we sell a contributed property, it may be economically prohibitive for us to do so because of these obligations. In the future, we and UELP may enter into additional tax protection agreements which could further limit our flexibility to sell or otherwise dispose of our properties.

In addition, one of our current tax protection agreements requires, and any tax protection agreements we enter into in the future may require, UELP to maintain for specified periods of time secured debt on certain of our assets and/or allocate partnership debt to certain contributors of properties to enable them to continue to defer recognition of their taxable gain with respect to the contributed properties. If the failure of UELP to maintain such levels of debt causes any such contributor to recognize gain, we may be required to deliver to such contributor a cash payment intended to approximate the contributor's tax liability resulting from such failure and certain tax liabilities incurred as a result of such tax protection payment. This tax protection agreement may restrict UELP's ability to repay or refinance debt or require UELP to maintain more or different debt than UELP would otherwise require for our business.

Covenants in our existing financing agreements may restrict our operating, financing, redevelopment, development, acquisition and other activities.

The mortgages on our properties contain customary covenants such as those that limit our ability, without the prior consent of the lender, to further mortgage the applicable property or to reduce insurance coverage. Our existing revolving credit facility contains, and any debt that we may obtain in the future may contain, customary restrictions, requirements and other limitations on our ability to incur indebtedness, including covenants (i) that limit our ability to incur debt based upon (1) our ratio of total debt to total assets, (2) our ratio of secured debt to total assets, (3) our ratio of earnings before interest, tax, depreciation and amortization (EBITDA) to interest expense and (4) our ratio of EBITDA to fixed charges, and (ii) that require us to maintain a certain level of unencumbered assets to unsecured debt. Our ability to borrow is subject to compliance with these and other covenants. Failure to comply with our covenants could cause a default under the applicable debt instrument and we may then be required to repay such debt with capital from other sources or to give possession of a secured property to the lender. Under those circumstances, other sources of capital may not be available to us or may be available only on unattractive terms.

Risks related to our outstanding debt.

If we are unable to obtain debt financing or refinance existing indebtedness upon maturity on terms favorable to us, our financial condition and results of operations would likely be adversely affected. In addition, the cost of our existing variable rate debt may increase, especially in a rising interest rate environment, and we may not be able to refinance our existing debt in sufficient amounts or on acceptable terms. As of December 31, 2019, we had \$169.5 million of variable rate debt and our \$600 million revolving credit facility, on which no balance is outstanding at December 31, 2019, bears interest at a floating rate based on the London Interbank Offered Rate ("LIBOR") plus an applicable margin, and we may continue to borrow additional funds at variable interest rates in the future. In the event that LIBOR is discontinued, the interest rates of our debt following such event will be based on either alternate base rates or agreed upon replacement rates. Such an event would not affect our ability to borrow or maintain already outstanding borrowings, although it could result in higher interest rates. Increases in interest rates would increase the interest expense on our variable rate debt and reduce our cash flow, which could (i) adversely affect our ability to service our debt and meet our other obligations and (ii) reduce the amount we are able to distribute to our shareholders. If the cost or amount of our indebtedness increases or we cannot refinance our debt in sufficient amounts or on acceptable terms, we are at risk of default on our obligations, which could have a material adverse effect on us.

Defaults on secured indebtedness may result in foreclosure.

In the event that we default on mortgages in the future, either as a result of ceasing to make debt service payments or failing to meet applicable covenants, the lenders may accelerate the related debt obligations and foreclose and/or take control of the properties that secure their loans. As of December 31, 2019, we had \$1.6 billion of secured debt outstanding and 31 of our properties were encumbered by secured debt. Further, for tax purposes, the foreclosure of a mortgage may result in the recognition of taxable income related to the extinguished debt without us having received any accompanying cash proceeds. As a result, since we are structured as a REIT, we may be required to identify and utilize sources for distributions to our shareholders related to such taxable income in order to avoid incurring corporate tax or to meet the REIT distribution requirements imposed by the Code.

We may not be able to obtain capital to make investments.

We depend primarily on external financing to fund the growth of our business because one of the requirements of the Code for a REIT is that it distributes at least 90% of its taxable income, excluding net capital gains, to its shareholders. There is a separate requirement to distribute net capital gains or pay a corporate level tax in lieu thereof. Our access to debt or equity financing depends on the willingness of third parties to lend to or to make equity investments and on conditions in the capital markets generally. There can be no assurance that new financing or other capital will be available or available on acceptable terms. The failure to obtain financing or other capital could materially and adversely affect our business, results of operations and financial condition.

For information about our available sources of funds, see Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources included in Part II, Item 7. in this Annual Report on Form 10-K and the Notes to Consolidated Financial Statements included in Part II, Item 8. in this Annual Report on Form 10-K.

We may fail to qualify or remain qualified as a REIT and may be required to pay income taxes at corporate rates.

Although we believe that we will remain organized and will continue to operate so as to qualify as a REIT for federal income tax purposes, we may fail to remain so qualified. Qualifications are governed by highly technical and complex provisions of the Code for which there are only limited judicial or administrative interpretations and that depend on various facts and circumstances that are not entirely within our control. In addition, legislation, new regulations, administrative interpretations or court decisions may significantly change the relevant tax laws and/or the federal income tax consequences of qualifying as a REIT. If, with respect to any taxable year, we fail to maintain our qualification as a REIT and do not qualify under statutory relief provisions, we could not deduct distributions to shareholders in computing our taxable income and would have to pay federal income tax on our taxable income at regular corporate rates. The federal income tax payable would include any applicable alternative minimum tax (which, for corporations, was repealed for tax years beginning after December 31, 2017 under the TCJA). If we had to pay federal income tax, the amount of money available to distribute to shareholders and pay our indebtedness would be reduced for the year or years involved, and we would no longer be required to make distributions to shareholders. In addition, we would also be disqualified as a REIT for the four taxable years following the year during which qualification was lost unless we were entitled to relief under the relevant statutory provisions.

We are also required to pay certain corporate-level taxes on our assets located in Puerto Rico and such taxes may increase if recently proposed taxes are implemented.

REIT distribution requirements could adversely affect our liquidity and our ability to execute our business plan.

To qualify to be taxed as a REIT, and assuming that certain other requirements are also satisfied, we generally must distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, to our shareholders each year so that U.S. federal corporate income tax does not apply to earnings that we distribute. To the extent that we satisfy this distribution requirement and qualify for taxation as a REIT, but distribute less than 100% of our REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains, we will be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we distribute to our shareholders in a calendar year is less than a minimum amount specified under U.S. federal income tax laws. We intend to distribute 100% of our REIT taxable income to our shareholders.

From time to time, we may generate taxable income greater than our cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the effect of limitations on interest and net operating loss deductibility under the TCJA, the creation of reserves, or required debt or amortization payments. If we do not have other funds available in these situations, we could be required to borrow funds on unfavorable terms, sell assets at disadvantageous prices, distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt, or make taxable distributions of our shares or debt securities to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT distribution requirement and avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs or reduce our equity. Further, amounts distributed will not be available to fund investment activities. Thus, compliance with the REIT requirements may hinder our ability to grow, which could adversely affect the value of our shares. Any restrictions on our ability to incur additional indebtedness or make certain distributions could preclude us from meeting the 90% distribution requirement. Decreases in funds from operations due to unfinanced expenditures for acquisitions of properties or increases in the number of shares outstanding without commensurate increases in funds from operations would adversely affect our ability to maintain distributions to our shareholders. Consequently, there can be no assurance that we will be able to make distributions at the anticipated distribution rate or any other rate.

Risks related to Section 1031 Exchanges.

From time to time we may dispose of properties in transactions that are intended to qualify as “like kind exchanges” under Section 1031 of the Code (“Section 1031 Exchanges”). It is possible that the qualification of a transaction as a Section 1031 Exchange could be successfully challenged and determined to be currently taxable. In such case, our taxable income and earnings and profits would increase. In some circumstances, we may be required to pay additional dividends or, in lieu of that, corporate income tax, possibly including interest and penalties. As a result, we may be required to borrow funds in order to pay additional dividends or taxes, and the payment of such taxes could cause us to have less cash available to distribute to our shareholders. In addition, if a Section 1031 Exchange were later to be determined to be taxable, we may be required to amend our tax returns for the applicable year in question, including any information reports we sent our shareholders. Moreover, it is possible that legislation could be enacted that could modify or repeal the laws with respect to Section 1031 Exchanges, which could make it more difficult or not possible for us to dispose of properties on a tax deferred basis.

Risk related to the terms of our agreements related to our separation from Vornado.

In connection with our separation from Vornado, we entered into certain agreements with Vornado, including a separation agreement (the “Separation Agreement”) and a tax matters agreement (the “Tax Matters Agreement”, together with the Separation Agreement, the “Agreements”), which govern certain aspects of our relationship with Vornado. For example, the Tax Matters Agreement governs Vornado’s and UE’s respective rights, responsibilities and obligations with respect to taxes and liabilities and certain other tax matters. Pursuant to the agreement, UE may be required to indemnify Vornado in certain circumstances. The Separation Agreement also contains indemnification provisions which may make us financially responsible for substantially all liabilities that may exist relating to our business activities, whether incurred prior to or after the separation and distribution, as well as additional obligations of Vornado that we assumed pursuant to the Separation Agreement.

The terms of our Agreements, including those relating to tax and indemnification, were determined while we were still a wholly-owned subsidiary of Vornado. They were determined by persons who were, at the time, employees, officers or trustees of Vornado or its subsidiaries and, as a result, the terms of those agreements may not reflect terms that would have resulted from arm’s-length negotiations between unaffiliated third parties. Arm’s-length negotiations between Vornado and an unaffiliated third party in another form of transaction, such as a buyer in a sale of a business transaction, may have resulted in more favorable terms to the unaffiliated third party. See “Certain Relationships and Related Person Transactions.”

There is no assurance that Vornado can satisfy its indemnification obligations to us or that such indemnification can fully offset the related liabilities.

Pursuant to the Separation Agreement, Vornado has agreed to retain and indemnify us for certain liabilities. However, third parties could seek to hold us responsible for any of such liabilities and there can be no assurance that Vornado will fully satisfy its indemnification obligations. Even if we ultimately succeed in recovering from Vornado any amounts for which we are held liable, such indemnification may be insufficient to fully offset the financial impact of such liabilities and we may be temporarily required to bear these losses while seeking recovery from Vornado.

RISKS RELATED TO OUR COMMON SHARES

The market prices and trading volume of our equity securities may be volatile.

The market prices of our equity securities depend on various factors which may be unrelated to our operating performance or prospects. We cannot assure you that the market prices of our equity securities, including our common shares, will not fluctuate or decline significantly in the future.

A number of factors could negatively affect, or result in fluctuations in, the prices or trading volume of equity securities, including:

- actual or anticipated changes in our operating results and changes in expectations of future financial performance;
- our operating performance and the performance of other similar companies;
- changes in the real estate industry, and in the retail industry, including growth in e-commerce, catalog companies and direct consumer sales;
- our strategic decisions, such as acquisitions, dispositions, spin-offs, joint ventures, strategic investments or changes in business strategy;
- equity issuances or buybacks by us or the perception that such issuances or buybacks may occur or adverse reaction market reaction to any indebtedness we incur;
- increases in market interest rates;
- decreases in our distributions to shareholders;
- changes in real estate valuations or market valuations of similar companies;
- additions or departures of key management personnel;
- publication of research reports about us or our industry by securities analysts, or negative speculation in the press or investment community;
- the passage of legislation or other regulatory developments that adversely affect us, our tax status, or our industry;
- changes in accounting principles;
- our failure to satisfy the listing requirements of the NYSE;
- our failure to comply with the requirements of the Sarbanes-Oxley Act;

- our failure to qualify as a REIT; and
- general market conditions, including factors unrelated to our performance.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on our cash flow, financial condition and results of operations.

We cannot guarantee the timing, amount, or payment of dividends on our common shares.

Although we expect to pay regular cash dividends, the timing, declaration, amount and payment of dividends to shareholders falls within the discretion of the Board of Trustees. The Board of Trustees' decisions regarding the payment of dividends depends on factors such as our financial condition, earnings, capital requirements, debt service obligations, limitations under our financing arrangements, industry practice, legal requirements, regulatory constraints, and other considerations that it deems relevant. Our ability to pay dividends depends on our ongoing ability to generate cash from operations and access to the capital markets. We cannot guarantee that we will pay dividends in the future.

Your percentage of ownership in the Company may be diluted in the future.

In the future, your ownership in us may be diluted because of equity issuances for acquisitions, capital market transactions or compensatory equity awards to our trustees, officers or employees, or otherwise. The issuance of additional common shares would dilute the interests of our current shareholders, and could depress the market price of our common shares, impair our ability to raise capital through the sale of additional equity securities, or impact our ability to pay dividends. We cannot predict the effect that future sales of our common shares or other equity-related securities including the issuance of Operating Partnership units would have on the market price of our common shares.

In addition, the Company's Declaration of Trust authorizes us to issue, without the approval of our shareholders, one or more classes or series of preferred shares having such designation, voting powers, preferences, rights and other terms, including preferences over our common shares respecting dividends and other distributions, as the Board of Trustees generally may determine. The terms of one or more classes or series of preferred shares could dilute the voting power or reduce the value of our common shares. For example, we could grant the holders of preferred shares the right to elect some number of our trustees in all events or on the occurrence of specified events, or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred shares could affect the residual value of the common shares.

Increases in market interest rates may result in a decrease in the value of our publicly-traded equity securities.

One of the factors that may influence the prices of our publicly-traded equity securities is the interest rate on our debt and the dividend yield on our common shares relative to market interest rates. If market interest rates, which are currently at low levels relative to historical rates, rise, our borrowing costs could rise and result in less funds being available for distribution. Therefore, we may not be able to, or we may choose not to, provide a higher distribution rate on our common stock. In addition, fluctuations in interest rates could adversely affect the market value of our properties. These factors could result in a decline in the market prices of our publicly-traded equity securities.

RISKS RELATED TO OUR ORGANIZATION AND STRUCTURE

The Company's Declaration of Trust sets limits on the ownership of our shares.

Generally, for us to maintain a qualification as a REIT under the Code, not more than fifty percent (50%) in value of the outstanding shares of beneficial interest of the Company may be owned, directly or indirectly, by five or fewer individuals at any time during the last half of the Company's taxable year. The Code defines "individuals" for purposes of the requirement described in the preceding sentence to include some types of entities. Under the Company's Declaration of Trust, no person or entity (or group thereof) may own more than 9.8% (in value or number of shares, whichever is more restrictive) of our outstanding shares of any class or series, with some exceptions for persons or entities approved by the Board of Trustees. A transfer of shares of beneficial interest of the Company to a person who, as a result of the transfer, violates the ownership limit will be void under certain circumstances, and, in any event, would deny that person any of the economic benefits of owning shares in excess of the ownership limit. These restrictions on transferability and ownership may delay, deter or prevent a change in control of the Company or other transaction that might involve a premium price or otherwise be in the best interest of the shareholders.

The Company's Declaration of Trust limits the removal of members of the Board of Trustees.

The Company's Declaration of Trust provides that, subject to the rights of holders of one or more classes or series of preferred shares to elect or remove one or more trustees, a trustee may be removed only for cause and only by the affirmative vote of two-thirds of the votes entitled to be cast in the election of trustees. This provision, when coupled with the exclusive power of the

Board of Trustees to fill vacancies on the Board of Trustees, precludes shareholders from removing incumbent trustees except for cause and upon a substantial affirmative vote and filling the vacancies created by the removal with their own nominees. These limitations may delay, deter or prevent a change in control of the Company or other transactions that might involve a premium price or otherwise be in the best interest of our shareholders.

Maryland law contains provisions that may reduce the likelihood of certain takeover transactions.

Certain provisions of Maryland law, may have the effect of inhibiting a third-party from making a proposal to acquire us or of impeding a change in control under circumstances that otherwise could provide the holders of our shares, including:

- “Business combination” provisions that, subject to certain exceptions, prohibit certain business combinations between us and an “interested shareholder” (defined generally as any person who beneficially owns 10% or more of the voting power of our shares or an affiliate thereof or an affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10% or more of the voting power of our then outstanding voting shares at any time within the two-year period immediately prior to the date in question) for five years after the most recent date on which the shareholder becomes an interested shareholder, and thereafter impose fair price or super majority shareholder voting requirements on these combinations; and
- “Control share” provisions that provide that holders of “control shares” of the Company (defined as shares that, when aggregated with other shares controlled by the shareholder, entitle the shareholder to exercise voting power in the election of trustees within one of three increasing ranges) acquired in a “control share acquisition” (defined as the direct or indirect acquisition of ownership or control of the voting power of issued and outstanding “control shares,” subject to certain exceptions) have no voting rights with respect to their control shares, except to the extent approved by our shareholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

As permitted by Maryland law, the Company’s Bylaws provide that we will not be subject to the control share provisions of Maryland law. However, we cannot assure you that the Board of Trustees will not revise the Company’s Bylaws in order to be subject to such control share provisions in the future.

Certain provisions of Maryland law permit the board of trustees of a Maryland real estate investment trust with at least three independent trustees and a class of shares registered under the Exchange Act, without shareholder approval and regardless of what is currently provided in its declaration of trust or bylaws, to implement certain corporate governance provisions, some of which (for example, implementing a classified board) are not currently applicable to us. These provisions may have the effect of limiting or precluding a third party from making an unsolicited acquisition proposal for the Company or of delaying, deferring or preventing a change in control under circumstances that otherwise could provide the holders of shares of our shares with the opportunity to realize a premium over the then current market price.

We may issue additional shares in a manner that could adversely affect the likelihood of certain takeover transactions.

The Company’s Declaration of Trust and Bylaws authorize the Board of Trustees in its sole discretion and without shareholder approval, to:

- cause the Company to issue additional authorized, but unissued, common or preferred shares;
- classify or reclassify, in one or more classes or series, any unissued common or preferred shares;
- set the preferences, rights and other terms of any classified or reclassified shares that the Company issues; and
- increase the number of shares of beneficial interest that the Company may issue.

The Board of Trustees can establish a class or series of common or preferred shares whose terms could delay, deter or prevent a change in control of the Company or other transaction that might involve a premium price or otherwise be in the best interest of the Company’s shareholders. The Company’s Declaration of Trust and Bylaws contain other provisions that may delay, deter or prevent a change in control of the Company or other transaction that might involve a premium price or otherwise be in the best interest of our shareholders and the Company.

ITEM 1B. UNRESOLVED STAFF COMMENTS

There are no unresolved comments from the staff of the Securities and Exchange Commission as of the date of this Annual Report on Form 10-K.

ITEM 2. PROPERTIES

As of December 31, 2019, our portfolio is comprised of 74 shopping centers, four malls and a warehouse park totaling approximately 15.2 million square feet. We own our four malls, warehouse park and 57 shopping centers 100% in fee simple. We own a 95% interest in Walnut Creek (Mt. Diablo) and lease 16 of our shopping center properties under ground and/or building leases. As of December 31, 2019, we had \$1.6 billion of outstanding mortgage indebtedness which is secured by our properties. The following pages provide details of our properties as of December 31, 2019.

Property	Total Square Feet ⁽¹⁾	Percent Leased ⁽¹⁾	Weighted Average Annual Rent per sq ft ⁽²⁾	Major Tenants
SHOPPING CENTERS AND MALLS:				
California:				
Signal Hill	45,000	100.0%	\$26.49	Best Buy
Vallejo (leased through 2043) ⁽³⁾	45,000	100.0%	12.00	Best Buy
Walnut Creek (Olympic)	31,000	100.0%	70.00	Anthropologie
Walnut Creek (Mt. Diablo) ⁽⁴⁾	7,000	—%	—	
Connecticut:				
Newington	189,000	100.0%	9.97	Walmart, Staples
Maryland:				
Baltimore (Towson)	155,000	98.6%	24.47	Staples, HomeGoods, Tuesday Morning, Five Below, Ulta, Kirkland's, Sprouts, DSW (lease not commenced)
Rockville	94,000	98.0%	27.17	Regal Entertainment Group
Wheaton (leased through 2060) ⁽³⁾	66,000	100.0%	16.70	Best Buy
Massachusetts:				
Cambridge (leased through 2033) ⁽³⁾	48,000	100.0%	24.57	PetSmart, A.C. Moore
Revere (Wonderland Marketplace)	140,000	100.0%	13.16	Big Lots, Planet Fitness, Marshalls, Get Air
Missouri:				
Manchester	131,000	100.0%	11.22	Academy Sports, Bob's Discount Furniture, Pan-Asia Market
New Hampshire:				
Salem (leased through 2102) ⁽³⁾	39,000	100.0%	10.51	Fun City (lease not commenced)
New Jersey:				
Bergen Town Center - East, Paramus	253,000	97.5%	21.78	Lowe's, REI, Kirkland's, Best Buy
Bergen Town Center - West, Paramus	1,059,000	97.8%	32.83	Target, Century 21, Whole Foods Market, Burlington, Marshalls, Nordstrom Rack, Saks Off 5th, HomeGoods, H&M, Bloomingdale's Outlet, Nike Factory Store, Old Navy, Nieman Marcus Last Call Studio
Brick	278,000	94.7%	19.32	Kohl's, ShopRite, Marshalls, Kirkland's
Carlstadt (leased through 2050) ⁽³⁾	78,000	100.0%	23.79	Stop & Shop
Cherry Hill (Plaza at Cherry Hill)	422,000	73.0%	14.43	LA Fitness, Aldi, Raymour & Flanigan, Restoration Hardware, Total Wine, Guitar Center, Sam Ash Music
East Brunswick	427,000	100.0%	14.52	Lowe's, Kohl's, Dick's Sporting Goods, P.C. Richard & Son, T.J. Maxx, LA Fitness
East Hanover (200 - 240 Route 10 West)	343,000	99.2%	21.68	The Home Depot, Dick's Sporting Goods, Saks Off Fifth, Marshalls, Paper Store

East Hanover (280 Route 10 West)	28,000	100.0%	34.71	REI
East Rutherford	197,000	98.3%	12.71	Lowe's
Garfield	289,000	100.0%	15.22	Walmart, Burlington, Marshalls, PetSmart, Ulta
Hackensack	275,000	99.4%	23.67	The Home Depot, Staples, Petco, 99 Ranch
Hazlet	95,000	100.0%	3.70	Stop & Shop ⁽⁵⁾
Jersey City (Hudson Mall)	382,000	80.8%	16.94	Marshalls, Big Lots, Retro Fitness, Staples, Old Navy
Jersey City (Hudson Commons)	236,000	100.0%	12.62	Lowe's, P.C. Richard & Son
Kearny	114,000	100.0%	21.86	LA Fitness, Marshalls, Ulta
Lawnside	151,000	100.0%	16.31	The Home Depot, PetSmart
Lodi (Route 17 North)	171,000	—%	—	
Lodi (Washington Street)	85,000	87.6%	22.06	Blink Fitness, Aldi
Manalapan	208,000	100.0%	19.10	Best Buy, Bed Bath & Beyond, Raymour & Flanigan, PetSmart, Avalon Flooring (lease not commenced)
Marlton	218,000	100.0%	15.96	Kohl's, ShopRite, PetSmart
Middletown (Town Brook Commons)	231,000	96.9%	13.92	Kohl's, Stop & Shop
Millburn	104,000	98.8%	26.41	Trader Joe's, CVS, PetSmart
Montclair	21,000	100.0%	26.20	Whole Foods Market
Morris Plains (Briarcliff Commons)	182,000	70.2%	25.59	Kohl's
North Bergen (Kennedy Blvd)	62,000	100.0%	14.36	Food Bazaar
North Bergen (Tonnelles Ave)	410,000	99.5%	21.73	Walmart, BJ's Wholesale Club, PetSmart, Staples
North Plainfield (West End Commons)	241,000	100.0%	11.56	Costco, The Tile Shop, La-Z-Boy, Petco, Da Vita Dialysis
Paramus (leased through 2033) ⁽³⁾	63,000	100.0%	47.18	24 Hour Fitness
Rockaway	189,000	95.2%	14.71	ShopRite, T.J. Maxx
South Plainfield (Stelton Commons) (leased through 2039) ⁽³⁾	56,000	96.3%	21.36	Staples, Party City
Totowa	271,000	100.0%	17.45	The Home Depot, Bed Bath & Beyond, buybuy Baby, Marshalls, Staples
Turnersville	98,000	100.0%	9.94	At Home, Verizon Wireless
Union (2445 Springfield Ave)	232,000	100.0%	17.85	The Home Depot
Union (Route 22 and Morris Ave)	278,000	98.9%	17.11	Lowe's, Burlington, Office Depot
Watchung (Greenbrook Commons)	170,000	94.9%	18.15	BJ's Wholesale Club
Westfield (One Lincoln Plaza)	22,000	89.9%	33.00	Five Guys, PNC Bank
Woodbridge (Woodbridge Commons)	225,000	94.7%	13.04	Walmart, Charisma Furniture
Woodbridge (Plaza at Woodbridge)	337,000	74.1%	18.88	Best Buy, Raymour & Flanigan, Lincoln Tech, Harbor Freight, Retro Fitness
New York:				
Bronx (1750-1780 Gun Hill Road)	81,000	100.0%	35.30	Planet Fitness, Aldi
Bronx (Bruckner Commons)	375,000	82.1%	27.09	Kmart, ShopRite, Burlington
Bronx (Shops at Bruckner)	115,000	100.0%	37.51	Marshalls, Old Navy, LA Fitness (lease not commenced)
Buffalo (Amherst Commons)	311,000	98.1%	10.94	BJ's Wholesale Club, T.J. Maxx, Burlington, HomeGoods, LA Fitness
Commack (leased through 2021) ⁽³⁾	47,000	100.0%	20.69	PetSmart, Ace Hardware
Dewitt (Marshall Plaza) (leased through 2041) ⁽³⁾	46,000	100.0%	22.38	Best Buy
Freeport (Meadowbrook Commons) (leased through 2040) ⁽³⁾	44,000	100.0%	22.31	Bob's Discount Furniture
Freeport (Freeport Commons)	173,000	100.0%	22.23	The Home Depot, Staples
Huntington	204,000	43.8%	22.84	Marshalls, Old Navy, Petco
Inwood (Burnside Commons)	100,000	96.5%	19.42	Stop & Shop
Mt. Kisco	189,000	95.9%	16.74	Target, Stop & Shop
New Hyde Park (leased through 2029) ⁽³⁾	101,000	100.0%	21.93	Stop & Shop
Queens (Cross Bay Commons)	46,000	78.7%	41.64	
Rochester (Henrietta) (leased through 2056) ⁽³⁾	165,000	100.0%	4.62	Kohl's
Staten Island (Forest Commons)	165,000	96.3%	23.69	Western Beef, Planet Fitness, Mavis Discount Tire, NYC Public School

Yonkers Gateway Center	437,000	97.2%	17.15	Burlington, Marshalls, Homesense, Best Buy, DSW, PetSmart, Alamo Drafthouse Cinema
Pennsylvania:				
Bensalem (Marten Commons)	185,000	96.6%	12.73	Kohl's, Ross Dress for Less, Staples, Petco
Bethlehem (Easton Commons)	153,000	94.5%	8.50	Giant Food, Petco
Broomall	169,000	100.0%	10.31	Giant Food ⁽⁵⁾ , Planet Fitness, A.C. Moore, PetSmart
Glenolden (MacDade Commons)	102,000	100.0%	12.81	Walmart
Lancaster (Lincoln Plaza)	228,000	100.0%	4.94	Lowe's, Community Aid, Mattress Firm
Springfield (leased through 2025) ⁽³⁾	41,000	100.0%	22.99	PetSmart
Wilkes-Barre (461 - 499 Mundy Street)	179,000	82.9%	13.57	Bob's Discount Furniture, Ross Dress for Less, Marshalls, Petco, Tuesday Morning
Wyomissing (leased through 2065) ⁽³⁾	76,000	100.0%	16.76	LA Fitness, PetSmart
South Carolina:				
Charleston (leased through 2063) ⁽³⁾	45,000	100.0%	15.10	Best Buy
Virginia:				
Norfolk (leased through 2069) ⁽³⁾	114,000	100.0%	7.08	BJ's Wholesale Club
Puerto Rico:				
Las Catalinas	356,000	54.8%	45.34	Forever 21, Old Navy
Montehiedra	539,000	95.3%	18.64	Kmart, The Home Depot, Marshalls, Caribbean Cinemas, Tiendas Capri, Old Navy
Total Shopping Centers and Malls	14,277,000	92.4%	\$19.22	
WAREHOUSES:				
East Hanover Warehouses	943,000	100.0%	5.70	J & J Tri-State Delivery, Foremost Groups, PCS Wireless, Fidelity Paper & Supply, Meyer Distributing, Consolidated Simon Distributors, Givaudan Flavors, Reliable Tire, LineMart
Total Urban Edge Properties	15,220,000	92.9%	\$18.31	

⁽¹⁾ Percent leased is expressed as the percentage of gross leasable area subject to a lease.

⁽²⁾ Weighted average annual base rent per square foot is the current base rent on an annualized basis. It includes executed leases for which rent has not commenced and excludes tenant expense reimbursements, free rent periods, concessions and storage rent. Excluding ground leases where the Company is the lessor, the weighted average annual rent per square foot for our retail portfolio is \$21.18 per square foot.

⁽³⁾ The Company is a lessee under a ground or building lease. Ground and building lease terms include exercised options and options that may be exercised in future periods. For building leases, the total square feet disclosed for the building will revert to the lessor upon lease expiration. At Salem, the ground lease is for a portion of the parking area only.

⁽⁴⁾ Our ownership of Walnut Creek (Mt. Diablo) is 95%.

⁽⁵⁾ The tenant never commenced operations at this location but continues to pay rent.

As of December 31, 2019, we had approximately 1,100 leases. Tenant leases for under 10,000 square feet generally have lease terms of five years or less. Tenant leases for 10,000 square feet or more generally have lease terms of 10 to 25 years, and are considered anchor leases with one or more renewal options available upon expiration of the initial lease term. The majority of our leases provide for reimbursements of real estate taxes, insurance and common area maintenance charges (including roof and structure in shopping centers, unless it is the tenant's direct responsibility), and percentage rents based on tenant sales volume. Percentage rents accounted for 1% of our total revenues for the year ended December 31, 2019.

Occupancy

The following table sets forth the consolidated retail portfolio occupancy rate (excluding warehouses and self-storage space), square footage and weighted average annual base rent per square foot of properties in our retail portfolio as of December 31 for the last five years:

	December 31,				
	2019	2018	2017	2016	2015
Total square feet	14,277,000	15,407,000	15,743,000	13,831,000	13,901,000
Occupancy rate	92.4%	92.6%	96.0%	97.2%	96.2%
Average annual base rent per sf	\$19.22	\$17.90	\$17.38	\$17.07	\$16.64

The following table sets forth the occupancy rate, square footage and weighted average annual base rent per square foot of our warehouses as of December 31 for the last five years:

	December 31,				
	2019	2018	2017	2016	2015
Total square feet	943,000	942,000	942,000	942,000	942,000
Occupancy rate	100.0%	100.0%	100.0%	91.7%	79.1%
Average annual base rent per sf	\$5.70	\$5.34	\$5.15	\$4.77	\$4.80

Major Tenants

The following table sets forth information for the 10 largest tenants by total revenues for the year ended December 31, 2019:

Tenant	Number of Stores	Square Feet	% of Total Square Feet	2019 Revenues (in thousands)	% of Total Revenues
The Home Depot, Inc.	7	920,000	6.0%	\$ 23,032	5.9%
The TJX Companies, Inc. ⁽¹⁾	19	646,000	4.2%	14,778	3.8%
Lowe's Companies, Inc.	6	976,000	6.4%	13,372	3.4%
Best Buy Co., Inc.	9	405,000	2.7%	11,836	3.1%
Ahold Delhaize ⁽²⁾	8	590,000	3.9%	11,706	3.0%
Walmart Inc.	5	727,000	4.8%	10,460	2.7%
Kohl's Corporation	7	633,000	4.2%	9,539	2.5%
PetSmart, Inc.	12	287,000	1.9%	9,044	2.3%
BJ's Wholesale Club	4	454,000	3.0%	8,395	2.2%
Wakefern (ShopRite)	4	296,000	1.9%	7,385	1.9%

⁽¹⁾ Includes Marshalls (13), T.J. Maxx (3), HomeGoods (2) and Homesense (1).

⁽²⁾ Includes Stop & Shop (6) and Giant Food (2).

Lease Expirations

The following table sets forth the anticipated expirations of tenant leases in our consolidated retail portfolio for each year from 2020 through 2030 and thereafter, assuming no exercise of renewal options or early termination rights:

Year	Number of Expiring Leases	Square Feet of Expiring Leases	Percentage of Retail Properties Square Feet	Weighted Average Annual Base Rent of Expiring Leases	
				Total	Per Square Foot
Month-To-Month	26	77,000	0.5%	\$ 2,110,570	\$27.41
2020	100	667,000	4.7%	14,547,270	21.81
2021	97	811,000	5.7%	20,566,960	25.36
2022	85	1,100,000	7.7%	18,854,000	17.14
2023	89	1,639,000	11.5%	31,190,170	19.03
2024	102	1,495,000	10.5%	30,542,850	20.43
2025	59	1,091,000	7.6%	17,870,580	16.38
2026	63	626,000	4.4%	10,585,660	16.91
2027	51	706,000	5.0%	14,663,620	20.77
2028	43	491,000	3.4%	13,595,790	27.69
2029	59	1,490,000	10.4%	29,829,800	20.02
2030	26	862,000	6.0%	13,447,200	15.60
Thereafter	42	2,144,000	15.0%	32,160,000	15.00
Sub-total/Average	842	13,199,000	92.4%	\$ 252,892,840	\$19.16
Vacant	147	1,078,000	7.6%	N/A	N/A
Total ⁽¹⁾	989	14,277,000	100.0%	\$ 252,892,840	N/A

⁽¹⁾ Total lease count excludes warehouse tenant leases, temporary tenant leases and cart and kiosk leases.

ITEM 3. LEGAL PROCEEDINGS

We are party to various legal actions that arise in the ordinary course of business. In our opinion, after consultation with legal counsel, the outcome of such matters is not expected to have a material adverse effect on our financial position, results of operations or cash flows.

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

Urban Edge Properties

Market Information and Dividends

Our common shares are listed on the NYSE under the symbol "UE". Our common shares began "regular way" trading on January 15, 2015. As of February 11, 2020, there were approximately 1,414 holders of record of our common shares.

The Company elected to be taxed as a REIT under sections 856-860 of the Internal Revenue Code of 1986, as amended (the "Code"), commencing with the filing of its 2015 tax return for its tax year ended December 31, 2015. With the exception of the Company's taxable REIT subsidiary ("TRS"), to the extent the Company meets certain requirements under the Code, the Company will not be taxed on its federal taxable income. If we fail to qualify as a REIT for any taxable year, we will be subject to federal income taxes at regular corporate rates (including any alternative minimum tax, which, for corporations, was repealed under the TCJA (defined above) for tax years beginning after December 31, 2017) and may not be able to qualify as a REIT for the four subsequent taxable years.

Future distributions will be declared and paid at the discretion of the Board of Trustees and will depend upon cash generated by operating activities, our financial condition, capital requirements, annual dividend requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended, and such other factors as our Board of Trustees deems relevant.

Our total annual dividends per common share for 2019 were \$0.88 per share. The annual dividend amount may differ from dividends as calculated for federal income tax purposes. Distributions to the extent of our current and accumulated earnings and profits for federal income tax purposes generally will be taxable to a shareholder as ordinary dividend income. However, the TCJA provides a deduction of up to 20% of a non-corporate taxpayer's ordinary REIT dividends with such deduction scheduled to expire for taxable years beginning after December 31, 2025. Distributions in excess of current and accumulated earnings and profits will be treated as a nontaxable reduction of the shareholder's basis in such shareholder's shares, to the extent thereof, and thereafter as taxable capital gains. Distributions that are treated as a reduction of the shareholder's basis in its shares will have the effect of increasing the amount of gain, or reducing the amount of loss, recognized upon the sale of the shareholder's shares. No assurances can be given regarding what portion, if any, of distributions in 2019 or subsequent years will constitute a return of capital for federal income tax purposes. During a year in which a REIT earns a net long-term capital gain, the REIT can elect under Section 857(b)(3) of the Code to designate a portion of dividends paid to shareholders as capital gain dividends. If this election is made, the capital gain dividends are generally taxable to the shareholder as long-term capital gains.

We have determined the dividends paid on our common shares during 2019 and 2018 qualify for the following tax treatment:

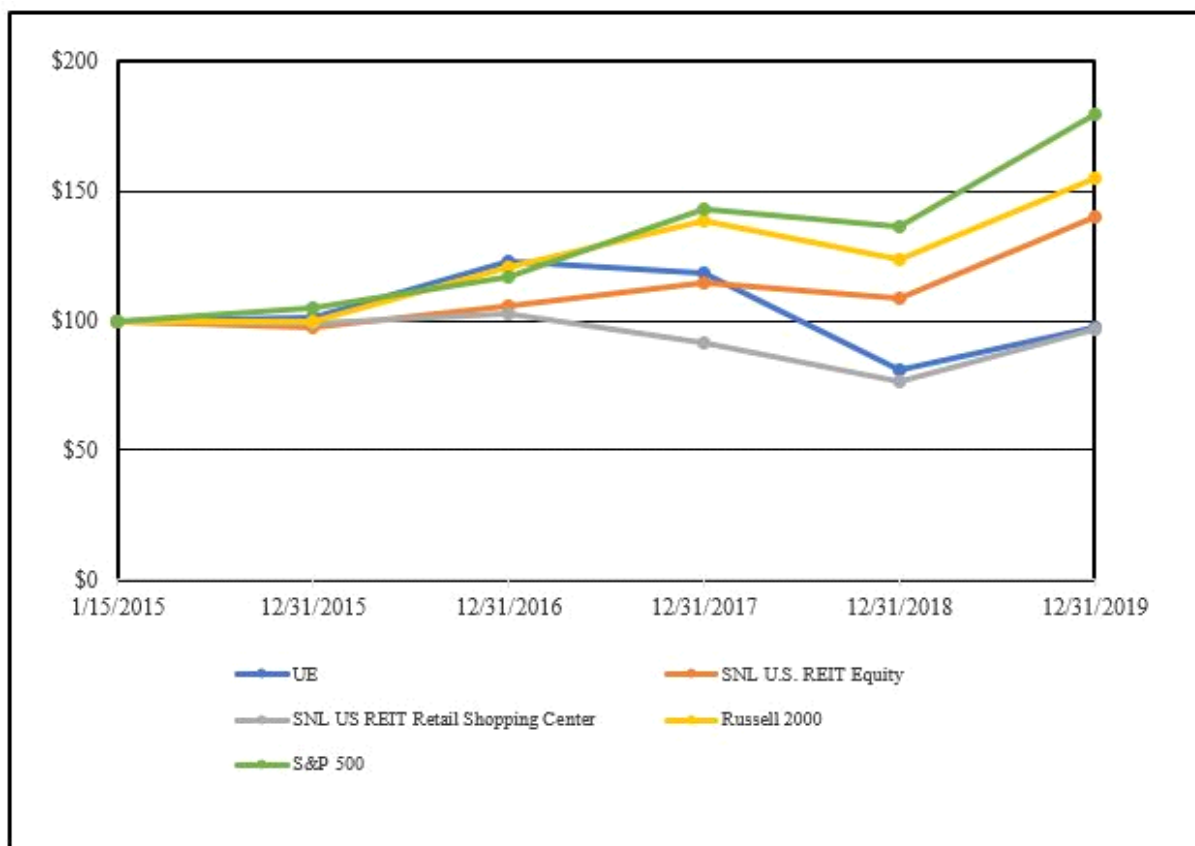
	Total Distribution per Share	Ordinary Dividends	Long Term Capital Gains	Return of Capital
2019	\$ 0.88	\$ 0.73	\$ 0.15	\$ —
2018	0.88	0.88	—	—

Total Shareholder Return Performance

The following performance graph compares the cumulative total shareholder return of our common shares with the Russell 2000 Index, the S&P 500 Index, SNL U.S. REIT Equity Index and the SNL REIT Retail Shopping Center Index as provided by SNL Financial LC, from January 15, 2015 (the date of our separation from Vornado) to December 31, 2019, assuming an investment of \$100 and the reinvestment of all dividends into additional common shares during the holding period. Historical stock performance is not necessarily indicative of future results.

The performance graph shall not be deemed incorporated by reference by any general statement incorporating by reference this annual report into any filing under the Securities Act of 1933, as amended, or the Exchange Act except to the extent we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such acts.

COMPARISON OF CUMULATIVE TOTAL RETURN⁽¹⁾



⁽¹⁾ \$100 invested on January 15, 2015 in stock or index, including reinvestment of dividends.

Stock/Index	Cumulative ⁽¹⁾ Total Return %	Total Return \$ as of					
		1/15/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
UE	(2.4)	100	101.4	122.6	118.7	80.7	97.6
S&P 500	79.5	100	104.7	117.2	142.8	136.5	179.5
Russell 2000	54.9	100	99.7	120.9	138.7	123.4	154.9
SNL U.S. REIT Equity	40.3	100	97.1	105.7	114.5	108.9	140.3
SNL U.S. REIT Retail Shopping Center	(3.1)	100	98.9	102.4	91.1	76.4	96.9

⁽¹⁾ Cumulative total return is for the period from the separation date on January 15, 2015 to December 31, 2019.

Operating Partnership

Market Information and Distributions

There is no established public market for our general and common limited partnership interests in the operating partnership (“OP Units”). As of February 11, 2020, there were 121,386,592 general partnership units outstanding and 5,817,223 common limited partnership units outstanding, held by approximately 1,414 and 37 holders of record, respectively.

Under the limited partnership agreement of UELP, unitholders may present their common units for redemption at any time (subject to restrictions agreed upon at the time of issuance of the units that may restrict such right for a period of time). Upon presentation of a common unit for redemption, UELP must redeem the unit for cash equal to the then value of a share of UE’s common shares, as defined by the limited partnership agreement. In lieu of cash redemption by UELP, however, UE may elect to acquire any common units so tendered by issuing common shares of UE in exchange for the common units. If UE so elects, its common shares will be exchanged for common units on a one-for-one basis. During the year ended December 31, 2019, 6,995,941 units were redeemed for common shares and 357,998 units were redeemed for cash.

Recent Sales of Unregistered Shares

During the three months ended December 31, 2019, the Company issued an aggregate of 134,249 common shares in exchange for 134,249 common limited partnership units held by certain limited partners of the Operating Partnership. All common shares were issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act. We relied on the exemption under Section 4(a)(2) based upon factual representations received from the limited partner who received the common shares.

Each time the Company issues common shares (other than in exchange for common limited partnership units when such units are presented for redemption), it contributes the proceeds of such issuance to the Operating Partnership in return for an equivalent number of partnership units with rights and preferences analogous to the shares issued. During the three months ended, December 31, 2019, in connection with issuances of common shares by the Company pursuant to the Urban Edge Properties 2015 Employee Share Purchase Plan, the Operating Partnership issued an aggregate of 11,005 common limited partnership units to the Company in exchange for approximately \$0.2 million, the aggregate proceeds of such common share issuances to the Company. Such units were issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

During 2019, 5,672 restricted common shares were forfeited by former employees in connection with their departure from the Company. We did not repurchase any of our equity securities during the three months ended December 31, 2019. Our employees will at times surrender common shares owned by them to satisfy statutory minimum federal, state and local tax obligations associated with the vesting of their restricted common shares. During the three months ended December 31, 2019, no restricted common shares were surrendered.

Equity Compensation Plan Information

Information regarding equity compensation plans is presented in Part III, Item 12 of this Annual Report on Form 10-K and incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The following table includes selected consolidated and combined financial data set forth for the Company and the Operating Partnership as of and for each of the five years in the period ended December 31, 2019. The consolidated balance sheets as of December 31, 2019 and December 31, 2018 reflects the consolidation of properties that are wholly-owned and properties in which we own less than 100% interest, but in which we have a controlling interest. The consolidated statements of income for the years ended December 31, 2019, December 31, 2018 and December 31, 2017 include the consolidated accounts of the Company. This selected financial data should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and our audited consolidated financial statements and related notes included in Part II, Items 7 and 8, respectively, of this Annual Report on Form 10-K.

Urban Edge Properties

(Amounts in thousands, except per share amounts)	Year Ended December 31,				
	2019	2018	2017	2016	2015 ⁽⁴⁾
Operating Data:					
Rental revenue ⁽¹⁾	\$ 384,405	\$ 411,298	\$ 365,082	\$ 321,719	\$ 316,484
Management and development fees	1,900	1,469	1,535	1,759	2,261
Income from acquired leasehold interest	—	—	39,215	—	—
Other income	1,344	1,393	1,210	2,498	4,200
Total revenue	387,649	414,160	407,042	325,976	322,945
Total expenses	283,781	292,295	245,278	192,958	224,869
Net income	116,197	116,963	72,938	96,630	41,348
Net income attributable to operating partnership	(6,699)	(11,768)	(5,824)	(5,812)	(2,547)
Net (income) loss attributable to consolidated subsidiaries	25	(45)	(44)	(3)	(16)
Net income attributable to common shareholders ⁽²⁾	\$ 109,523	\$ 105,150	\$ 67,070	\$ 90,815	\$ 38,785
Earnings per common share - Basic ⁽³⁾ :	0.91	0.92	0.62	0.91	0.39
Earnings per common share - Diluted ⁽³⁾ :	0.91	0.92	0.61	0.91	0.39
Weighted average shares outstanding - Basic ⁽³⁾	119,751	113,863	107,132	99,364	99,252
Weighted average shares outstanding - Diluted ⁽³⁾	119,896	114,051	118,390	99,794	99,278
Dividends declared per common share	0.88	0.88	0.88	0.82	0.80

⁽¹⁾ In accordance with ASC 205 *Presentation of Financial Statements*, the Company reclassified Property rentals and Tenant reimbursement income to Rental revenue as reflected in this Form 10-K.

⁽²⁾ Net income earned prior to January 15, 2015 is attributable to Vornado as it was the sole shareholder prior to January 15, 2015.

⁽³⁾ The common shares outstanding at the date of separation are reflected as outstanding for all periods prior to the separation.

⁽⁴⁾ The consolidated and combined statement of income for the year ended December 31, 2015 includes the consolidated accounts of the Company and the combined accounts of the UE Business. Accordingly, the results presented for the year ended December 31, 2015 reflect the aggregate operations, changes in cash flows and equity on a carved-out and combined basis for the period from January 1, 2015 through the date of separation and on a consolidated basis subsequent to the date of separation. The financial data for the periods prior to the separation date are prepared on a carved-out and combined basis from the consolidated financial statements of Vornado as the UE Business was under the control of Vornado prior to January 15, 2015.

(Amounts in thousands)	Year Ended December 31,				
	2019	2018	2017	2016	2015
Balance Sheet Data as of period end:					
Real estate, net of accumulated depreciation	\$ 2,076,839	\$ 2,123,120	\$ 2,084,727	\$ 1,597,423	\$ 1,575,530
Total assets ⁽¹⁾	2,846,358	2,798,994	2,820,808	1,904,138	1,918,931
Mortgages payable, net	1,546,195	1,550,242	1,564,542	1,197,513	1,233,983
Total liabilities ⁽¹⁾	1,831,582	1,793,017	1,830,267	1,408,021	1,447,477
Noncontrolling interests in operating partnership	46,536	100,822	100,218	35,451	33,177
Total equity	1,014,776	1,005,977	990,541	496,117	471,454

Other Data:

Cash flow Statement Data:

Provided by operating activities	156,400	137,040	157,898	137,249	138,078
Used in investing activities	(2,521)	(64,803)	(295,732)	(59,230)	(66,415)
(Used in) provided by financing activities	(126,265)	(115,556)	498,489	(115,858)	93,795

⁽¹⁾ In accordance with the adoption of ASC 842 on January 1, 2019, the Company recognized right-of-use assets and lease liabilities included in the Company's balances of total assets and total liabilities, respectively, as reflected in this Form 10-K.

Urban Edge Properties LP

(Amounts in thousands, except per unit amounts)	Year Ended December 31,				
	2019	2018	2017	2016	2015 ⁽⁴⁾
Operating Data:					
Rental revenue ⁽¹⁾	\$ 384,405	\$ 411,298	\$ 365,082	\$ 321,719	\$ 316,484
Management and development fees	1,900	1,469	1,535	1,759	2,261
Income from acquired leasehold interest	—	—	39,215	—	—
Other income	1,344	1,393	1,210	2,498	4,200
Total revenue	387,649	414,160	407,042	325,976	322,945
Total expenses	283,781	292,295	245,278	192,958	224,869
Net income	116,197	116,963	72,938	96,630	41,348
Net (income) loss attributable to consolidated subsidiaries	25	(45)	(44)	(3)	(16)
Net income attributable to unitholders ⁽²⁾	\$ 116,222	\$ 116,918	\$ 72,894	\$ 96,627	\$ 41,332
Earnings per unit - Basic ⁽³⁾ :	0.92	0.92	0.62	0.91	0.39
Earnings per unit - Diluted ⁽³⁾ :	0.92	0.92	0.61	0.91	0.39
Weighted average units outstanding - Basic ⁽³⁾	126,333	126,198	117,779	105,455	105,276
Weighted average units outstanding - Diluted ⁽³⁾	126,478	126,386	118,390	106,099	105,374
Distributions declared per unit	0.88	0.88	0.88	0.82	0.80

⁽¹⁾ In accordance with ASC 205, the Company reclassified Property rentals and Tenant reimbursement income to Rental revenue as reflected in this Form 10-K.

⁽²⁾ Net income earned prior to January 15, 2015 is attributable to Vornado as it was the sole unitholder prior to January 15, 2015.

⁽³⁾ The units outstanding at the date of separation are reflected as outstanding for all periods prior to the separation.

⁽⁴⁾ The consolidated and combined statement of income for the year ended December 31, 2015 includes the consolidated accounts of the Company and the combined accounts of the UE Business. Accordingly, the results presented for the year ended December 31, 2015 reflect the aggregate operations, changes in cash flows and equity on a carved-out and combined basis for the period from January 1, 2015 through the date of separation and on a consolidated basis subsequent to the date of separation. The financial data for the periods prior to the separation date are prepared on a carved-out and combined basis from the consolidated financial statements of Vornado as the UE Business was under common control of Vornado prior to January 15, 2015.

(Amounts in thousands)	Year Ended December 31,				
	2019	2018	2017	2016	2015
Balance Sheet Data as of period end:					
Real estate, net of accumulated depreciation	\$ 2,076,839	\$ 2,123,120	\$ 2,084,727	\$ 1,597,423	\$ 1,575,530
Total assets ⁽¹⁾	2,846,358	2,798,994	2,820,808	1,904,138	1,918,931
Mortgages payable, net	1,546,195	1,550,242	1,564,542	1,197,513	1,233,983
Total liabilities ⁽¹⁾	1,831,582	1,793,017	1,830,267	1,408,021	1,447,477
Total equity	1,014,776	1,005,977	990,541	496,117	471,454
Other Data:					
Cash flow Statement Data:					
Provided by operating activities	156,400	137,040	157,898	137,249	138,078
Used in investing activities	(2,521)	(64,803)	(295,732)	(59,230)	(66,415)
(Used in) provided by financing activities	(126,265)	(115,556)	498,489	(115,858)	93,795

⁽¹⁾ In accordance with the adoption of ASC 842 on January 1, 2019, the Company recognized right-of-use assets and lease liabilities included in the Company's balances of total assets and total liabilities, respectively, as reflected in this Form 10-K.

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

Certain statements contained herein constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of future performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Our future results, financial condition and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as "approximates," "believes," "expects," "anticipates," "estimates," "intends," "plans," "would," "may" or other similar expressions in this Annual Report on Form 10-K. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict; these factors include, among others, the impact of e-commerce; the loss of or bankruptcy of major tenants; general economic conditions and changes in the real estate market in particular; adverse economic conditions in the areas in which our properties are located; natural disasters; potentially higher costs related to our development, redevelopment and anchor repositioning projects, and our ability to lease these projects at projected rates; competition for acquisitions; the loss of key personnel; the availability of financing and changes in, and compliance with, tax law and REIT qualifications. For further discussion of factors that could materially affect the outcome of our forward-looking statements, see "Risk Factors" in Part I, Item 1A, of this Annual Report on Form 10-K for the year ended December 31, 2019.

For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances occurring after the date of this Annual Report on Form 10-K.

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included in Part II, Item 8 of this Annual Report on Form 10-K.

This section of this Annual Report on Form 10-K generally discusses 2019 and 2018 items and provides a year-to-year comparison between 2019 and 2018. A discussion of 2017 items and year-to-year comparisons between 2018 and 2017 are not included in this Annual Report on Form 10-K but can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Executive Overview

Urban Edge Properties ("UE", "Urban Edge", or the "Company") (NYSE: UE) is a Maryland real estate investment trust that manages, develops, redevelops, and acquires retail real estate, primarily in the New York metropolitan area. Urban Edge Properties LP ("UELP" or the "Operating Partnership") is a Delaware limited partnership formed to serve as UE's majority-owned partnership subsidiary and to own, through affiliates, all of our real estate properties and other assets. Unless the context otherwise requires, references to "we", "us" and "our" refer to Urban Edge Properties and UELP and their consolidated entities/subsidiaries.

The Operating Partnership's capital includes general and common limited partnership interests in the operating partnership ("OP Units"). As of December 31, 2019, Urban Edge owned approximately 95.4% of the outstanding common OP Units with the remaining limited OP Units held by members of management, Urban Edge's Board of Trustees and contributors of property interests acquired. Urban Edge serves as the sole general partner of the Operating Partnership. The third party unitholders have limited rights over the Operating Partnership such that they do not have characteristics of a controlling financial interest. As such, the Operating Partnership is considered a variable interest entity ("VIE"), and the Company is the primary beneficiary that consolidates it. The Company's only investment is the Operating Partnership. The VIE's assets can be used for purposes other than the settlement of the VIE's obligations and the Company's partnership interest is considered a majority voting interest.

As of December 31, 2019, our portfolio comprised 74 shopping centers, four malls and a warehouse park totaling approximately 15.2 million square feet.

Operating Strategy. Our operating strategy is to maximize the value of our existing assets through proactive management encompassing continuous asset evaluation for highest-and-best-use; efficient and cost-conscious operations that minimize retailer operating expense and enhance property quality; and targeted leasing to desirable tenants. During 2019 we:

- reported a decline in same-property cash Net Operating Income ("NOI")⁽¹⁾ by 1.8% over the year ended December 31, 2018;
- reported a decline of same-property portfolio occupancy⁽²⁾ to 93.4% from 94.2% as of December 31, 2018;

- reported a decline of consolidated portfolio occupancy to 92.9% from 93.6% as of December 31, 2018 due to anchor bankruptcies;
- signed 39 new leases totaling 368,779 square feet, including 31 new leases on a same-space⁽³⁾ basis totaling 348,760 square feet at an average rental rate of \$24.12 per square foot on a GAAP basis and \$22.13 per square foot on a cash basis, and resulting in average rent spreads of 18.8% on a GAAP basis and 4.0% on a cash basis; and
- renewed or extended 78 leases totaling 1,118,810 square feet, all on a same-space basis, at an average rental rate of \$20.25 per square foot on a GAAP basis and \$19.90 per square foot on a cash basis and, generating average rent spreads of 11.6% on a GAAP basis and 7.3% on a cash basis.

Investment Strategy. Our investment strategy is to selectively deploy capital through redevelopment and development of our existing assets and through acquisitions in our target markets that are expected to generate attractive risk-adjusted returns. At the same time, we plan to sell assets that no longer meet our investment criteria. During 2019, we:

- advanced six projects with estimated gross costs of \$38.1 million to active development and redevelopment projects including four anchor backfills; active projects as of December 31, 2019 have a total expected investment of \$65.6 million of which \$29.9 million remains to be funded;
- completed 11 projects with total estimated gross costs of \$167.2 million, of which \$3.5 million remains to be funded; this includes projects at Bruckner Commons in the Bronx, NY, where the shopping center underwent a complete renovation including a new ShopRite and Burlington, and Bergen Town Center where we added Burlington and opened new restaurants, upgrading the food options at the mall;
- identified approximately 13 additional development and redevelopment projects expected to be completed over the next several years;
- acquired three assets, at an aggregate purchase price of \$38.5 million and 195,300 sf, comprising one asset located in the Boston metropolitan area and two assets adjacent to our existing property, Bergen Town Center;
- completed the sale of eight properties and received proceeds of \$112.8 million, net of selling costs, resulting in a \$68.6 million net gain on sale of real estate; and
- sold our lessee position in a ground lease and received proceeds of \$6.9 million, net of selling costs, resulting in a gain on sale of lease of \$1.8 million.

Capital Strategy. Our capital strategy is to keep our balance sheet strong, flexible and capable of supporting growth by using cash flow from operations, refinancing debt when opportunities are favorable, issuing debt when appropriate and reinvesting funds from selective asset sales. During 2019, we:

- amended our \$600 million revolving credit facility, extending the maturity date from March 2021 to January 2024 with two six-month extension options. The amended facility contains terms and conditions materially consistent with the prior agreement except that borrowing rates are generally lower by 5 basis points depending on the Company's leverage level;
- drew no amounts on our revolving credit agreement, of which \$600 million remains available;
- satisfied redemptions of certain OP unitholders by repurchasing 357,998 OP Units at a price of \$16.70 per OP Unit, resulting in total cash consideration of \$6.0 million; and
- ended the year with cash and cash equivalents, including restricted cash, of \$485.1 million and debt, net of cash, to total market capitalization of 27%.

2020 Outlook. We seek growth in earnings, funds from operations, and cash flows primarily by:

- leasing vacant spaces, extending expiring leases at higher rents, processing the exercise of tenant options and, when possible, replacing underperforming tenants with tenants that can pay higher rents;
- expediting the delivery of space to and the collection of rents from tenants with executed leases that have not yet commenced;
- creating additional value from our existing assets by redevelopment of existing space, development of new space and pad sites, and by anchor repositioning; and
- acquiring assets that meet our investment criteria.

⁽¹⁾Refer to page 34 for a reconciliation to the nearest GAAP measure.

⁽²⁾Information provided on a same-property basis excludes properties under development, redevelopment or that involve anchor repositioning where a substantial portion of the gross leasable area is taken out of service and also excludes properties acquired or sold during the periods being compared and totals 70 properties for the years ended December 31, 2019 and December 31, 2018.

⁽³⁾Same-space leases represent those leases signed on spaces for which there was a previous lease.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, referred to as “GAAP”, requires management to make estimates and assumptions that in certain circumstances affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and revenue and expenses. These estimates are prepared using management’s best judgment, after considering past and current events and economic conditions. In addition, certain information relied upon by management in preparing such estimates includes internally generated financial and operating information, external market information, when available, and when necessary, information obtained from consultations with third party experts. Actual results could differ from these estimates. A discussion of possible risks which may affect these estimates is included in “Item 1A. Risk Factors” of this Annual Report on Form 10-K. Management considers an accounting estimate to be critical if changes in the estimate could have a material impact on our consolidated results of operations or financial condition.

Our significant accounting policies are more fully described in Note 3 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K; however, the most critical accounting policies, which involve the use of estimates and assumptions as to future uncertainties and, therefore, may result in actual amounts that differ from estimates, are as follows:

Real Estate — The nature of our business as an owner, redeveloper and operator of retail shopping centers means that we invest significant amounts of capital into our properties. Depreciation, amortization and maintenance costs relating to our properties constitute substantial costs for us as well as the industry as a whole. Real estate is capitalized and depreciated on a straight-line basis in accordance with GAAP and consistent with industry standards based on our best estimates of the assets’ physical and economic useful lives which range from one to 40 years. We periodically review the estimated lives of our assets and implement changes, as necessary, to these estimates. These assessments have a direct impact on our net income. Real estate is carried at cost, net of accumulated depreciation and amortization. Expenditures for ordinary maintenance and repairs are expensed to operations as they are incurred. Significant renovations that improve or extend the useful lives of assets are capitalized.

Real estate undergoing redevelopment activities is also carried at cost but no depreciation is recognized. All property operating expenses directly associated with and attributable to the redevelopment, including interest, are capitalized to the extent the capitalized costs of the property do not exceed the estimated fair value of the property when completed. If the cost of the redeveloped property, including the net book value of the existing property, exceeds the estimated fair value of redeveloped property, the excess is charged to impairment expense. The capitalization period begins when redevelopment activities are underway and ends when the project is substantially complete. Generally, a redevelopment is considered substantially completed and ready for its intended use upon completion of tenant improvements, but no later than one year from completion of major construction activity. We make judgments as to the time period over which to capitalize such costs and these assumptions have a direct impact on net income because capitalized costs are not subtracted in calculating net income.

Upon the acquisition of real estate, we assess the fair value of acquired assets (including land, buildings and improvements, identified intangibles, such as acquired above and below-market leases, acquired in-place leases and tenant relationships) and acquired liabilities. We assess fair value based on estimated cash flow projections utilizing appropriate discount and capitalization rates and available market information. Estimates of future cash flows are based on a number of factors including historical operating results, known trends, and market/economic conditions. Based on these estimates, we allocate the purchase price to the applicable assets and liabilities based on their relative fair values at date of acquisition.

In allocating the purchase price to identified intangible assets and liabilities of an acquired property, the value of above-market and below-market leases is estimated based on the present value of the difference between the contractual amounts, including fixed rate below-market renewal options, to be paid pursuant to the in-place leases and our estimate of the market lease rates and other lease provisions for comparable leases measured over a period equal to the estimated remaining term of the lease. Tenant related intangibles and improvements are amortized on a straight-line basis over the related lease term, including any bargain renewal options. We amortize identified intangibles that have finite lives over the period they are expected to contribute directly or indirectly to the future cash flows of the property or business acquired. We consider qualitative and quantitative factors in evaluating the likelihood of a tenant exercising a below market renewal option and include such renewal options in the calculation of in-place leases. If the value of below-market lease intangibles includes renewal option periods, we include such renewal periods in the amortization period utilized. If a lease terminates prior to its stated expiration, all unamortized amounts relating to that lease are written off.

Our properties are individually reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment exists when the carrying amount of an asset exceeds the aggregate projected future cash flows over the anticipated holding period on an undiscounted basis taking into account the appropriate capitalization rate. An impairment loss is measured based on the excess of the property’s carrying amount over its estimated fair value. Estimated fair value may be based on discounted future cash flows utilizing appropriate discount and capitalization rates and available market

information, third-party appraisals, broker selling estimates or sale agreements under negotiation. Impairment analyses are based on our current plans, intended holding periods and available market information at the time the analyses are prepared. If our estimates of the projected future cash flows, or market conditions change, our evaluation of impairment losses may be different and such differences could be material to our consolidated financial statements. The carrying value of a property may also be individually reassessed in the event a casualty occurs at that property. Casualty events may include property damage from a natural disaster or fire. When such an event occurs, management estimates the net book value of assets damaged over the property's total gross leasable area and adjusts the property's carrying value to reflect the damages. Estimates are subjective and may change if additional damage is later assessed or if future cash flows are revised.

Revenue Recognition — We have the following revenue sources and revenue recognition policies:

- Rental revenue for fiscal periods prior to January 1, 2019: Rental revenue comprises revenue from property rentals and tenant expense reimbursements, as designated within tenant operating leases in accordance with ASC 840 *Leases*.
 - Property Rentals: We generate revenue from minimum lease payments from tenant operating leases. These rents are recognized over the noncancelable terms of the related leases on a straight-line basis which includes the effects of rent steps and rent abatements under the leases in accordance with ASC 840. We satisfy our performance obligations over time, under the noncancelable lease term, commencing when the tenant takes possession of the leased space and the leased space is substantially ready for its intended use. In addition, in circumstances where we provide a lease incentive to tenants, we recognize the incentive as a reduction of rental revenue on a straight-line basis over the remaining term of the lease. The underlying leased asset remains on our consolidated balance sheet and continues to depreciate. In addition to minimum lease payments, certain rental income derived from our tenant leases is contingent and dependent on percentage rent. Percentage rents are earned by the Company in the event the tenant's gross sales exceed certain amounts.
 - Tenant expense reimbursements: In accordance with ASC 840, revenue arises from tenant leases, which provide for the recovery of all or a portion of the operating expenses, real estate taxes and capital improvements of the respective property. This revenue is accrued in the period the expenses are incurred.
- Rental revenue for fiscal periods beginning on or after January 1, 2019: Rental revenue comprises revenue from fixed and variable lease payments, as designated within tenant operating leases in accordance with ASC 842 *Leases*, as described further in our Leases accounting policy in Note 3 to the audited consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K. Additionally, credit losses related to operating lease receivables are recognized as adjustments to rental revenue in accordance with ASC 842.
 - Credit losses related to operating lease receivables: We periodically evaluate the collectibility of amounts due from tenants and disputed enforceable charges, resulting from the inability of tenants to make required payments under their lease agreements. We recognize changes in the collectibility assessment of these operating leases as adjustments to rental revenue.
- Income from acquired leasehold interest: Income from acquired leasehold interest was revenue generated in connection with the write-off of an unamortized intangible liability balance related to the below-market ground lease as well as the balance of the straight-line receivable balance, upon acquisition of the leasehold interest of the property.
- Management and development fees: We generate management and development fee income from contractual property management agreements with third parties. This revenue is recognized as the services are transferred in accordance with ASC 606 *Revenue from Contracts with Customers*.
- Other Income: Other income is generated in connection with certain services provided to tenants for which we earn a fee. This revenue is recognized as the services are transferred in accordance with ASC 606.

Recent Accounting Pronouncements

On June 1, 2017, the Public Company Accounting Oversight Board (PCAOB) issued Auditing Standard 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion* ("AS 3101"). As a result of AS 3101, the most significant change to the auditor's report on the financial statements is a new requirement to describe critical audit matters arising from the audit of the current period's financial statements in the auditor's report. The requirements related to critical audit matters in AS 3101 were effective for audits of fiscal years ending on or after June 30, 2019, for large accelerated filers; and for fiscal years ending on or after December 15, 2020, for all other companies to which the requirements apply. Therefore, critical audit matters are included in the Report of Independent Registered Public Accounting Firm for Urban Edge Properties' consolidated financial statements as of and for the year ended December 31, 2019, and will be included in the Report of Independent Registered Public Accounting Firm for Urban Edge Properties LP's financial statements as of and for the year ended December 31, 2020.

See Note 3 to the audited consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for information regarding recent accounting pronouncements that may affect us. Additionally, see Note 7 to the audited consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for information regarding recent amendments to the Internal Revenue Code.

Results of Operations

We derive substantially all of our revenue from rents received from tenants under existing leases on each of our properties. This revenue includes fixed base rents, recoveries of expenses that we have incurred and that we pass through to the individual tenants and percentage rents that are based on specified percentages of tenants' revenue, in each case as provided in the respective leases.

Our primary cash expenditures consist of our property operating and capital costs, general and administrative expenses, and interest and debt expense. Property operating expenses include: real estate taxes, repairs and maintenance, management expenses, insurance and utilities; general and administrative expenses include payroll, professional fees, information technology, office expenses and other administrative expenses; and interest and debt expense primarily consist of interest on our mortgage debt. In addition, we incur substantial non-cash charges for depreciation and amortization on our properties. We also capitalize certain expenses, such as taxes, interest and salaries related to properties under development or redevelopment until the property is ready for its intended use.

Our consolidated results of operations often are not comparable from period to period due to the impact of property acquisitions, dispositions, the timing and magnitude of bankruptcies by anchor tenants, developments, redevelopments and changes in accounting policies. The results of operations of any acquired properties are included in our financial statements as of the date of acquisition.

The following provides an overview of our key non-GAAP measures based on our consolidated results of operations (refer to cash NOI, same-property cash NOI and Funds From Operations applicable to diluted common shareholders ("FFO") described later in this section):

(Amounts in thousands)	Year Ended December 31,	
	2019	2018
Net income	\$ 116,197	\$ 116,963
FFO applicable to diluted common shareholders ⁽¹⁾	167,123	168,511
Cash NOI ⁽²⁾	234,288	226,965
Same-property cash NOI ⁽²⁾	199,865	203,621

⁽¹⁾ Refer to page 35 for a reconciliation to the nearest generally accepted accounting principles ("GAAP") measure.

⁽²⁾ Refer to page 34 for a reconciliation to the nearest GAAP measure.

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

Net income for the year ended December 31, 2019 was \$116.2 million, compared to net income of \$117.0 million for the year ended December 31, 2018. The following table summarizes certain line items from our consolidated statements of income that we believe are important in understanding our operations and/or those items which significantly changed in the year ended December 31, 2019 as compared to the same period of 2018:

(Amounts in thousands)	For the year Ended December 31,		
	2019	2018	\$ Change
Total revenue	\$ 387,649	\$ 414,160	\$ (26,511)
Depreciation and amortization	94,116	99,422	(5,306)
Real estate taxes	60,179	63,655	(3,476)
Property operating expenses	64,062	78,360	(14,298)
General and administrative	38,220	34,984	3,236
Casualty and impairment loss, net	12,738	4,426	8,312
Lease expense	14,466	11,448	3,018
Gain on sale of real estate	68,632	52,625	16,007
Gain on sale of lease	1,849	—	1,849
Interest income	9,774	8,336	1,438
Interest and debt expense	66,639	64,868	1,771
Gain on extinguishment of debt	—	2,524	(2,524)
Income tax expense	1,287	3,519	(2,232)

Total revenue decreased by \$26.5 million to \$387.6 million in the year ended December 31, 2019 from \$414.2 million in the year ended December 31, 2018. The decrease is primarily attributable to:

- \$15.4 million decrease in amortization of below-market lease intangible liabilities due to lower write-offs in 2019 related to recaptured leases;
- \$12.3 million as a result of dispositions, net of acquisitions; and
- \$1.4 million due to credit losses related to operating lease receivables recognized against rental income in 2019 in accordance with the new lease accounting standard, effective January 1, 2019, as compared to being included in property operating expenses in 2018, partially offset by
- \$1.0 million increase in property rentals due to rent commencements, lease modifications and contractual rent increases;
- \$1.0 million increase due to rent abatements in 2018, recognized at our two malls in Puerto Rico and at our property in Wilkes-Barre, PA as a result of natural disasters; and
- \$0.6 million increase in third-party management and development fee income due to higher leasing commissions.

Depreciation and amortization decreased by \$5.3 million to \$94.1 million in the year ended December 31, 2019 from \$99.4 million in the year ended December 31, 2018. The decrease is primarily attributable to:

- \$7.1 million decrease in depreciation and amortization as a result of lower write-offs of existing tenant improvements and intangible assets related to recaptured leases; and
- \$2.1 million decrease as a result of property dispositions, net of acquisitions, partially offset by
- \$3.9 million increase from completed development projects and tenant improvements.

Real estate taxes decreased by \$3.5 million to \$60.2 million in the year ended December 31, 2019 from \$63.7 million in the year ended December 31, 2018. The decrease is primarily attributable to:

- \$2.0 million decrease as a result of dispositions, net of acquisitions; and
- \$1.5 million decrease due to successful appeals and tax refunds.

Property operating expenses decreased by \$14.3 million to \$64.1 million in the year ended December 31, 2019 from \$78.4 million in the year ended December 31, 2018. The decrease is primarily attributable to:

- \$15.5 million of lease termination payments to acquire the Toys “R” Us leases at Bruckner Commons in the Bronx, NY and Hudson Mall in Jersey City, NJ in 2018;
- \$4.1 million due to credit losses related to operating lease receivables recognized in property operating expenses in 2018 versus rental revenue in 2019; and
- \$1.5 million decrease as a result of dispositions, net of acquisitions, partially offset by

- \$3.3 million increase in common area maintenance projects and repair costs for vacant spaces;
- \$2.7 million of common area maintenance expenses recognized on a gross basis at tenant-maintained centers in accordance with the new lease accounting standard; and
- \$0.8 million increase in accrued environmental remediation costs.

General and administrative expenses increased by \$3.2 million to \$38.2 million in the year ended December 31, 2019 from \$35.0 million in the year ended December 31, 2018. The increase is primarily attributable to:

- \$3.4 million increase in share-based compensation expense due to additional equity awards granted; and
- \$1.7 million increase in professional fees for consulting, recruitment and legal services, partially offset by
- \$1.0 million decrease due to the recognition of office rent within lease expense in accordance with the lease accounting standard, effective January 1, 2019; and
- \$0.9 million net decrease in executive transition costs, severance and other expenses.

Casualty and impairment losses increased by \$8.3 million to \$12.7 million in the year ended December 31, 2019 from \$4.4 million in the year ended December 31, 2018. The increase is primarily attributable to:

- \$20.7 million higher real estate impairment losses recognized in 2019, partially offset by
- \$12.4 million higher proceeds from insurance settlements, net of casualty expenses, for Hurricane Maria in Puerto Rico in 2017 and for tornado damage at our shopping center in Wilkes-Barre, PA in June 2018.

Lease expense increased by \$3.0 million to \$14.5 million in the year ended December 31, 2019 from \$11.4 million in the year ended December 31, 2018. The increase is primarily attributable to the recognition of office rent and common area maintenance and real estate taxes associated with ground or building leases within lease expense in accordance with the new lease accounting standard, effective January 1, 2019.

We recognized a gain on sale of real estate of \$68.6 million in the year ended December 31, 2019 due to the sale of eight operating properties. A gain on sale of real estate of \$52.6 million was recognized in the year ended December 31, 2018 comprised of \$50.4 million as a result of the sale of our property in Allentown, PA on April 26, 2018 and \$2.2 million as a result of the sale of a 5.7 acre land parcel on July 5, 2018 at our property, Cherry Hill Commons, in Cherry Hill, NJ.

We recognized a gain of \$1.8 million in the year ended December 31, 2019 due to the sale of our ground lease in Tysons Corner, VA.

Interest income increased by \$1.4 million to \$9.8 million in the year ended December 31, 2019 from \$8.3 million in the year ended December 31, 2018. The increase is attributable to an increase in interest rates and higher invested cash balances.

Interest and debt expense increased by \$1.8 million to \$66.6 million in the year ended December 31, 2019 from \$64.9 million in the year ended December 31, 2018. The increase is primarily attributable to:

- \$1.8 million decrease in capitalized interest due to the completion of development projects; and
- \$0.4 million increase resulting from higher interest rates on variable rate debt, partially offset by
- \$0.4 million decrease due to lower principal balances from monthly payments on fixed rate debt.

We recognized a \$2.5 million gain on extinguishment of debt in the year ended December 31, 2018 as a result of the foreclosure sale and forgiveness of the \$11.5 million mortgage debt secured by our property in Englewood, NJ.

Income tax expense decreased by \$2.2 million to \$1.3 million in the year ended December 31, 2019 from \$3.5 million in the year ended December 31, 2018. The decrease is primarily attributable to:

- \$1.2 million decrease from the tax impact of Hurricane Maria and the related insurance settlements received in 2019 for our two malls in Puerto Rico;
- \$0.8 million decrease due to lower operating income at our Puerto Rico properties; and
- \$0.2 million decrease resulting from lower TRS activities.

Non-GAAP Financial Measures

Throughout this section, we have provided certain information on a “same-property” cash basis which includes the results of operations that were owned and operated for the entirety of the reporting periods being compared, totaling 70 properties for the years ended December 31, 2019 and 2018. Information provided on a same-property basis excludes properties that were under development, redevelopment or that involve anchor repositioning where a substantial portion of the gross leasable area is taken out of service and also excludes properties acquired or sold during the periods being compared. While there is judgment surrounding changes in designations, a property is removed from the same-property pool when a property is considered to be a redevelopment property because it is undergoing significant renovation or retenanting pursuant to a formal plan and is expected to have a significant impact on property operating income based on the retenanting that is occurring. A development or redevelopment property is moved back to the same-property pool once a substantial portion of the NOI growth expected from the development or redevelopment is reflected in both the current and comparable prior year period, generally one year after at least 80% of the expected NOI from the project is realized on a cash basis. Acquisitions are moved into the same-property pool once we have owned the property for the entirety of the comparable periods and the property is not under significant development or redevelopment.

We calculate same-property cash NOI using net income as defined by GAAP reflecting only those income and expense items that are reflected in cash NOI, adjusted for the following items: lease termination fees, bankruptcy settlement income and income and expenses that we do not believe are representative of ongoing operating results, if any.

The most directly comparable GAAP financial measure to cash NOI is net income. Cash NOI excludes certain components from net income in order to provide results that are more closely related to a property’s results of operations. We calculate cash NOI by adjusting net income to add back depreciation and amortization expense, general and administrative expenses, casualty and real estate impairment losses and non-cash lease expense, and deduct non-cash rental income resulting from the straight-lining of rents and amortization of acquired below market leases net of above market leases.

We use cash NOI internally to make investment and capital allocation decisions and to compare the unlevered performance of our properties to our peers. Further, we believe cash NOI is useful to investors as a performance measure because, when compared across periods, cash NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and disposition activity on an unleveraged basis, providing perspective not immediately apparent from net income. As such, cash NOI assists in eliminating disparities in net income due to the development, redevelopment, acquisition or disposition of properties during the periods presented, and thus provides a more consistent performance measure for the comparison of the operating performance of the Company’s properties. Cash NOI and same-property cash NOI should not be considered substitutes for net income and may not be comparable to similarly titled measures employed by others.

Same-property cash NOI decreased by \$3.8 million, or (1.8)%, for the year ended December 31, 2019 as compared to the year ended December 31, 2018.

The following table reconciles net income to cash NOI and same-property cash NOI for the years ended December 31, 2019 and 2018.

(Amounts in thousands)	For the year ended December 31,	
	2019	2018
Net income	\$ 116,197	\$ 116,963
Management and development fee income from non-owned properties	(1,900)	(1,469)
Other expense (income)	1,065	(146)
Depreciation and amortization	94,116	99,422
General and administrative expense	38,220	34,984
Casualty and impairment loss, net ⁽¹⁾	12,738	4,426
Gain on sale of real estate	(68,632)	(52,625)
Gain on sale of lease	(1,849)	—
Interest income	(9,774)	(8,336)
Interest and debt expense	66,639	64,868
Gain on extinguishment of debt	—	(2,524)
Income tax expense	1,287	3,519
Non-cash revenue and expenses	(13,819)	(32,117)
Cash NOI	234,288	226,965
Adjustments:		
Non-same property cash NOI ⁽²⁾	(34,137)	(38,731)
Tenant bankruptcy settlement income and lease termination income	(1,643)	(1,028)
Environmental remediation costs	1,357	584
Construction rental abatement	—	291
Lease termination payment	—	15,500
Natural disaster related operating loss	—	40
Same-property cash NOI	\$ 199,865	\$ 203,621
Adjustments:		
Cash NOI related to properties being redeveloped	23,049	20,431
Same-property cash NOI including properties in redevelopment	\$ 222,914	\$ 224,052

⁽¹⁾ The year ended December 31, 2019 reflects real estate impairment losses, offset by insurance proceeds for Hurricane Maria at our two malls in Puerto Rico and for tornado damage at our shopping center in Wilkes-Barre, PA. The year ended December 31, 2018 reflects hurricane-related insurance proceeds net of expenses.

⁽²⁾ Non-same property cash NOI includes cash NOI related to properties being redeveloped and properties acquired or disposed.

Funds From Operations

FFO applicable to diluted common shareholders for the year ended December 31, 2019 was \$167.1 million compared to \$168.5 million for the year ended December 31, 2018.

We calculate FFO in accordance with the National Association of Real Estate Investment Trusts' ("Nareit") definition. Nareit defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable real estate and land when connected to the main business of a REIT, impairments on depreciable real estate or land related to a REIT's main business, and rental property depreciation and amortization expense. We believe FFO is a meaningful non-GAAP financial measure useful in comparing our levered operating performance from period to period both internally and among our peers because this non-GAAP measure excludes net gains on sales of depreciable real estate, real estate impairment losses, rental property depreciation and amortization expense which implicitly assumes that the value of real estate diminishes predictably over time rather than fluctuating based on market conditions. FFO does not represent cash flows from operating activities in accordance with GAAP, should not be considered an alternative to net income as an indication of our performance, and is not indicative of cash flow as a measure of liquidity or our ability to make cash distributions. FFO may not be comparable to similarly titled measures employed by others.

(Amounts in thousands)	For the year ended December 31,	
	2019	2018
Net income	\$ 116,197	\$ 116,963
Less net (income) loss attributable to noncontrolling interests in:		
Operating partnership	(6,699)	(11,768)
Consolidated subsidiaries	25	(45)
Net income attributable to common shareholders	109,523	105,150
Adjustments:		
Rental property depreciation and amortization	93,212	98,644
Gain on sale of real estate	(68,632)	(52,625)
Real estate impairment loss	26,321	5,574
Limited partnership interests in operating partnership ⁽¹⁾	6,699	11,768
FFO applicable to diluted common shareholders	\$ 167,123	\$ 168,511

⁽¹⁾ Represents earnings allocated to Long-Term Incentive Plan ("LTIP") and OP unitholders for unissued common shares which have been excluded for purposes of calculating earnings per diluted share for the periods presented.

Liquidity and Capital Resources

Due to the nature of our business, we typically generate significant amounts of cash from operations; however, the cash generated from operations is primarily paid to our shareholders and unitholders of the Operating Partnership in the form of distributions. Our status as a REIT requires that we distribute 90% of our REIT taxable income each year. Our Board of Trustees declared a quarterly dividend of \$0.22 per common share and OP Unit for each of the four quarters in 2019, or an annual rate of \$0.88. We expect to pay regular cash dividends, however, the timing, declaration, amount and payment of distributions to shareholders and unitholders of the Operating Partnership falls within the discretion of our Board of Trustees. Our Board of Trustees' decisions regarding the payment of dividends depends on many factors, such as maintaining our REIT tax status, our financial condition, earnings, capital requirements, debt service obligations, limitations under our financing arrangements, industry practice, legal requirements, regulatory constraints, and other factors.

Property rental income is our primary source of cash flow and is dependent on a number of factors, including our occupancy level and rental rates, as well as our tenants' ability to pay rent. Our properties provide us with a relatively consistent stream of cash flow that enables us to pay operating expenses, debt service and recurring capital expenditures. Other sources of liquidity to fund cash requirements include proceeds from financings, equity offerings and asset sales.

Our short-term liquidity requirements consist of normal recurring operating expenses, lease obligations, regular debt service requirements, recurring expenditures (general & administrative expenses), expenditures related to leasing activity and distributions to shareholders and unitholders of the Operating Partnership. Our long-term capital requirements consist primarily of maturities under our long-term debt agreements, development and redevelopment costs and potential acquisitions.

At December 31, 2019, we had cash and cash equivalents, including restricted cash, of \$485.1 million and no amounts drawn on our revolving credit agreement. In addition, the Company has the following sources of capital available:

(Amounts in thousands)	Year Ended December 31,	
	2019	
<u>Revolving credit agreement</u> ⁽¹⁾		
Total commitment amount	\$	600,000
Available capacity	\$	600,000
Maturity		January 29, 2024

⁽¹⁾ Refer to Note 6 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

We have no debt scheduled to mature in 2020. We currently believe that cash flows from operations over the next 12 months, together with cash on hand, our revolving credit agreement and our general ability to access the capital markets will be sufficient to finance our operations and fund our debt service requirements and capital expenditures.

Summary of Cash Flows

Cash and cash equivalents including restricted cash was \$485.1 million at December 31, 2019, compared to \$457.5 million as of December 31, 2018, an increase of \$27.6 million.

Our cash flow activities are summarized as follows:

(Amounts in thousands)	Year Ended December 31,		
	2019	2018	2017
Net cash provided by operating activities	\$ 156,400	\$ 137,040	\$ 157,898
Net cash used in investing activities	(2,521)	(64,803)	(295,732)
Net cash (used in) provided by financing activities	(126,265)	(115,556)	498,489

Operating Activities

Net cash provided by operating activities primarily consists of cash inflows from rental revenue and cash outflows for property operating expenses, general and administrative expenses and interest expense.

Net cash provided by operating activities of \$156.4 million for the year ended December 31, 2019, increased by \$19.4 million from \$137.0 million as of December 31, 2018. The increase was driven by \$15.5 million of lease termination payments to acquire the Toys "R" Us leases at Bruckner Commons in the Bronx, NY and Hudson Mall in Jersey City, NJ during the year ended

December 31, 2018, partially offset by a decrease in cash due to timing of cash receipts and payments related to tenant collections including the impact of recovery income.

Investing Activities

Net cash flow used in investing activities is impacted by the timing and extent of our real estate development, capital improvements, and acquisition and disposition activities during the period.

Net cash used in investing activities of \$2.5 million for the year ended December 31, 2019, increased by \$62.3 million compared to net cash used in investing activities of \$64.8 million as of December 31, 2018 due to a (i) \$58.9 million increase in cash provided by the sale of properties, (ii) \$27.5 million decrease in cash used for real estate development and capital improvements at existing properties, (iii) \$11.4 million increase in cash from insurance proceeds for physical property damages received in the year ended December 31, 2019, and (iv) \$6.9 million increase due to the sale of an operating lease, partially offset by (v) \$42.4 million increase in cash used for acquisitions.

Financing Activities

Net cash flow used in or provided by financing activities is impacted by the timing and extent of issuances of debt and equity securities, distributions paid to common shareholders and unitholders of the Operating Partnership as well as principal and other payments associated with our outstanding indebtedness.

Net cash used in financing activities of \$126.3 million for the year ended December 31, 2019, increased by \$10.7 million from \$115.6 million for the year ended December 31, 2018 due to (i) \$6.0 million paid to redeem units in 2019, (ii) \$2.6 million of cash used to amend our revolving credit agreement in 2019, (iii) \$1.3 million increase in debt repayments, (iv) \$0.5 million increase in distributions to shareholders and unitholders and (v) \$0.2 million increase in tax withholdings on vested restricted stock.

Financing Activities and Contractual Obligations

Below is a summary of our outstanding debt and weighted average interest rate as of December 31, 2019.

(Amounts in thousands)	Principal balance at December 31, 2019	Weighted Average Interest Rate at December 31, 2019
Mortgages payable:		
Fixed rate debt	\$ 1,386,748	4.12%
Variable rate debt ⁽¹⁾	169,500	3.45%
Total mortgages payable	1,556,248	4.04%
Unamortized debt issuance costs	(10,053)	
Total mortgages payable, net of unamortized debt issuance costs	<u>\$ 1,546,195</u>	

⁽¹⁾ As of December 31, 2019, \$80.5 million of our variable rate debt bears interest at one month LIBOR plus 190 bps and \$89.0 million bears interest at one month LIBOR plus 160 bps.

The net carrying amount of real estate collateralizing the above indebtedness amounted to approximately \$1.2 billion as of December 31, 2019. Our mortgage loans contain covenants that limit our ability to incur additional indebtedness on these properties and in certain circumstances, require lender approval of tenant leases, certain redevelopment projects and/or yield maintenance upon repayment prior to maturity. As of December 31, 2019, we were in compliance with all debt covenants.

On January 15, 2015, we entered into a \$500 million Revolving Credit Agreement (the "Agreement") with certain financial institutions. On March 7, 2017, we amended and extended the Agreement. The amendment increased the credit facility size by \$100 million to \$600 million and extended the maturity date to March 7, 2021 with two six-month extension options. On July 29, 2019, we entered into a second amendment to the Agreement to extend the maturity date to January 29, 2024 with two six-month extension options. Company borrowings under the Agreement are subject to interest at LIBOR plus 1.05% to 1.50% and an annual facility fee of 15 to 30 basis points. Both the spread over LIBOR and the facility fee are based on our current leverage ratio and are subject to increase if our leverage ratio increases above predefined thresholds. The Agreement contains customary financial covenants including a maximum leverage ratio of 60% and a minimum fixed charge coverage ratio of 1.5x. No amounts have been drawn to date under the Agreement.

In the event that LIBOR is discontinued, the interest rates for our debt following such event will be based on either alternate base rates or agreed upon replacement rates. We do not believe that such an event would affect our ability to borrow or maintain already outstanding borrowings, although it could result in higher interest rates.

During 2017, our property in Englewood, NJ was transferred to a receiver. On January 31, 2018, the property was sold at a foreclosure sale and on February 23, 2018, the court order was received approving the sale and discharging the receiver of all assets and liabilities related to the property. We recognized a gain on extinguishment of debt of \$2.5 million as a result of the forgiveness of outstanding mortgage debt of \$11.5 million, which is included in the consolidated statement of income for the year ended December 31, 2018.

We have contractual obligations related to our mortgage loans described further in Note 6 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K. In addition, we have contractual obligations for certain properties that are subject to long-term ground and building leases where a third party owns and has leased the underlying land to us. We also have non-cancelable operating leases pertaining to office space from which we conduct our business. Below is a summary of our contractual obligations as of December 31, 2019:

(Amounts in thousands)	Commitments Due by Period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Contractual cash obligations					
Long-term debt obligations ⁽¹⁾	\$ 1,918,134	\$ 70,599	\$ 343,358	\$ 702,977	\$ 801,200
Operating lease obligations	112,603	9,235	17,313	16,936	69,119
Finance lease obligations	7,078	109	218	218	6,533
	<u>\$ 2,037,815</u>	<u>\$ 79,943</u>	<u>\$ 360,889</u>	<u>\$ 720,131</u>	<u>\$ 876,852</u>

⁽¹⁾ Includes interest and principal payments. Interest on variable rate debt is computed using rates in effect as of December 31, 2019.

Additional contractual obligations that have been excluded from this table are as follows:

- Obligations related to construction and development contracts, since amounts are not fixed or determinable. Such contracts will generally be due over the next two years;
- Obligations related to maintenance contracts, since these contracts typically can be canceled upon 30 to 60 days' notice without penalty;
- Obligations related to employment contracts with certain executive officers, since all agreements are subject to cancellation by either the Company or the executive without cause upon notice; and
- Recorded debt premiums or discounts that are not obligations.

Capital Expenditures

The following summarizes capital expenditures presented on a cash basis for the years ended December 31, 2019 and 2018:

(Amounts in thousands)	Year Ended December 31,	
	2019	2018
Capital expenditures:		
Development and redevelopment costs ⁽¹⁾	\$ 72,331	\$ 91,330
Capital improvements	14,252	20,577
Tenant improvements and allowances	4,718	5,079
Total capital expenditures	<u>\$ 91,301</u>	<u>\$ 116,986</u>

⁽¹⁾ Amounts for the year ended December 31, 2018 have been reclassified to conform with current period presentation.

As of December 31, 2019, we had approximately \$65.6 million of active redevelopment, development and anchor repositioning projects at various stages of completion, a decrease of \$130.9 million from \$196.5 million of projects as of December 31, 2018. We have advanced these projects and incurred \$20.3 million of additional spend since December 31, 2018. We anticipate that these projects will require an additional \$29.9 million over the next two years to complete. We expect to fund these projects using cash on hand, proceeds from dispositions, using secured debt or issuing equity.

Commitments and Contingencies

Insurance

The Company maintains (i) general liability insurance with limits of \$200 million for properties in the U.S. and Puerto Rico and (ii) all-risk property insurance with limits of \$500 million per occurrence and in the aggregate for properties in the U.S. and \$139 million for properties in Puerto Rico, subject to the terms, conditions, exclusions, deductibles and sub-limits when applicable for

certain perils such as floods and earthquakes and (iii) numerous other insurance policies including trustees' and officers' insurance, workers' compensation and automobile-related liabilities insurance. The Company's insurance includes coverage for acts of terrorism but excludes coverage for nuclear, biological, chemical or radiological terrorism events as defined by the Terrorism Risk Insurance Program Reauthorization Act, which expires in December 2020. In addition, the Company maintains coverage for certain cybersecurity losses providing first and third-party coverage including network interruption, event management, cyber extortion and claims for media content, security and privacy liability. Insurance premiums are typically charged directly to each of the retail properties and warehouses but not all of the cost of such premiums are recovered. The Company is responsible for deductibles, losses in excess of insurance coverage, and the portion of premiums not reimbursable by tenants at our properties, which could be material.

We continue to monitor the state of the insurance market and the scope and costs of available coverage. We cannot anticipate what coverage will be available on commercially reasonable terms in the future and expect premiums across most coverage lines to increase in light of recent events. The incurrence of uninsured losses, costs or uncovered premiums could materially and adversely affect our business, results of operations and financial condition.

Certain of our loans and other agreements contain customary covenants requiring the maintenance of insurance coverage. Although we believe that we currently have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. If lenders or other counterparties insist on greater coverage than we are able to obtain, such requirement could materially and adversely affect our ability to finance our properties and expand our portfolio.

Hurricane-Related Charges

On September 20, 2017, Hurricane Maria made landfall, damaging our two properties in Puerto Rico. During the year ended December 31, 2017, the Company incurred a \$2.2 million charge reflecting the net book value of assets damaged and incurred \$1.7 million of hurricane-related expenses, included in casualty and impairment loss, net on the accompanying consolidated statements of income. During the year ended December 31, 2017, the Company recognized \$2.2 million of business interruption losses, net of \$1.8 million in cash advances received from its insurance carrier. Losses of \$0.9 million pertained to rent abatements when the malls were closed or inoperable as a result of the hurricane, recorded as a reduction of rental revenue, and \$1.3 million was recorded within property operating expenses to provision for doubtful accounts for unpaid rents.

During the year ended December 31, 2018, the Company received \$1.5 million in casualty insurance proceeds, which were partially offset by \$0.3 million of hurricane-related costs, resulting in net casualty gains of \$1.2 million included in casualty and impairment loss, net on the accompanying consolidated statements of income. During the year ended December 31, 2018, the Company recognized \$0.3 million of business interruption losses, comprised of \$0.7 million of rent abatements due to tenants that had not reopened since the hurricane, recorded as a reduction of rental revenue, offset by a \$0.4 million reversal within property operating expenses to provision for doubtful accounts for payments received from tenants on rents previously reserved.

In June 2019, the Company finalized its insurance recovery related to Hurricane Maria with its carrier at \$14.3 million, of which \$3.3 million was previously received, subject to deductibles of \$2.3 million. We recognized an \$8.7 million casualty gain during the year ended December 31, 2019 as a result of the remaining insurance proceeds from the settlement agreement for our two malls in Puerto Rico.

Environmental Matters

Each of our properties has been subjected to varying degrees of environmental assessment at various times. Based on these assessments, we have accrued costs of \$2.7 million and \$1.7 million on our consolidated balance sheets as of December 31, 2019 and December 31, 2018, respectively, for remediation costs for environmental contamination at certain properties. While this accrual reflects third-party estimates of the potential costs of remediation at these properties, there can be no assurance that the actual costs will not exceed these amounts. During the years ended December 31, 2019 and December 31, 2018, the Company recognized \$1.4 million and \$0.6 million, respectively, of environmental remediation costs included in property operating expenses on the consolidated statements of income. Although we are not aware of any other material environmental contamination, there can be no assurance that the identification of new areas of contamination, changes in the extent or known scope of contamination, the discovery of additional sites, or changes in cleanup requirements would not result in significant costs to us.

Bankruptcies

Although our rental revenue is supported by long-term leases, leases may be rejected in a bankruptcy proceeding and the related tenant stores may permanently vacate prior to lease expiration. In the event a tenant with a significant number of leases or square footage in our shopping centers files for bankruptcy and rejects its leases with us, we could experience a reduction in our revenues. We monitor the operating performance and rent collections of all tenants in our shopping centers, especially those tenants in arrears

or operating retail formats that are experiencing significant changes in competition, business practice, or store closings in other locations.

During the year ended December 31, 2018, tenants including Toys “R” Us, Sears, Fallas, and National Wholesale Liquidators filed for Chapter 11 bankruptcy protection.

During September 2017, Toys “R” Us filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code and announced an orderly wind-down of its U.S. business and liquidation of all U.S. stores on March 15, 2018. Prior to the liquidation, the Company had leases with Toys “R” Us at nine locations with annual rental revenue of \$7.6 million. In connection with the Toys “R” Us bankruptcy, the Company recognized a write-off of \$21.6 million of below-market intangible liabilities (classified within rental revenue), \$15.5 million of lease termination payments (classified within property operating expense) and a \$1.0 million write-off of reserves on receivables from straight-line rents in the year ended December 31, 2018. During the year ended December 31, 2019, the Company received \$1.2 million of bankruptcy settlement income in connection with the bankruptcy proceedings of Toys “R” Us. The settlement proceeds were used to offset outstanding credit losses and the remaining proceeds were recorded to other income. No determination has been made as to the amount or timing of additional bankruptcy settlement proceeds, if any, that may be received.

Fallas filed for Chapter 11 bankruptcy protection on August 6, 2018. Prior to the tenant vacating, the Company had one lease with Fallas at the Shops at Bruckner in the Bronx, NY comprising approximately 38,000 sf which generated \$1.4 million in annual rental revenue. In connection with the bankruptcy, the Company recognized a write-off of \$0.8 million of below-market intangible liabilities (classified within rental revenue) in the year ended December 31, 2018. As of December 31, 2019, the Company had executed a lease with LA Fitness for this space.

Sears filed for Chapter 11 bankruptcy protection on October 15, 2018. The Company had four Kmart leases with Sears comprising approximately 547,000 sf, which generated \$8.5 million in annual rental revenue. Property rents were paid on all four Kmart locations through April 2019. In April 2019, our Kmart leases at Las Catalinas and Huntington, NY were rejected and we recognized a \$7.4 million write-off of the below-market intangible liability connected with the lease in Huntington, NY (classified within rental revenues). ESL Investments (“ESL”) assumed the Company’s remaining two Kmart leases at Montehiedra and at Bruckner Commons in 2018. In January 2020 the Company executed a lease with ShopRite for its former Kmart space in Huntington, NY.

National Wholesale Liquidators filed for Chapter 11 bankruptcy protection on October 24, 2018. The Company had one lease with National Wholesale Liquidators in Lodi, NJ comprising approximately 171,000 sf, which generated \$3.1 million in annual rental revenue. This lease was rejected and returned to us on November 30, 2018. In connection with the bankruptcy, the Company recorded a \$0.8 million write-off of reserves on receivables from straight-line rents in the year ended December 31, 2018. The Company is in active negotiations to lease this property.

Inflation and Economic Condition Considerations

Most of our leases contain provisions designed to partially mitigate the impact of inflation. Although inflation has been low in recent periods and has had a minimal impact on the performance of our shopping centers, it is very possible that inflation will increase in future years. Most of our leases require tenants to pay their share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation, although some larger tenants have capped the amount of these operating expenses they are responsible for under the lease. A small number of our leases also include percentage rent clauses enabling us to receive additional rent based on tenant sales above a predetermined level, which sales generally increase as prices rise and are typically related to increases in the Consumer Price Index or similar inflation indices.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as of December 31, 2019 or December 31, 2018.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We have exposure to fluctuations in interest rates, which are sensitive to many factors that are beyond our control. The following table discusses our exposure to hypothetical changes in market rates of interest on interest expense for our variable rate debt and fixed-rate debt. Interest rate risk amounts were determined by considering the impact of hypothetical interest rates on our debt. This analysis does not take into account all of the factors that may affect our debt, such as the effect that a changing interest rate environment could have on the overall level of economic activity or the action that our management might take to reduce our exposure to the change. This analysis assumes no change in our financial structure. Our exposure to a change in interest rates is summarized in the table below. As of December 31, 2019, all of our variable rate debt outstanding had rates indexed to LIBOR.

(Amounts in thousands)	2019			2018	
	December 31, Balance	Weighted Average Interest Rate	Effect of 1% Change in Base Rates	December 31, Balance	Weighted Average Interest Rate
Variable Rate	\$ 169,500	3.45%	\$ 1,695	\$ 169,500	4.09%
Fixed Rate	1,386,748	4.12%	— ⁽²⁾	1,392,659	4.12%
	<u>\$ 1,556,248</u> ⁽¹⁾		<u>\$ 1,695</u>	<u>\$ 1,562,159</u> ⁽¹⁾	

⁽¹⁾ Excludes unamortized debt issuance costs of \$10.1 million and \$11.9 million as of December 31, 2019 and December 31, 2018, respectively.

⁽²⁾ If the weighted average interest rate of our fixed rate debt increased by 1% (i.e. due to refinancing at higher rates), annualized interest expense would increase by approximately \$13.9 million based on outstanding balances as of December 31, 2019.

We may utilize various financial instruments to mitigate the impact of interest rate fluctuations on our cash flows and earnings, including hedging strategies, depending on our analysis of the interest rate environment and the costs and risks of such strategies. As of December 31, 2019, we did not have any hedging instruments in place.

Fair Value of Debt

The estimated fair value of our consolidated debt is calculated based on current market prices and discounted cash flows at the current rate at which similar loans would be made to borrowers with similar credit ratings for the remaining term of such debt. As of December 31, 2019, the estimated fair value of our consolidated debt was \$1.6 billion.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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FINANCIAL STATEMENT SCHEDULES**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of Urban Edge Properties

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Urban Edge Properties and subsidiaries (the “Company”) as of December 31, 2019 and 2018, and the related consolidated statements of income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2019 and the related notes and schedules listed in the Index at Item 15 (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 have also 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 the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 12, 2020, expressed an unqualified opinion on the Company’s internal control over financial reporting.

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 US 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 regarding 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 Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter 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 matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Real Estate Impairment - Refer to Notes 2, 3 and 9 to the financial statements

Critical Audit Matter Description

The Company’s real estate assets are individually evaluated for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company’s evaluation of the recoverability of real estate assets involves the comparison of undiscounted future cash flows expected to be generated by each real estate asset over the Company’s estimated holding period to the respective carrying amount. The Company’s undiscounted future cash flow analyses require management to make significant estimates and assumptions related to capitalization rates.

In the event that a real estate asset is not recoverable, the Company will adjust the real estate asset to its fair value based on discounted future cash flows, third-party appraisals, broker selling estimates, and sale agreements under negotiation, and recognize an impairment loss for the carrying amount in excess of fair value. The Company’s discounted future cash flow analyses require management to make significant estimates and assumptions related to capitalization rates and discount rates. Total real estate assets as of December 31, 2019 had a net book value of \$2.1 billion. Total impairment losses recorded in 2019 were \$26.3 million.

Given the Company’s evaluation of impairment of real estate assets requires management to make significant estimates and assumptions related to capitalization rates and discount rates, performing audit procedures to evaluate the reasonableness of

management's undiscounted future cash flows analyses and discounted future cash flow analyses required a high degree of auditor judgment and an increased level of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the determination of capitalization rates and discount rates included the following, among others:

- We tested the design and operating effectiveness of the Company's internal controls over management's evaluation of the recoverability of real estate assets and determination of the impairment charge, including internal controls over management's determination of the reasonableness of the applicable capitalization rates and discount rates.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the Company's fair value determination, including estimates of capitalization rates and discount rates by:
 - Testing the source information underlying the determination of the capitalization rates and discount rates by evaluating the reasonableness of the capitalization rates and discount rates used by management with independent market data, focusing on key factors such as geographical location, tenant composition, and property type.
 - Developing a range of independent estimates and comparing those to the capitalization rates and discount rates selected by management.
- Evaluating the mathematical accuracy of the cash flow analyses.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 12, 2020

We have served as the Company's auditor since 2014.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of Urban Edge Properties LP

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Urban Edge Properties LP (the “Operating Partnership”) as of December 31, 2019 and 2018, and the related consolidated statements of income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2019 and the related notes and schedules listed in the Index at Item 15 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Operating Partnership 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 have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Operating Partnership’s internal control over financial reporting as of December 31, 2019, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 12, 2020 expressed an unqualified opinion on the Operating Partnership’s internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Operating Partnership’s management. Our responsibility is to express an opinion on the Operating Partnership’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 Operating Partnership in accordance with the US 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 regarding 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.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 12, 2020

We have served as the Operating Partnership’s auditor since 2016.

URBAN EDGE PROPERTIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	December 31, 2019	December 31, 2018
ASSETS		
Real estate, at cost:		
Land	\$ 515,621	\$ 525,819
Buildings and improvements	2,197,076	2,156,113
Construction in progress	28,522	80,385
Furniture, fixtures and equipment	7,566	6,675
Total	2,748,785	2,768,992
Accumulated depreciation and amortization	(671,946)	(645,872)
Real estate, net	2,076,839	2,123,120
Operating lease right-of-use assets	81,768	—
Cash and cash equivalents	432,954	440,430
Restricted cash	52,182	17,092
Tenant and other receivables, net of allowance for doubtful accounts of \$6,486 as of December 31, 2018	21,565	28,563
Receivable arising from the straight-lining of rents, net of allowance for doubtful accounts of \$134 as of December 31, 2018	73,878	84,903
Identified intangible assets, net of accumulated amortization of \$30,942 and \$39,526, respectively	48,121	68,422
Deferred leasing costs, net of accumulated amortization of \$16,560 and \$16,826, respectively	21,474	21,277
Deferred financing costs, net of accumulated amortization of \$3,765 and \$2,764, respectively	3,877	2,219
Prepaid expenses and other assets	33,700	12,968
Total assets	<u>\$ 2,846,358</u>	<u>\$ 2,798,994</u>
LIABILITIES AND EQUITY		
Liabilities:		
Mortgages payable, net	\$ 1,546,195	\$ 1,550,242
Operating lease liabilities	79,913	—
Accounts payable, accrued expenses and other liabilities	76,644	98,517
Identified intangible liabilities, net of accumulated amortization of \$62,610 and \$65,058, respectively	128,830	144,258
Total liabilities	1,831,582	1,793,017
Commitments and contingencies		
Shareholders' equity:		
Common shares: \$0.01 par value; 500,000,000 shares authorized and 121,370,125 and 114,345,565 shares issued and outstanding, respectively	1,213	1,143
Additional paid-in capital	1,019,149	956,420
Accumulated deficit	(52,546)	(52,857)
Noncontrolling interests:		
Operating partnership	46,536	100,822
Consolidated subsidiaries	424	449
Total equity	1,014,776	1,005,977
Total liabilities and equity	<u>\$ 2,846,358</u>	<u>\$ 2,798,994</u>

See notes to consolidated financial statements.

URBAN EDGE PROPERTIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2019	2018	2017
REVENUE			
Rental revenue	\$ 384,405	\$ 411,298	\$ 365,082
Management and development fees	1,900	1,469	1,535
Income from acquired leasehold interest	—	—	39,215
Other income	1,344	1,393	1,210
Total revenue	387,649	414,160	407,042
EXPENSES			
Depreciation and amortization	94,116	99,422	82,281
Real estate taxes	60,179	63,655	59,737
Property operating	64,062	78,360	54,339
General and administrative	38,220	34,984	30,691
Casualty and impairment loss, net ⁽¹⁾	12,738	4,426	7,382
Lease expense	14,466	11,448	10,848
Total expenses	283,781	292,295	245,278
Gain on sale of real estate	68,632	52,625	202
Gain on sale of lease	1,849	—	—
Interest income	9,774	8,336	2,248
Interest and debt expense	(66,639)	(64,868)	(56,218)
Gain (loss) on extinguishment of debt	—	2,524	(35,336)
Income before income taxes	117,484	120,482	72,660
Income tax (expense) benefit	(1,287)	(3,519)	278
Net income	116,197	116,963	72,938
Less net (income) loss attributable to noncontrolling interests in:			
Operating partnership	(6,699)	(11,768)	(5,824)
Consolidated subsidiaries	25	(45)	(44)
Net income attributable to common shareholders	\$ 109,523	\$ 105,150	\$ 67,070
Earnings per common share - Basic:	\$ 0.91	\$ 0.92	\$ 0.62
Earnings per common share - Diluted:	\$ 0.91	\$ 0.92	\$ 0.61
Weighted average shares outstanding - Basic	119,751	113,863	107,132
Weighted average shares outstanding - Diluted	119,896	114,051	118,390

⁽¹⁾ Refer to Note 2 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

See notes to consolidated financial statements.

URBAN EDGE PROPERTIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In thousands, except share and per share amounts)

	Common Shares		Additional Paid-In Capital	Accumulated Earnings (Deficit)	Noncontrolling Interests ("NCI")		Total Equity
	Shares	Amount			Operating Partnership	Consolidated Subsidiaries	
Balance, January 1, 2017	99,754,900	\$ 997	\$ 488,375	\$ (29,066)	\$ 35,451	\$ 360	\$ 496,117
Net income attributable to common shareholders	—	—	—	67,070	—	—	67,070
Net income attributable to noncontrolling interests	—	—	—	—	5,824	44	5,868
Limited partnership units issued	—	—	105,200	—	65,884	—	171,084
Common shares issued	14,083,137	141	348,582	(319)	—	—	348,404
Dividends on common shares (\$0.88 per share)	—	—	—	(95,381)	—	—	(95,381)
Distributions to redeemable NCI (\$0.88 per unit)	—	—	—	—	(9,471)	—	(9,471)
Share-based compensation expense	—	—	4,532	75	2,530	—	7,137
Share-based awards retained for taxes	(10,508)	—	(287)	—	—	—	(287)
Balance, December 31, 2017	113,827,529	1,138	946,402	(57,621)	100,218	404	990,541
Net income attributable to common shareholders	—	—	—	105,150	—	—	105,150
Net income attributable to noncontrolling interests	—	—	—	—	11,768	45	11,813
Limited partnership interests:							
Units redeemed for common shares	429,110	4	3,500	—	—	—	3,504
Reallocation of noncontrolling interests	—	—	1,263	—	(4,767)	—	(3,504)
Common shares issued	106,116	2	647	(172)	—	—	477
Dividends to common shareholders (\$0.88 per share)	—	—	—	(100,244)	—	—	(100,244)
Distributions to redeemable NCI (\$0.88 per unit)	—	—	—	—	(11,116)	—	(11,116)
Share-based compensation expense	—	—	4,992	30	4,719	—	9,741
Share-based awards retained for taxes	(17,190)	(1)	(384)	—	—	—	(385)
Balance, December 31, 2018	114,345,565	1,143	956,420	(52,857)	100,822	449	1,005,977
Net income attributable to common shareholders	—	—	—	109,523	—	—	109,523
Net income (loss) attributable to noncontrolling interests	—	—	—	—	6,699	(25)	6,674
Impact of ASC 842 adoption	—	—	—	(2,918)	—	—	(2,918)
Limited partnership interests:							
Units redeemed for common shares	6,995,941	69	55,788	—	(4,279)	—	51,578
Units redeemed for cash	—	—	(3,422)	—	(2,556)	—	(5,978)
Reallocation of noncontrolling interests	—	—	4,521	—	(56,099)	—	(51,578)
Common shares issued	59,895	1	569	(131)	—	—	439
Dividends to common shareholders (\$0.88 per share)	—	—	—	(106,163)	—	—	(106,163)
Distributions to redeemable NCI (\$0.88 per unit)	—	—	—	—	(5,694)	—	(5,694)
Share-based compensation expense	—	—	5,906	—	7,643	—	13,549
Share-based awards retained for taxes	(31,276)	—	(633)	—	—	—	(633)
Balance, December 31, 2019	121,370,125	\$ 1,213	\$ 1,019,149	\$ (52,546)	\$ 46,536	\$ 424	\$ 1,014,776

See notes to consolidated financial statements.

URBAN EDGE PROPERTIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 116,197	\$ 116,963	\$ 72,938
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	93,785	100,063	82,511
Income from acquired leasehold interest	—	—	(39,215)
Casualty and impairment loss, net	12,738	5,574	5,637
Gain on sale of real estate	(68,632)	(52,625)	(202)
Gain on sale of lease	(1,849)	—	—
(Gain) loss on extinguishment of debt	—	(2,524)	35,336
Amortization of deferred financing costs	2,856	2,879	2,876
Amortization of below market leases, net	(15,940)	(33,975)	(9,502)
Noncash lease expense	8,205	—	—
Straight-lining of rent	1,021	(735)	352
Share-based compensation expense	13,549	9,741	7,137
Credit losses related to operating lease receivables	1,385	4,138	3,445
Change in operating assets and liabilities:			
Tenant and other receivables	6,734	(13,327)	(13,749)
Deferred leasing costs	(4,303)	(4,675)	(4,110)
Prepaid and other assets	(3,331)	1,867	(4,432)
Lease liabilities	(7,107)	—	—
Accounts payable, accrued expenses and other liabilities	1,092	3,676	18,876
Net cash provided by operating activities	<u>156,400</u>	<u>137,040</u>	<u>157,898</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Real estate development and capital improvements	(91,301)	(118,765)	(89,344)
Acquisition of real estate	(47,356)	(4,931)	(211,393)
Proceeds from sale of operating properties	116,510	57,593	5,005
Proceeds from sale of operating lease	6,949	—	—
Insurance proceeds	12,677	1,300	—
Net cash used in investing activities	<u>(2,521)</u>	<u>(64,803)</u>	<u>(295,732)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Debt repayments	(5,587)	(4,288)	(129,640)
Dividends to common shareholders	(106,163)	(100,244)	(95,381)
Distributions to redeemable noncontrolling interests	(5,694)	(11,116)	(9,471)
Taxes withheld for vested restricted shares	(633)	(385)	(287)
Debt issuance costs	(2,649)	—	(13,193)
Payment for redemption of units	(5,978)	—	—
Proceeds related to the issuance of common shares	439	477	348,404
Payment on extinguishment of debt	—	—	(1,138)
Purchase of marketable securities in connection with debt defeasance	—	—	(536,505)
Proceeds from borrowings	—	—	935,700
Net cash (used in) provided by financing activities	<u>(126,265)</u>	<u>(115,556)</u>	<u>498,489</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	27,614	(43,319)	360,655
Cash and cash equivalents and restricted cash at beginning of year	457,522	500,841	140,186
Cash and cash equivalents and restricted cash at end of year	<u>\$ 485,136</u>	<u>\$ 457,522</u>	<u>\$ 500,841</u>

See notes to consolidated financial statements

	Year Ended December 31,		
	2019	2018	2017
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash payments for interest net of amounts capitalized of \$1,425, \$3,313 and \$3,926, respectively	\$ 64,751	\$ 65,699	\$ 55,140
Cash payments for income taxes	1,601	757	1,237
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Accrued capital expenditures included in accounts payable and accrued expenses	5,056	25,661	14,651
Write-off of fully depreciated assets	56,199	24,307	3,286
Mortgage debt forgiven in foreclosure	—	11,537	—
Acquisition of real estate through issuance of OP units	—	—	171,084
Acquisition of real estate through assumption of debt	—	—	69,659
Marketable securities transferred in connection with debt defeasance	—	—	536,590
Defeasance of mortgages payable	—	—	(505,473)
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents at beginning of year	\$ 440,430	\$ 490,279	\$ 131,654
Restricted cash at beginning of year	17,092	10,562	8,532
Cash and cash equivalents and restricted cash at beginning of year	<u>\$ 457,522</u>	<u>\$ 500,841</u>	<u>\$ 140,186</u>
Cash and cash equivalents at end of year	\$ 432,954	\$ 440,430	\$ 490,279
Restricted cash at end of year	52,182	17,092	10,562
Cash and cash equivalents and restricted cash at end of year	<u>\$ 485,136</u>	<u>\$ 457,522</u>	<u>\$ 500,841</u>

See notes to consolidated financial statements.

URBAN EDGE PROPERTIES LP
CONSOLIDATED BALANCE SHEETS
(In thousands, except unit and per unit amounts)

	December 31, 2019	December 31, 2018
ASSETS		
Real estate, at cost:		
Land	\$ 515,621	\$ 525,819
Buildings and improvements	2,197,076	2,156,113
Construction in progress	28,522	80,385
Furniture, fixtures and equipment	7,566	6,675
Total	2,748,785	2,768,992
Accumulated depreciation and amortization	(671,946)	(645,872)
Real estate, net	2,076,839	2,123,120
Operating lease right-of-use assets	81,768	—
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Restricted cash	52,182	17,092
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Deferred leasing costs, net of accumulated amortization of \$16,560 and \$16,826, respectively	21,474	21,277
Deferred financing costs, net of accumulated amortization of \$3,765 and \$2,764, respectively	3,877	2,219
Prepaid expenses and other assets	33,700	12,968
Total assets	<u>\$ 2,846,358</u>	<u>\$ 2,798,994</u>
LIABILITIES AND EQUITY		
Liabilities:		
Mortgages payable, net	\$ 1,546,195	\$ 1,550,242
Operating lease liabilities	79,913	—
Accounts payable, accrued expenses and other liabilities	76,644	98,517
Identified intangible liabilities, net of accumulated amortization of \$62,610 and \$65,058, respectively	128,830	144,258
Total liabilities	1,831,582	1,793,017
Commitments and contingencies		
Equity:		
Partners' capital:		
General partner: 121,370,125 and 114,345,565 units outstanding, respectively	1,020,362	957,563
Limited partners: 5,833,318 and 12,736,633 units outstanding, respectively	50,156	105,447
Accumulated deficit	(56,166)	(57,482)
Total partners' capital	1,014,352	1,005,528
Noncontrolling interest in consolidated subsidiaries	424	449
Total equity	1,014,776	1,005,977
Total liabilities and equity	<u>\$ 2,846,358</u>	<u>\$ 2,798,994</u>

See notes to consolidated financial statements.

URBAN EDGE PROPERTIES LP
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except unit and per unit amounts)

	Year Ended December 31,		
	2019	2018	2017
REVENUE			
Rental revenue	\$ 384,405	\$ 411,298	\$ 365,082
Management and development fees	1,900	1,469	1,535
Income from acquired leasehold interest	—	—	39,215
Other income	1,344	1,393	1,210
Total revenue	387,649	414,160	407,042
EXPENSES			
Depreciation and amortization	94,116	99,422	82,281
Real estate taxes	60,179	63,655	59,737
Property operating	64,062	78,360	54,339
General and administrative	38,220	34,984	30,691
Casualty and impairment loss, net ⁽¹⁾	12,738	4,426	7,382
Lease expense	14,466	11,448	10,848
Total expenses	283,781	292,295	245,278
Gain on sale of real estate	68,632	52,625	202
Gain on sale of lease	1,849	—	—
Interest income	9,774	8,336	2,248
Interest and debt expense	(66,639)	(64,868)	(56,218)
Gain (loss) on extinguishment of debt	—	2,524	(35,336)
Income before income taxes	117,484	120,482	72,660
Income tax (expense) benefit	(1,287)	(3,519)	278
Net income	116,197	116,963	72,938
Less: net (income) loss attributable to NCI in consolidated subsidiaries	25	(45)	(44)
Net income attributable to unitholders	\$ 116,222	\$ 116,918	\$ 72,894
Earnings per unit			
Earnings per unit - Basic:	\$ 0.92	\$ 0.92	\$ 0.62
Earnings per unit - Diluted:	\$ 0.92	\$ 0.92	\$ 0.61
Weighted average units outstanding - Basic	126,333	126,198	117,779
Weighted average units outstanding - Diluted	126,478	126,386	118,390

⁽¹⁾ Refer to Note 2 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

See notes to consolidated financial statements.

URBAN EDGE PROPERTIES LP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In thousands, except unit and per unit amounts)

	Total Shares	General Partner	Total Units	Limited Partners ⁽¹⁾	Accumulated Earnings (Deficit)	NCI in Consolidated Subsidiaries	Total Equity
Balance, January 1, 2017	99,754,900	\$ 489,372	6,378,704	\$ 37,081	\$ (30,696)	\$ 360	\$ 496,117
Net income attributable to unitholders	—	—	—	—	72,894	—	72,894
Net income attributable to noncontrolling interests	—	—	—	—	—	44	44
Common units issued as a result of common shares issued by Urban Edge	14,083,137	348,723	—	—	(319)	—	348,404
Limited partnership units issued, net	—	105,200	6,434,250	65,884	—	—	171,084
Distributions to Partners (\$0.88 per unit)	—	—	—	—	(104,852)	—	(104,852)
Share-based compensation expense	—	4,532	—	2,530	75	—	7,137
Share-based awards retained for taxes	(10,508)	(287)	—	—	—	—	(287)
Balance, December 31, 2017	113,827,529	947,540	12,812,954	105,495	(62,898)	404	990,541
Net income attributable to unitholders	—	—	—	—	116,918	—	116,918
Net income attributable to noncontrolling interests	—	—	—	—	—	45	45
Common units issued as a result of common shares issued by Urban Edge	106,116	649	—	—	(172)	—	477
Equity redemption of OP Units	429,110	3,504	(429,110)	—	—	—	3,504
Limited partnership units issued, net	—	—	352,789	—	—	—	—
Reallocation of noncontrolling interests	—	1,263	—	(4,767)	—	—	(3,504)
Distributions to Partners (\$0.88 per unit)	—	—	—	—	(111,360)	—	(111,360)
Share-based compensation expense	—	4,992	—	4,719	30	—	9,741
Share-based awards retained for taxes	(17,190)	(385)	—	—	—	—	(385)
Balance, December 31, 2018	114,345,565	957,563	12,736,633	105,447	(57,482)	449	1,005,977
Net income attributable to unitholders	—	—	—	—	116,222	—	116,222
Net loss attributable to noncontrolling interests	—	—	—	—	—	(25)	(25)
Impact of ASC 842 adoption	—	—	—	—	(2,918)	—	(2,918)
Common units issued as a result of common shares issued by Urban Edge	59,895	570	—	—	(131)	—	439
Equity redemption of OP Units	6,995,941	55,857	(6,995,941)	(4,279)	—	—	51,578
Equity redemption for cash	—	(3,422)	(357,998)	(2,556)	—	—	(5,978)
Limited partnership units issued, net	—	—	450,624	—	—	—	—
Reallocation of noncontrolling interests	—	4,521	—	(56,099)	—	—	(51,578)
Distributions to Partners (\$0.88 per unit)	—	—	—	—	(111,857)	—	(111,857)
Share-based compensation expense	—	5,906	—	7,643	—	—	13,549
Share-based awards retained for taxes	(31,276)	(633)	—	—	—	—	(633)
Balance, December 31, 2019	121,370,125	\$ 1,020,362	5,833,318	\$ 50,156	\$ (56,166)	\$ 424	\$ 1,014,776

⁽¹⁾ Limited partners have a 4.6% common limited partnership interest in the Operating Partnership as of December 31, 2019 in the form of units of interest in the Operating Partnership (“OP Units”) and Long-Term Incentive Plan (“LTIP”) units.

URBAN EDGE PROPERTIES LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 116,197	\$ 116,963	\$ 72,938
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	93,785	100,063	82,511
Income from acquired leasehold interest	—	—	(39,215)
Casualty and impairment loss, net	12,738	5,574	5,637
Gain on sale of real estate	(68,632)	(52,625)	(202)
Gain on sale of lease	(1,849)	—	—
(Gain) loss on extinguishment of debt	—	(2,524)	35,336
Amortization of deferred financing costs	2,856	2,879	2,876
Amortization of below market leases, net	(15,940)	(33,975)	(9,502)
Noncash lease expense	8,205	—	—
Straight-lining of rent	1,021	(735)	352
Share-based compensation expense	13,549	9,741	7,137
Credit losses related to operating lease receivables	1,385	4,138	3,445
Change in operating assets and liabilities:			
Tenant and other receivables	6,734	(13,327)	(13,749)
Deferred leasing costs	(4,303)	(4,675)	(4,110)
Prepaid and other assets	(3,331)	1,867	(4,432)
Lease liabilities	(7,107)	—	—
Accounts payable, accrued expenses and other liabilities	1,092	3,676	18,876
Net cash provided by operating activities	156,400	137,040	157,898
CASH FLOWS FROM INVESTING ACTIVITIES			
Real estate development and capital improvements	(91,301)	(118,765)	(89,344)
Acquisition of real estate	(47,356)	(4,931)	(211,393)
Proceeds from sale of operating properties	116,510	57,593	5,005
Proceeds from sale of operating lease	6,949	—	—
Insurance proceeds	12,677	1,300	—
Net cash used in investing activities	(2,521)	(64,803)	(295,732)
CASH FLOWS FROM FINANCING ACTIVITIES			
Debt repayments	(5,587)	(4,288)	(129,640)
Distributions to partners	(111,857)	(111,360)	(104,852)
Taxes withheld for vested restricted units	(633)	(385)	(287)
Debt issuance costs	(2,649)	—	(13,193)
Payment for redemption of units	(5,978)	—	—
Proceeds related to the issuance of common shares	439	477	348,404
Payment on extinguishment of debt	—	—	(1,138)
Purchase of marketable securities in connection with debt defeasance	—	—	(536,505)
Proceeds from borrowings	—	—	935,700
Net cash (used in) provided by financing activities	(126,265)	(115,556)	498,489
Net increase (decrease) in cash and cash equivalents and restricted cash	27,614	(43,319)	360,655
Cash and cash equivalents and restricted cash at beginning of year	457,522	500,841	140,186
Cash and cash equivalents and restricted cash at end of year	\$ 485,136	\$ 457,522	\$ 500,841

See notes to consolidated financial statements.

	Year Ended December 31,		
	2019	2018	2017
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash payments for interest net of amounts capitalized of \$1,425, \$3,313 and \$3,926, respectively	\$ 64,751	\$ 65,699	\$ 55,140
Cash payments for income taxes	1,601	757	1,237
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Accrued capital expenditures included in accounts payable and accrued expenses	5,056	25,661	14,651
Write-off of fully depreciated assets	56,199	24,307	3,286
Mortgage debt forgiven in foreclosure	—	11,537	—
Acquisition of real estate through issuance of OP units	—	—	171,084
Acquisition of real estate through assumption of debt	—	—	69,659
Marketable securities transferred in connection with debt defeasance	—	—	536,590
Defeasance of mortgages payable	—	—	(505,473)
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents at beginning of year	\$ 440,430	\$ 490,279	\$ 131,654
Restricted cash at beginning of year	17,092	10,562	8,532
Cash and cash equivalents and restricted cash at beginning of year	<u>\$ 457,522</u>	<u>\$ 500,841</u>	<u>\$ 140,186</u>
Cash and cash equivalents at end of year	\$ 432,954	\$ 440,430	\$ 490,279
Restricted cash at end of year	52,182	17,092	10,562
Cash and cash equivalents and restricted cash at end of year	<u>\$ 485,136</u>	<u>\$ 457,522</u>	<u>\$ 500,841</u>

See notes to consolidated financial statements.

URBAN EDGE PROPERTIES AND URBAN EDGE PROPERTIES LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

Urban Edge Properties (“UE”, “Urban Edge” or the “Company”) (NYSE: UE) is a Maryland real estate investment trust focused on managing, developing, redeveloping, and acquiring retail real estate in urban communities, primarily in the New York metropolitan area. Urban Edge Properties LP (“UELP” or the “Operating Partnership”) is a Delaware limited partnership formed to serve as UE’s majority-owned partnership subsidiary and to own, through affiliates, all of the Company’s real estate properties and other assets. Unless the context otherwise requires, references to “we”, “us” and “our” refer to Urban Edge Properties and UELP and their consolidated entities/subsidiaries.

The Operating Partnership’s capital includes general and common limited partnership interests in the operating partnership (“OP Units”). As of December 31, 2019, Urban Edge owned approximately 95.4% of the outstanding common OP Units with the remaining limited OP Units held by members of management, Urban Edge’s Board of Trustees and contributors of property interests acquired. Urban Edge serves as the sole general partner of the Operating Partnership. The third-party unitholders have limited rights over the Operating Partnership such that they do not have characteristics of a controlling financial interest. As such, the Operating Partnership is considered a variable interest entity (“VIE”), and the Company is the primary beneficiary which consolidates it. The Company’s only investment is the Operating Partnership. The VIE’s assets can be used for purposes other than the settlement of the VIE’s obligations and the Company’s partnership interest is considered a majority voting interest.

As of December 31, 2019, our portfolio consisted of 74 shopping centers, four malls and a warehouse park totaling approximately 15.2 million sf.

2. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for annual financial information and with the instructions of Form 10-K. The consolidated financial statements as of and for the years ended December 31, 2019, 2018 and 2017 reflect the consolidation of the Company, the Operating Partnership, wholly-owned subsidiaries and those entities in which we have a controlling financial interest. All intercompany transactions have been eliminated in consolidation.

In accordance with ASC 205 *Presentation of Financial Statements*, the Company reclassified Property rentals and Tenant reimbursement income to Rental revenue on its consolidated statements of income for the years ended December 31, 2018 and 2017, respectively, as reflected beginning on Form 10-K for the year ended December 31, 2018. Additionally, the Company includes credit losses related to operating lease receivables as a reduction to rental revenue in “Rental revenue” in the consolidated statements of income for the year ended December 31, 2019 as reflected in this Form 10-K due to the adoption of (“ASU 2016-02”) ASC 842 *Leases*. Provision for doubtful accounts are included in “Property operating expenses” in the consolidated statements of income for the years ended December 31, 2018 and 2017, respectively.

The Company includes real estate impairment charges, and casualty losses (gains) resulting from natural disasters in Casualty and impairment loss, net on its consolidated statements of income for the years ended December 31, 2019, 2018 and 2017 as reflected in this Form 10-K. Refer to Note 9, Fair Value Measurements and Note 10, Commitments and Contingencies in Part II, Item 8. in this Annual Report on Form 10-K for information regarding real estate impairment charges and casualty losses (gains), respectively.

Our primary business is the ownership, management, redevelopment, development and operation of retail shopping centers and malls. We do not distinguish our primary business or group our operations on a geographical basis for purposes of measuring performance. The Company’s chief operating decision maker reviews operating and financial information for each property on an individual basis and therefore, each property represents an individual operating segment. None of our tenants accounted for more than 10% of our revenue or property operating income. We aggregate all of our properties into one reportable segment due to their similarities with regard to the nature and economics of the properties, tenants and operations, as well as long-term average financial performance.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Real Estate — Real estate is carried at cost, net of accumulated depreciation and amortization. Expenditures for ordinary maintenance and repairs are expensed to operations as they are incurred. Significant renovations that improve or extend the useful lives of assets are capitalized. As real estate is undergoing redevelopment activities, all property operating expenses directly associated with and attributable to the redevelopment, including interest, are capitalized to the extent the capitalized costs of the property do not exceed the estimated fair value of the property when completed. If the cost of the redeveloped property, including the net book value of the existing property, exceeds the estimated fair value of redeveloped property, the excess is charged to impairment expense. The capitalization period begins when redevelopment activities are underway and ends when the project is substantially complete. Depreciation is recognized on a straight-line basis over estimated useful lives which range from one to 40 years.

Upon the acquisition of real estate, we assess the fair value of acquired assets (including land, buildings and improvements, identified intangibles, such as acquired above and below-market leases, acquired in-place leases and tenant relationships) and acquired liabilities and we allocate the purchase price based on these assessments on a relative fair value basis. We assess fair value based on estimated cash flow projections utilizing appropriate discount and capitalization rates and available market information. Estimates of future cash flows are based on a number of factors including historical operating results, known trends, and market/economic conditions. We record acquired intangible assets (including acquired above-market leases, acquired in-place leases and tenant relationships) and acquired intangible liabilities (including below-market leases) at their estimated fair value. We amortize identified intangibles that have finite lives over the period they are expected to contribute directly or indirectly to the future cash flows of the property or business acquired.

Our properties are individually reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment exists when the carrying amount of an asset exceeds the aggregate projected future cash flows over the anticipated holding period on an undiscounted basis taking into account the appropriate capitalization rate. An impairment loss is measured based on the excess of the property's carrying amount over its estimated fair value. Estimated fair value may be based on discounted future cash flows utilizing appropriate discount and capitalization rates and available market information, third-party appraisals, broker selling estimates or sale agreements under negotiation. Impairment analyses are based on our current plans, intended holding periods and available market information at the time the analyses are prepared. If our estimates of the projected future cash flows or market conditions change, our evaluation of impairment losses may be different and such differences could be material to our consolidated financial statements.

Real Estate Held For Sale — When a real estate asset is identified by management as held for sale, we cease depreciation of the asset and estimate its fair value, net of estimated costs to sell. If the estimated fair value, net of estimated costs to sell, of an asset is less than its net carrying value, an adjustment is recorded to reflect the estimated fair value. The Company classifies properties as held for sale when executed contract contingencies have been satisfied, which signify that the sale is legally binding. As of December 31, 2019, two properties in Lawnside, NJ and Bethlehem, PA were classified as held for sale and the properties' assets were included in prepaid expenses and other assets in our consolidated balance sheets as of December 31, 2019. Refer to Note 4, Acquisitions and dispositions in Part II, Item 8. in this Annual Report on Form 10-K.

Cash and Cash Equivalents — Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and are carried at cost, which approximates fair value due to their short-term maturities. The majority of our cash and cash equivalents consists of (i) deposits at major commercial banks, which may at times exceed the Federal Deposit Insurance Corporation limit, (ii) United States Treasury Bills, and (iii) Certificate of Deposits placed through an Account Registry Service ("CDARS"). To date we have not experienced any losses on our invested cash.

Restricted Cash — Restricted cash consists of security deposits and cash escrowed under loan agreements for debt service, real estate taxes, property insurance, tenant improvements, leasing commissions, capital expenditures and cash held for potential Internal Revenue Code Section 1031 tax deferred exchange transactions.

Accounts Receivable and Changes in Collectibility Assessment — Accounts receivable includes unpaid amounts billed to tenants, disputed enforceable charges and accrued revenues for future billings to tenants for property expenses. We periodically evaluate the collectibility of amounts due from tenants and disputed enforceable charges, resulting from the inability of tenants to make required payments under their lease agreements. We recognize changes in the collectibility assessment of these operating leases as adjustments to rental revenue. Management exercises judgment in assessing collectibility and considers payment history and current credit status. Accounts receivable are written-off directly when they are deemed to be uncollectible.

Deferred Leasing Costs — Deferred leasing costs include incremental costs of a lease that would have not been incurred if the lease had not been executed, including broker and sale commissions and contingent legal fees. Such costs are capitalized and amortized on a straight-line basis over the term of the related leases.

Deferred Financing Costs — Deferred financing costs include fees associated with our revolving credit agreement. Such fees are amortized on a straight-line basis over the terms of the related revolving credit agreement as a component of interest expense, which approximates the effective interest rate method, in accordance with the terms of the agreement. No amounts have been drawn to date under the revolving credit agreement.

Revenue Recognition — We have the following revenue sources and revenue recognition policies:

- Rental revenue for fiscal periods prior to January 1, 2019: Rental revenue comprises revenue from property rentals and tenant expense reimbursements, as designated within tenant operating leases in accordance with ASC 840 *Leases*.
 - Property Rentals: We generate revenue from minimum lease payments from tenant operating leases. These rents are recognized over the noncancelable terms of the related leases on a straight-line basis which includes the effects of rent steps and rent abatements under the leases in accordance with ASC 840. We satisfy our performance obligations over time, under the noncancelable lease term, commencing when the tenant takes possession of the leased space and the leased space is substantially ready for its intended use. In addition, in circumstances where we provide a lease incentive to tenants, we recognize the incentive as a reduction of rental revenue on a straight-line basis over the remaining term of the lease. The underlying leased asset remains on our consolidated balance sheet and continues to depreciate. In addition to minimum lease payments, certain rental income derived from our tenant leases is contingent and dependent on percentage rent. Percentage rents are earned by the Company in the event the tenant's gross sales exceed certain amounts. Terms of percentage rent are agreed upon in the tenant's lease and will vary based on the tenant's sales.
 - Tenant expense reimbursements: In accordance with ASC 840, revenue arises from tenant leases, which provide for the recovery of all or a portion of the operating expenses, real estate taxes and capital improvements of the respective property. This revenue is accrued in the period the expenses are incurred.
- Rental revenue for fiscal periods beginning on or after January 1, 2019: Rental revenue comprises revenue from fixed and variable lease payments, as designated within tenant operating leases in accordance with ASC 842 *Leases*, as described further in our Leases accounting policy in Note 3 to the audited consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K. Additionally, credit losses related to operating lease receivables are recognized as adjustments to rental revenue in accordance with ASC 842.
 - Credit losses related to operating lease receivables: We periodically evaluate the collectibility of amounts due from tenants and disputed enforceable charges, resulting from the inability of tenants to make required payments under their lease agreements. We recognize changes in the collectibility assessment of these operating leases as adjustments to rental revenue.
- Income from acquired leasehold interest: Income from acquired leasehold interest was revenue generated in connection with the write-off of an unamortized intangible liability balance related to the below-market ground lease as well as the balance of the straight-line receivable balance, upon acquisition of the leasehold interest of the property.
- Other Income: Other income is generated in connection with certain services provided to tenants for which we earn a fee. This revenue is recognized as the services are transferred in accordance with ASC 606 *Revenue from Contracts with Customers*.
- Management and development fees: We generate management and development fee income from contractual property management agreements with third parties. This revenue is recognized as the services are transferred in accordance with ASC 606.

Leases — We have approximately 1,100 operating leases at our retail shopping centers and malls, which generate rental income from tenants and operating cash flows for the Company. Our tenant leases are dependent on the Company, as lessor, agreeing to provide our tenants with the right to control the use of our real estate assets, as lessees. Our real estate assets are comprised of retail shopping centers and malls. Tenants agree to use and control their agreed upon space for their business purposes. Thus, our tenants obtain substantially all of the economic benefits from the use of our shopping center space and have the right to direct how and for what purpose the real estate space is used throughout the period of use. Given these contractual terms, the Company has determined that all tenant contracts of this nature contain a lease. The Company assesses lease classification for each new and modified lease. All new and modified tenant leases commenced in the year ended December 31, 2019 have been assessed and classified as operating leases.

Contractual rent increases of renewal options are often fixed at the time of the initial lease agreement which may result in tenants being able to exercise their renewal options at amounts that are less than the fair value of the rent at the date of renewal. In addition to fixed base rents, certain rental income derived from our tenant leases is variable and may be dependent on percentage rent or the Consumer Price Index ("CPI"). Variable lease payments from percentage rents are earned by the Company in the event the

tenant's gross sales exceed certain amounts. Terms of percentage rent are agreed upon in the tenant's lease and will vary based on the tenant's sales. Variable lease payments dependent on the CPI, will change in accordance with the corresponding increase or decrease in CPI if negotiated and agreed upon in the tenant's lease. Variable lease payments dependent on percentage rent and the CPI were \$4.1 million for the year ended December 31, 2019. Variable lease payments also arise from tenant expense reimbursements, which provide for the recovery of all or a portion of the operating expenses, common area maintenance expenses, real estate taxes, insurance and capital improvements of the respective property and amounted to \$105.3 million for the year ended December 31, 2019. The Company accounts for variable lease payments as "Rental revenue" on the consolidated statement of income in the period in which the changes in facts and circumstances on which the variable lease payments are based occur.

The Company also has 21 properties in its portfolio either completely or partially on land or a building that are owned by third parties. These properties are leased or subleased to us pursuant to ground leases, building leases or easements, with remaining terms ranging from less than two years to over 80 years and provide us the right to operate each such property. We also lease or sublease real estate for our three corporate offices with remaining terms of less than one year. Right-of-use ("ROU") assets are recorded for these leases, which represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from these leases. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The initial measurement of a ROU asset may differ from the initial measurement of the lease liability due to initial direct costs, prepaid lease payments and lease incentives. As of December 31, 2019, no other contracts have been identified as leases. Our leases often offer renewal options, which we assess against relevant economic factors to determine whether the Company is reasonably certain of exercising or not exercising the option. Lease payments associated with renewal periods, for which the Company has determined are reasonably certain of being exercised, are included in the measurement of the corresponding lease liability and ROU asset.

For finance leases and operating leases, the discount rate applied to measure each ROU asset and lease liability is based on the incremental borrowing rate of the lease due to the rate implicit in the lease not being readily determinable. The Company initially considers the general economic environment and factors in various financing and asset specific secured borrowings so that the overall incremental borrowing rate is appropriate to the intended use of the lease. Certain expenses derived from these leases are variable and are not included in the measurement of the corresponding lease liability and ROU asset, but are recognized in the period in which the obligation for those payments is incurred. These variable lease payments consist of payments for real estate taxes and common area maintenance, which is dependent on projects and activities at each individual property under ground or building lease.

Noncontrolling Interests — Noncontrolling interests in consolidated subsidiaries represent the portion of equity that we do not own in those entities that we consolidate. We identify our noncontrolling interests separately within the equity section on the consolidated balance sheets. Noncontrolling interests in Operating Partnership include OP units and limited partnership interests in the Operating Partnership in the form of long-term incentive plan ("LTIP") unit awards classified as equity.

Variable Interest Entities — 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 which do not have the obligation to absorb expected losses, do not have the right to receive expected residual returns, or 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 the power to direct the activities that most significantly impact economic performance of the VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The consolidated financial statements reflect the consolidation of VIEs in which the Company is the primary beneficiary.

Earnings Per Share and Unit — Basic earnings per common share and unit is computed by dividing net income attributable to common shareholders and unitholders by the weighted average common shares and units outstanding during the period. Unvested share-based payment awards that entitle holders to receive non-forfeitable dividends, such as our restricted stock awards, are classified as "participating securities." Because the awards are considered participating securities, the Company and the Operating Partnership are required to apply the two-class method of computing basic and diluted earnings that would otherwise have been available to common shareholders and unitholders. Under the two-class method, earnings for the period are allocated between common shareholders and unitholders and other shareholders and unitholders, based on their respective rights to receive dividends. During periods of net loss, losses are allocated only to the extent the participating securities are required to absorb their share of such losses. Diluted earnings per common share and unit reflects the potential dilution of the assumed exercises of shares including stock options and unvested restricted shares to the extent they are dilutive.

Share-Based Compensation — We grant stock options, LTIP units, OP units, deferred share units, restricted share awards and performance-based units to our officers, trustees and employees. The term of each award is determined by the compensation committee of our Board of Trustees (the "Compensation Committee"), but in no event can such term be longer than ten years from the date of grant. The vesting schedule of each award is determined by the Compensation Committee, in its sole and absolute

discretion, at the date of grant of the award. Dividends are paid on certain shares of unvested restricted stock, which makes the restricted stock a participating security.

Fair value is determined, depending on the type of award, using either the Black-Scholes option-pricing model or the Monte Carlo method, both of which are intended to estimate the fair value of the awards at the grant date. In using the Black-Scholes option-pricing model, expected volatilities and dividend yields are primarily based on available implied data and peer group companies' historical data. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant.

Compensation expense for restricted share awards is based on the fair value of our common shares at the date of the grant and is recognized ratably over the vesting period. For grants with a graded vesting schedule or a cliff vesting schedule, we have elected to recognize compensation expense on a straight-line basis. The OPP unrecognized compensation expense is recognized on a straight-line basis over the remaining life of the OPP awards issued. Share-based compensation expense is included in general and administrative expenses on the consolidated statements of income.

When the Company issues common shares as compensation, it receives a like number of common units from the Operating Partnership. Accordingly, the Company's ownership in the Operating Partnership will increase based on the number of common shares awarded under our 2015 Omnibus Share Plan. As a result of the issuance of common units to the Company for share-based compensation, the Operating Partnership accounts for share-based compensation in the same manner as the Company.

Income Taxes — Our two Puerto Rico malls are subject to income taxes which are based on estimated taxable income and are included in income tax expense in the consolidated statements of income. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates in effect for the year in which these temporary differences are expected to be recovered or settled. Earnings and profits, which determine the taxability of dividends to shareholders, differs from net income reported for financial reporting purposes primarily because of differences in depreciable lives and cost bases of the malls, as well as other timing differences.

Concentration of Credit Risk — A concentration of credit risk arises in our business when a national or regionally-based tenant occupies a substantial amount of space in multiple properties owned by us. In that event, if the tenant suffers a significant downturn in its business, it may become unable to make its contractual rent payments to us, exposing us to potential losses in rental revenue, expense recoveries, and percentage rent. Further, the impact may be magnified if the tenant is renting space in multiple locations. Generally, we do not obtain security from our national or regionally-based tenants in support of their lease obligations to us. We regularly monitor our tenant base to assess potential concentrations of credit risk. None of our tenants accounted for more than 10% of total revenues in the year ended December 31, 2019. As of December 31, 2019, The Home Depot was our largest tenant with seven stores which comprised an aggregate of 920,000 sf and accounted for approximately \$23.0 million, or 5.9% of our total revenue for the year ended December 31, 2019.

Recently Issued Accounting Literature

Effective for the fiscal period beginning January 1, 2019, we adopted ("ASU 2016-02") ASC 842 *Leases*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). In connection with the adoption of ASU 2016-02, we also adopted (i) ASU 2019-01 *Leases (ASC 842): Codification Improvements*, (ii) ASU 2018-20 *Leases (ASC 842): Narrow-Scope Improvements for Lessors*, (iii) ASU 2018-11 *Leases (ASC 842): Targeted Improvements*, (iv) ASU 2018-10 *Codification Improvements to ASC 842, Leases* and (v) ASU 2018-01 *Leases (ASC 842): Land Easement Practical Expedient for Transition to Topic 842*.

We initially applied the standard at the beginning of the period of adoption through the transition method issued by ASU 2018-11 and have presented comparative periods under ASC 840 *Leases*. Due to the effects of applying ASC 842, the Company recognized a \$2.9 million cumulative-effect adjustment to its accumulated deficit to adjust reserves on receivables from straight-line rents. The new standard requires lessees to apply a two-model approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification determines whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a ROU asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. The Company has elected the short-term lease recognition exemption, and therefore, leases with a term of 12 months or less are not recognized on the balance sheet. The new standard requires lessors to account for leases using an approach that is substantially equivalent to guidance for sales-type leases, direct financing leases and operating leases under ASC 840. For purposes of transition, we did not elect the hindsight practical expedient but did elect the land easement practical expedient to not reassess whether existing land easements contain leases and the practical expedient package, which has been applied consistently to all of

our leases. As a result of electing the practical expedient package, we did not (i) reassess whether any expired or existing contracts are or contain leases, (ii) reassess the lease classification for any expired or existing leases or (iii) reassess initial direct costs for any existing leases.

From a lessee perspective, the initial adoption on January 1, 2019 resulted in the recognition of operating lease ROU assets and lease liabilities for 24 operating leases with an aggregate balance of \$98.5 million and \$93.6 million, respectively. On January 1, 2019, we also reclassified \$11.9 million of acquired below-market lease intangibles and \$7.1 million of accrued rent and adjusted the carrying values of our ROU assets by the corresponding amounts. As of December 31, 2019, our operating lease ROU assets and lease liabilities were \$81.8 million and \$79.9 million, respectively, as presented on our consolidated balance sheet. Subsequent to adoption, the Company recognized a finance lease ROU asset and finance lease liability of \$2.7 million and \$3.0 million, respectively, in connection with the Company's acquisition of the lessee position of a ground lease on November 1, 2019. The Company recognizes interest expense on the finance lease liability. The standard's adoption has also impacted the presentation of our consolidated income statement due to accounting for the lease and non-lease components as a single lease component for all classes of underlying assets, presented as lease expense on the consolidated statement of income. Prior to the adoption of ASC 842, related lease and non-lease expense amounts were recognized within lease expense, real estate taxes, property operating expenses and general administrative expenses on the consolidated statement of income.

From a lessor perspective, the adoption resulted in additional general and administrative expenses, attributable to internal leasing department costs not meeting the definition of initial direct costs under ASC 842. Capitalized internal leasing costs were \$0.7 million for the year ended December 31, 2018. The standard's adoption has also impacted the presentation of our consolidated income statement due to accounting for lease and non-lease components as a single lease component, presented as rental revenue on the consolidated statement of income, however there has been no change in the timing of revenue recognition since adoption. Additionally, under the amendments issued in ASU 2018-20, the Company has accounted for common area maintenance expenses of \$2.7 million paid directly by tenants to third-parties as variable rental revenue and has reported the corresponding expense within property operating expenses. Real estate taxes and insurance expenses paid directly by tenants have not been recognized as rental revenue, real estate taxes and property operating expenses on the consolidated statements of income.

The adoption of this standard has also resulted in additional quantitative and qualitative footnote disclosures (refer to Note 8 Leases to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K).

Effective for the fiscal period beginning January 1, 2020, we adopted ASU 2016-13, *Financial Instruments - Credit Losses (ASC 326): Measurement of Credit Losses*. In connection with the adoption of ASU 2016-03, we also adopted (i) ASU 2018-19 *Codification Improvements to ASC 326, Financial Instruments - Credit Losses*, (ii) ASU 2019-04, *Codification Improvements to ASC 326, Financial Statements - Credit Losses, Topic 815, Derivatives and Hedging and Topic 825, Financial Instruments*, (iii) ASU 2019-05 *Financial Instruments - Credit Losses (ASC 326): Targeted Transition Relief* and (iv) ASU 2019-11 *Codification Improvements to ASC 326, Financial Instruments - Credit Losses*. ASU 2016-13 introduces a new model for estimating credit losses for certain types of financial instruments and also modifies the impairment model with new methodology for estimating credits losses. In November 2018, the FASB issued ASU 2018-19 *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, which included amendments to clarify receivables arising from operating leases are within the scope ASC 842. Due to the adoption of ASC 842, the Company includes credit losses related to operating lease receivables as a reduction to rental revenue in "Rental revenue" in the consolidated statements of income. The adoption of ASU 2016-13 will not have a material impact to our consolidated financial statements and disclosures.

In August 2018, the FASB issued ASU 2018-13 *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* to ASC 820, *Fair Value Measurement*. ASU 2018-13 modifies the disclosure requirements for fair value measurements by removing, modifying, and/or adding certain disclosures. ASU 2018-13 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2019. We elected to early adopt ASU 2018-13 effective January 1, 2019. The adoption of ASU 2018-13 did not have a material impact on our consolidated financial statements and disclosures.

In December 2019, the FASB issued ASU 2019-12 *Income Taxes (ASC 740): Simplifying the Accounting for Income Taxes*, which enhances and simplifies various aspects of the income tax accounting. ASU 2019-12 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2020. Early adoption is permitted. We are currently evaluating the impact ASU 2019-12 may have to our consolidated financial statements and disclosures.

Any other recently issued accounting standards or pronouncements not disclosed above have been excluded as they are not relevant to the Company or the Operating Partnership, or they are not expected to have a material impact on our consolidated financial statements.

4. ACQUISITIONS AND DISPOSITIONS

Acquisitions

During the years ended December 31, 2019 and December 31, 2018, we closed on the following acquisitions:

Date Purchased	Property Name	City	State	Square Feet	Purchase Price
(in thousands)					
November 1, 2019	25 East Spring Valley Ave	Maywood	NJ	43,800	\$ 7,162
November 8, 2019	Wonderland Marketplace	Revere	MA	139,500	24,209
December 9, 2019	150 Route 4 East	Paramus	NJ	12,000	7,118
2019 Total					\$ 38,489 ⁽¹⁾
January 26, 2018	938 Spring Valley Road	Maywood	NJ	2,000	\$ 719
February 23, 2018	116 Sunrise Highway	Freeport	NY	4,750	447
February 28, 2018	197 West Spring Valley Ave	Maywood	NJ	16,300	2,799
May 24, 2018	7 Francis Place	Montclair	NJ	3,000	966
2018 Total					\$ 4,931 ⁽¹⁾

⁽¹⁾ The total purchase prices for the properties acquired in the year ended December 31, 2019 and December 31, 2018, respectively, include \$0.3 million and \$0.1 million of transaction costs incurred in relation to the transactions.

The Company purchased three assets with a total consideration of \$38 million during the year ended December 31, 2019. One asset is located in the Boston metropolitan area and two assets are adjacent to our existing property, Bergen Town Center. The acquisitions were executed through Internal Revenue Code Section 1031 tax deferred exchange transactions and funded using proceeds from dispositions. The properties purchased during the year ended December 31, 2018 are all adjacent to centers currently owned by the Company. Consideration for these purchases consisted of cash.

The aggregate purchase price of the above property acquisitions has been allocated as follows:

Property Name	Land	Buildings and improvements	Identified intangible assets ⁽¹⁾	Identified intangible liabilities ⁽¹⁾	ROU asset net of lease liability	Total Purchase Price
(in thousands)						
25 East Spring Valley Ave ⁽²⁾	\$ —	\$ 6,824	\$ 623	\$ (31)	\$ (254)	\$ 7,162
Wonderland Marketplace	6,323	17,130	2,947	(2,191)	—	24,209
150 Route 4 East	7,118	—	—	—	—	7,118
2019 Total	\$ 13,441	\$ 23,954	\$ 3,570	\$ (2,222)	\$ (254)	\$ 38,489
938 Spring Valley Road	\$ 519	\$ 200	\$ —	\$ —	\$ —	\$ 719
116 Sunrise Highway	151	296	—	—	—	447
197 West Spring Valley Ave	1,768	1,031	—	—	—	2,799
7 Francis Place	381	585	—	—	—	966
2018 Total	\$ 2,819	\$ 2,112	\$ —	\$ —	\$ —	\$ 4,931

⁽¹⁾ As of December 31, 2019, the remaining weighted average amortization periods of the identified intangible assets and identified intangible liabilities acquired in 2019 were 11.2 years and 23.8 years, respectively.

⁽²⁾ In connection with this acquisition, the Company acquired the lessee position of a ground lease and recognized a finance lease ROU asset and finance lease liability of \$2.7 million and \$3.0 million, respectively.

As of December 31, 2019, the Company was under contract to purchase two properties situated in the Midwood section of Brooklyn, NY for \$165 million. A \$10.0 million deposit related to these acquisitions was included in the balance of the Company's prepaid expenses and other assets in the consolidated balance sheets as of December 31, 2019. In February 2020 we completed the acquisitions of these properties.

Dispositions

During the year ended December 31, 2019, we disposed of eight properties and received proceeds of \$112.8 million, net of selling costs, resulting in a \$68.6 million net gain on sale of real estate on our consolidated statements of income during the year ended December 31, 2019. We disposed of two additional properties in January 2020 for net cash proceeds of \$27.9 million.

During the year ended December 31, 2019, the Company also sold its lessee position in one of its ground leases and received proceeds of \$6.9 million, net of selling costs, and derecognized the lease's ROU asset and corresponding lease liability. We recognized a gain on sale of lease of \$1.8 million on our consolidated statements of income during the year ended December 31, 2019 as a result of the sale.

On April 26, 2018, we completed the sale of our property in Allentown, PA, which was previously classified as held for sale, for \$54.3 million, net of selling costs. As a result of this transaction, we recognized a \$50.4 million gain on sale of real estate during the year ended December 31, 2018.

On July 5, 2018, we completed the sale of land in Cherry Hill, NJ for \$3.3 million, net of selling costs, resulting in a gain of \$2.2 million.

Real Estate Held for Sale

As of December 31, 2019, our two properties in Lawnside, NJ and Bethlehem, PA were classified as held for sale based on executed contracts of sale with third-party buyers. The Company classifies properties as held for sale when executed contract contingencies have been satisfied, which signify that the sale is legally binding. The aggregate amount of these properties was \$3.5 million and \$3.1 million, respectively, and were included in prepaid expenses and other assets in our consolidated balance sheets as of December 31, 2019.

5. IDENTIFIED INTANGIBLE ASSETS AND LIABILITIES

The following table summarizes our identified intangible assets and liabilities:

(Amounts in thousands)	December 31, 2019	December 31, 2018
In-place leases	\$ 71,328	\$ 75,454
Accumulated amortization	(27,254)	(24,713)
Below-market ground leases ⁽¹⁾	—	23,730
Accumulated amortization ⁽¹⁾	—	(11,791)
Above-market leases	6,100	7,129
Accumulated amortization	(2,998)	(2,565)
Other intangible assets	1,635	1,635
Accumulated amortization	(690)	(457)
Identified intangible assets, net of accumulated amortization	48,121	68,422
Below-market leases	191,440	209,316
Accumulated amortization	(62,610)	(65,058)
Identified intangible liabilities, net of accumulated amortization	\$ 128,830	\$ 144,258

⁽¹⁾ In connection with the adoption of ASC 842 on January 1, 2019, we reclassified acquired below-market lease intangibles and adjusted the carrying values of our ROU assets by the corresponding amount.

Amortization of acquired below-market leases, net of acquired above-market leases resulted in rental income of \$15.9 million, \$34.0 million, and \$9.5 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Amortization of acquired in-place leases and customer relationships resulted in depreciation and amortization expense of \$8.8 million, \$15.1 million, \$9.3 million for the years ended December 31, 2019, 2018 and 2017, respectively.

The following table sets forth the estimated annual amortization expense related to intangible assets and liabilities for the five succeeding years commencing January 1, 2020:

(Amounts in thousands)	Below-Market		Above-Market		In-Place Leases
Year	Operating Lease Amortization		Operating Lease Amortization		In-Place Leases
2020	\$	9,648	\$	(998)	\$ (6,506)
2021		9,509		(799)	(5,212)
2022		9,433		(435)	(4,285)
2023		9,381		(325)	(3,814)
2024		9,146		(262)	(3,341)

6. MORTGAGES PAYABLE

The following is a summary of mortgages payable as of December 31, 2019 and December 31, 2018.

(Amounts in thousands)	Maturity	Interest Rate at December 31, 2019	December 31, 2019	December 31, 2018
First mortgages secured by:				
Variable rate				
Cherry Hill (Plaza at Cherry Hill) ⁽¹⁾	5/24/2022	3.31%	\$ 28,930	\$ 28,930
Westfield (One Lincoln Plaza) ⁽¹⁾	5/24/2022	3.31%	4,730	4,730
Woodbridge (Plaza at Woodbridge) ⁽¹⁾	5/25/2022	3.31%	55,340	55,340
Jersey City (Hudson Commons) ⁽²⁾	11/15/2024	3.61%	29,000	29,000
Watchung ⁽²⁾	11/15/2024	3.61%	27,000	27,000
Bronx (1750-1780 Gun Hill Road) ⁽²⁾	12/1/2024	3.61%	24,500	24,500
Total variable rate debt			<u>169,500</u>	<u>169,500</u>
Fixed rate				
Montehiedra (senior loan)	7/6/2021	5.33%	83,202	84,860
Montehiedra (junior loan)	7/6/2021	3.00%	30,000	30,000
Bergen Town Center - West, Paramus	4/8/2023	3.56%	300,000	300,000
Bronx (Shops at Bruckner)	5/1/2023	3.90%	10,978	11,582
Jersey City (Hudson Mall) ⁽⁵⁾	12/1/2023	5.07%	23,625	24,326
Yonkers Gateway Center ⁽⁶⁾	4/6/2024	4.16%	30,122	31,704
Las Catalinas	8/6/2024	4.43%	129,335	130,000
Brick	12/10/2024	3.87%	50,000	50,000
North Plainfield	12/10/2025	3.99%	25,100	25,100
Middletown	12/1/2026	3.78%	31,400	31,400
Rockaway	12/1/2026	3.78%	27,800	27,800
East Hanover (200 - 240 Route 10 West)	12/10/2026	4.03%	63,000	63,000
North Bergen (Tonnelles Ave) ⁽⁴⁾	4/1/2027	4.18%	100,000	100,000
Manchester	6/1/2027	4.32%	12,500	12,500
Millburn	6/1/2027	3.97%	23,798	24,000
Totowa	12/1/2027	4.33%	50,800	50,800
Woodbridge (Woodbridge Commons)	12/1/2027	4.36%	22,100	22,100
East Brunswick	12/6/2027	4.38%	63,000	63,000
East Rutherford	1/6/2028	4.49%	23,000	23,000
Hackensack	3/1/2028	4.36%	66,400	66,400
Marlton	12/1/2028	3.86%	37,400	37,400
East Hanover Warehouses	12/1/2028	4.09%	40,700	40,700
Union (2445 Springfield Ave)	12/10/2028	4.01%	45,600	45,600
Freeport (Freeport Commons)	12/10/2029	4.07%	43,100	43,100
Garfield	12/1/2030	4.14%	40,300	40,300
Mt Kisco ⁽³⁾	11/15/2034	6.40%	13,488	13,987
Total fixed rate debt			<u>1,386,748</u>	<u>1,392,659</u>
Total mortgages payable			1,556,248	1,562,159
Unamortized debt issuance costs			(10,053)	(11,917)
Total mortgages payable, net of unamortized debt issuance costs			<u>\$ 1,546,195</u>	<u>\$ 1,550,242</u>

⁽¹⁾ Bears interest at one month LIBOR plus 160 bps.

⁽²⁾ Bears interest at one month LIBOR plus 190 bps.

⁽³⁾ The mortgage payable balance on the loan secured by Mt Kisco includes \$0.9 million and \$1.0 million of unamortized debt discount as of December 31, 2019 and December 31, 2018, respectively. The effective interest rate including amortization of the debt discount is 7.37% as of December 31, 2019.

⁽⁴⁾ On March 29, 2017, we refinanced the \$74 million, 4.59% mortgage loan secured by our Tonnelles Commons property in North Bergen, NJ, increasing the principal balance to \$100 million with a 10-year fixed rate mortgage, at 4.18%. As a result, we recognized a loss on

extinguishment of debt of \$1.3 million during the year ended December 31, 2017, comprised of a \$1.1 million prepayment penalty and write-off of \$0.2 million of unamortized deferred financing fees on the original loan.

- (5) The mortgage payable balance on the loan secured by Hudson Mall includes \$1.0 million and \$1.2 million of unamortized debt premium as of December 31, 2019 and December 31, 2018, respectively. The effective interest rate including amortization of the debt premium is 3.90% as of December 31, 2019.
- (6) The mortgage payable balance on the loan secured by Yonkers Gateway Center includes \$0.6 million and \$0.7 million of unamortized debt premium as of both December 31, 2019 and December 31, 2018, respectively. The effective interest rate including amortization of the debt premium is 3.80% as of December 31, 2019.

The net carrying amount of real estate collateralizing the above indebtedness amounted to approximately \$1.2 billion as of December 31, 2019. Our mortgage loans contain covenants that limit our ability to incur additional indebtedness on these properties and in certain circumstances require lender approval of tenant leases and/or yield maintenance upon repayment prior to maturity. As of December 31, 2019, we were in compliance with all debt covenants.

During 2017, our property in Englewood, NJ was transferred to a receiver. On January 31, 2018, our property in Englewood, NJ was sold at a foreclosure sale and on February 23, 2018, the court order was received approving the sale and discharging the receiver of all assets and liabilities related to the property. We recognized a gain on extinguishment of debt of \$2.5 million as a result of the forgiveness of outstanding mortgage debt of \$11.5 million, which is included in the consolidated statement of income for the year ended December 31, 2018.

As of December 31, 2019, the principal repayments for the next five years and thereafter are as follows:

(Amounts in thousands)

Year Ending December 31,

2020	\$	7,515
2021		122,628
2022		99,711
2023		344,367
2024		274,316
2025		32,306
Thereafter		675,405

On January 15, 2015, we entered into a \$500 million Revolving Credit Agreement (the "Agreement") with certain financial institutions. On March 7, 2017, we amended and extended the Agreement. The amendment increased the credit facility size by \$100 million to \$600 million and extended the maturity date to March 7, 2021 with two six-month extension options. On July 29, 2019, we entered into a second amendment to the Agreement to extend the maturity date to January 29, 2024 with two six-month extension options. Company borrowings under the Agreement are subject to interest at LIBOR plus 1.05% to 1.50% and an annual facility fee of 15 to 30 basis points. Both the spread over LIBOR and the facility fee are based on our current leverage ratio and are subject to increase if our leverage ratio increases above predefined thresholds. The Agreement contains customary financial covenants including a maximum leverage ratio of 60% and a minimum fixed charge coverage ratio of 1.5x. No amounts have been drawn to date under the Agreement. Financing fees associated with the Agreement of \$3.9 million and \$2.2 million as of December 31, 2019 and December 31, 2018, respectively, are included in deferred financing fees, net in the consolidated balance sheets.

7. INCOME TAXES

The Company elected to be taxed as a REIT under sections 856-860 of the Internal Revenue Code of 1986, as amended (the “Code”), commencing with the filing of its 2015 tax return for its tax year ended December 31, 2015. With exception to the Company’s taxable REIT subsidiary (“TRS”), to the extent the Company meets certain requirements under the Code, the Company will not be taxed on its federal taxable income. If we fail to qualify as a REIT for any taxable year, we will be subject to federal income taxes at regular corporate rates (including any alternative minimum tax, which, for corporations, was repealed under the Tax Cuts and Jobs Act (“TCJA”) for tax years beginning after December 31, 2017) and may not be able to qualify as a REIT for the four subsequent taxable years. In addition to its TRS, the Company is subject to certain foreign and state and local income taxes, including a 29% non-resident withholding tax on its two Puerto Rico malls, which are included in income tax expense in the consolidated statements of income. The Company is also subject to certain other taxes, including state and local franchise taxes which are included in general and administrative expenses in the consolidated statements of income.

On December 22, 2017, the TCJA was signed into law. The TCJA amends the Internal Revenue Code to reduce tax rates and modify policies, credits, and deductions for individuals and businesses. Effective January 1, 2018, for businesses, the TCJA reduces the corporate tax rate from a maximum of 35% to a flat 21% rate. Since UE has elected to qualify as a REIT under sections 856-860 of the Internal Revenue Code with intent to distribute 100% of its taxable income and did not have any activities in a Taxable REIT Subsidiary (“TRS”) prior to January 1, 2018, there was no impact from the provisions of the TCJA to the Company’s financial statements.

The Company satisfied its REIT distribution requirement by distributing \$0.88 per common share in 2019. The taxability of such dividends are as follows:

	Year Ended December 31,		
	2019	2018	2017
Dividend paid per share	\$ 0.88	\$ 0.88	\$ 0.88
Ordinary income	83%	100%	58%
Return of capital	—%	—%	—%
Capital gains	17%	—%	42%

The REIT and the other minority members are partners in the Operating Partnership. As such, the partners are required to report their share of taxable income on their tax returns.

On December 31, 2017, the Company elected, for tax purposes, to treat the wholly-owned limited partnership that held its Allentown property as a taxable REIT subsidiary (“TRS”). A TRS is a corporation, other than a REIT, in which we directly or indirectly hold stock, which has made a joint election with us to be treated as a TRS under Section 856(l) of the Code. A TRS is required to pay regular U.S. federal income tax, and state and local income tax where applicable, as a non-REIT “C” corporation. The Allentown legal entity restructuring resulted in a capital gain recognized for tax purposes in 2017 and a step up in tax basis to the Allentown property resulting in no capital gains recognized for tax purposes in 2018 upon the property’s sale on April 26, 2018. The Company’s consolidated financial statements for the year ended December 31, 2018 reflect the TRS’ federal and state corporate income taxes associated with the operating activities at the TRS. The tax expense recorded in association with the operating activities of the TRS was \$0.2 million for the year ended December 31, 2018. As of December 31, 2018, the Allentown TRS has been dissolved and as such, the Company’s consolidated financial statements for the year ended December 31, 2019 do not reflect any corporate income taxes associated with such TRS.

During the year ended December 31, 2019, certain non-real estate operating activities, non-qualifying for REIT purposes, commenced through the Company’s operating TRS and are subject to federal, state and local income taxes. These income taxes are included in the income tax expense in the consolidated statements of income.

Our two Puerto Rico malls are subject to a 29% non-resident withholding tax which is included in income tax expense in the consolidated statements of income. Income before income taxes at our two Puerto Rico malls during the year ended December 31, 2019 was \$9.4 million. The Puerto Rico tax expense recorded was \$1.2 million and \$3.3 million for the years ended December 31, 2019 and December 31, 2018, respectively. For the year ended December 31, 2017, the Puerto Rico tax benefit recorded was \$0.3 million. Both properties are held in a special partnership for Puerto Rico tax reporting purposes (the general partner being a qualified REIT subsidiary or “QRS”).

Income taxes are accounted for under the asset and liability method. Deferred income taxes are recognized for the temporary differences between the financial reporting basis and the tax basis of taxable assets and liabilities.

Income tax expense (benefit) for the years ended December 31, 2019, 2018 and 2017 consists of the following:

(Amounts in thousands)	Year Ended December 31,		
	2019	2018	2017
Income tax expense (benefit):			
Current:			
U.S. federal income tax	\$ —	\$ 154	\$ —
U.S. state and local income tax	66	101	22
Puerto Rico income tax	851	560	674
Total current	917	815	696
Deferred:			
Puerto Rico income tax ⁽¹⁾	370	2,704	(974)
Total deferred	370	2,704	(974)
Total income tax expense (benefit)	\$ 1,287	\$ 3,519	\$ (278)

⁽¹⁾ Due to the effects of applying ASC 842 on January 1, 2019, deferred tax benefit of \$0.8 million was recognized within a cumulative-effect adjustment to accumulated deficit to adjust reserves on receivables from straight-line rents. Refer to Note 3 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for more information.

Provision for income taxes differs from the amounts computed by applying the statutory federal income tax rate to consolidated net income before income taxes as follows:

(Amounts in thousands)	Year Ended December 31,		
	2019	2018	2017
Federal provision at statutory tax rate ⁽¹⁾	\$ 24,672	\$ 25,301	\$ 25,431
Income before income taxes not subject to federal tax provision	(24,677)	(14,390)	(25,431)
TRS permanent book to tax adjustments	—	(10,740)	—
State and local income tax provision, net of federal benefit	66	84	22
Puerto Rico income tax provision	1,221	3,264	(300)
Change in valuation allowance	5	—	—
Total income tax expense (benefit)	\$ 1,287	\$ 3,519	\$ (278)

⁽¹⁾ Federal statutory tax rate of 21% for the years ended December 31, 2019 and 2018 and federal statutory tax rate of 35% for the year ended December 31, 2017.

Below is a table summarizing the Company's deferred tax assets and liabilities as of December 31, 2019 and 2018:

(Amounts in thousands)	Balance at	
	December 31, 2019	December 31, 2018
Deferred tax assets:		
Amortization of deferred financing costs	\$ 69	\$ 115
Credit losses related to operating lease receivables	461	522
Hurricane insurance claims receivable	—	460
Charitable contribution	5	5
Net operating loss	5	—
Valuation allowance	(5)	—
Total deferred tax assets	535	1,102
Deferred tax liabilities:		
Depreciation	(4,416)	(4,489)
Straight line rent	(1,051)	(1,920)
Amortization of acquired leases	(205)	(225)
Total deferred tax liabilities	(5,672)	(6,634)
Net deferred tax liabilities	\$ (5,137)	\$ (5,532)

A reduction of the carrying amounts of deferred tax assets by a valuation allowance is required, if based on the evidence available, it is more likely than not (a likelihood of more than 50 percent) that some portion or all of the deferred tax assets will not be realized. For the year ended December 31, 2019, the Company reduced the carrying amount of the deferred tax asset established from a net operating loss generated at the Company's operating TRS. This determination is based on the operating TRS' anticipated future taxable income and the reversal of the deferred tax asset.

We record uncertain tax positions in accordance with ASC 740 *Income Taxes* on the basis of a two-step process whereby (i) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company has not recorded any uncertain tax positions for tax year 2019.

The Operating Partnership is organized as a limited partnership and is generally not subject to federal income tax. Accordingly, no provision for federal income taxes has been reflected in the accompanying consolidated financial statements outside of the Company's TRS activities.

8. LEASES

Leases as lessor

We have approximately 1,100 operating leases at our retail shopping centers and malls, which generate rental income from tenants and operating cash flows for the Company. Our tenant base comprises a diverse group of merchants including department stores, supermarkets, discounters, entertainment offerings, health clubs, DIY stores, in-line specialty shops, restaurants and other food and beverage vendors and service providers. Tenant leases for under 10,000 sf generally have lease terms of 5 years or less. Tenant leases for 10,000 sf or more are considered anchor leases and generally have lease terms of 10 to 25 years, with one or more renewal options available upon expiration of the initial lease term. Contractual rent increases for the renewal options are often fixed at the time of the initial lease agreement which may result in tenants being able to exercise their renewal options at amounts that are less than the fair value of the rent at the date of renewal.

The components of rental revenue for the year ended December 31, 2019 were as follows:

(Amounts in thousands)	Year Ended December 31, 2019	
Rental Revenue		
Fixed lease revenue	\$	274,397
Variable lease revenue		110,008
Total rental revenue	\$	384,405

Property, plant and equipment under operating leases as lessor

As of December 31, 2019, substantially all of the Company's real estate assets are subject to operating leases.

Maturity analysis of lease payments as lessor

The Company's operating leases are disclosed in the aggregate due to their consistent nature as real estate leases. As of December 31, 2019, the undiscounted cash flows to be received from lease payments of our operating leases on an annual basis for the next five years and thereafter are as follows:

(Amounts in thousands)		
<u>Year Ending December 31,</u>		
2020	\$	259,487
2021		242,651
2022		225,251
2023		201,736
2024		167,281
2025		142,947
Thereafter		757,446
Total undiscounted cash flows	\$	1,996,799

As of December 31, 2018, future base rental revenue under non-cancelable operating leases, under ASC 840 as lessor, was as follows:

(Amounts in thousands)

<u>Year Ending December 31,</u>	
2019	\$ 256,598
2020	235,652
2021	216,247
2022	198,449
2023	176,282
Thereafter	986,865

These future minimum amounts do not include additional rents based on a percentage of tenants' sales and tenant expense reimbursements. For the years ended December 31, 2018 and 2017, rental revenue from percentage rent was \$2.0 million and \$1.2 million, respectively. For the years ended December 31, 2018 and 2017, rental revenue from tenant expense reimbursements was \$108.7 million and \$99.1 million, respectively.

Leases as lessee

As of December 31, 2019, the Company had 21 properties in its portfolio either completely or partially on land or a building that was owned by third parties. These properties are leased or subleased to us pursuant to ground leases, building leases or easements, with remaining terms ranging from less than two years to over 80 years and provide us the right to operate the property. We also lease or sublease real estate for our three corporate offices with remaining terms of less than one year.

During the year ended December 31, 2019, the Company reassessed the lease term of one of its ground leases due to a change in circumstances in our election to renew the ground lease. As a result of this reassessment, the Company remeasured the lease liability by using revised inputs as of the reassessment date and recorded an additional ROU asset and lease liability of \$5.0 million, respectively.

During the year ended December 31, 2019, the Company sold its lessee position in one of its operating ground leases for \$6.9 million, net of selling costs, and derecognized the lease's ROU asset and corresponding lease liability. We recognized a gain on sale of lease of \$1.8 million on our consolidated statements of income during the year ended December 31, 2019 as a result of the sale. Additionally, on July 31, 2019, the Company's lessee position in one of its ground leases expired in accordance with the terms of the lease.

Additionally, on November 1, 2019 the Company recognized a finance lease ROU asset and finance lease liability of \$2.7 million and \$3.0 million, respectively, in connection with the Company's acquisition of the lessee position of a ground lease. The Company assessed the lease classification as a finance lease due to the Company's reasonably certain likelihood of exercising its option to purchase the lease. The finance lease ROU asset is included within prepaid expenses and other assets on our consolidated balance sheets as of December 31, 2019 and the finance lease liability is included within accounts payable, accrued expenses and other liabilities on our consolidated balance sheets as of December 31, 2019.

The components of lease expense for the year ended December 31, 2019 were as follows:

(Amounts in thousands)	<u>Year Ended December 31, 2019</u>	
Lease expense		
Operating lease cost ⁽¹⁾	\$	11,730
Variable lease cost		2,736
Total lease expense	\$	14,466

⁽¹⁾ During the year ended December 31, 2019, the Company recognized sublease income of \$19.7 million, included in rental revenue on the consolidated statement of income in relation to certain ground and building lease arrangements. Operating lease cost includes amortization of below-market ground lease intangibles and straight-line lease expense.

In addition, the Company recognized finance lease cost of under \$0.1 million during the year ended December 31, 2019, included in interest and debt expense on the consolidated statements of income.

Supplemental balance sheet information related to leases as of December 31, 2019 was as follows:

Supplemental noncash information	December 31, 2019	
	Operating leases	Finance lease
Weighted-average remaining lease term	15.3 years	36.2 years
Weighted-average discount rates	4.03%	4.01%

Supplemental cash information related to leases for the year ended December 31, 2019 was as follows:

(Amounts in thousands)	Year Ended December 31, 2019	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	10,698
Operating cash flows from finance lease		10
Financing cash flows from finance lease		8
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases		98,980
Finance lease		2,991

Maturity analysis of lease payments as lessee

The undiscounted cash flows to be paid on an annual basis for the next five years and thereafter are presented in the table below. The total amount of lease payments, on an undiscounted basis, are reconciled to the lease liability on the consolidated balance sheet by considering the present value discount.

(Amounts in thousands)	Operating leases	Finance lease
Year Ending December 31,		
2020	\$ 9,235	\$ 109
2021	8,647	109
2022	8,666	109
2023	8,466	109
2024	8,470	109
2025	6,568	109
Thereafter	62,551	6,424
Total undiscounted cash flows	112,603	7,078
Present value discount	(32,690)	(4,096)
Discounted cash flows	\$ 79,913	\$ 2,982

As of December 31, 2018, future lease payments under operating lease agreements, including extension options if reasonably assured of being exercised, under ASC 840 as lessee, were as follows:

(Amounts in thousands)	
Year Ending December 31,	
2019	\$ 10,640
2020	9,614
2021	8,957
2022	8,982
2023	8,850
Thereafter	85,535

9. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurement and Disclosures* defines fair value and establishes a framework for measuring fair value. The objective of fair value is to determine the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels: Level 1 - quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities; Level 2 - observable prices based on inputs not quoted in active markets, but corroborated by market data; and Level 3 - unobservable inputs used when little or no market data is available. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as consider counterparty credit risk in our assessment of fair value.

Financial Assets and Liabilities Measured at Fair Value on a Recurring or Non-Recurring Basis

There were no financial assets or liabilities measured at fair value on a recurring or non-recurring basis as of December 31, 2019 and December 31, 2018.

Financial Assets and Liabilities not Measured at Fair Value

Financial assets and liabilities that are not measured at fair value on the consolidated balance sheets include cash and cash equivalents and mortgages payable. Cash and cash equivalents are carried at cost, which approximates fair value. The fair value of mortgages payable is calculated based on current market prices and discounted cash flows at the current rate at which similar loans would be made to borrowers with similar credit ratings for the remaining term of such debt. The fair value of cash and cash equivalents is classified as Level 1 and the fair value of mortgages payable is classified as Level 2. The table below summarizes the carrying amounts and fair value of these financial instruments as of December 31, 2019 and December 31, 2018.

(Amounts in thousands)	As of December 31, 2019		As of December 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Cash and cash equivalents	\$ 432,954	\$ 432,954	\$ 440,430	\$ 440,430
Liabilities:				
Mortgages payable ⁽¹⁾	\$ 1,556,248	\$ 1,590,503	\$ 1,562,159	\$ 1,543,963

⁽¹⁾ Carrying amounts exclude unamortized debt issuance costs of \$10.1 million and \$11.9 million as of December 31, 2019 and December 31, 2018, respectively.

Nonfinancial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

We assess the carrying value of our properties for impairment, when events or changes in circumstances indicate that the carrying value may not be recoverable.

During the year ended December 31, 2019, the Company recognized impairment charges of \$26.3 million on four retail properties that the Company is actively marketing. The impairment loss was calculated as the difference between the assets' individual carrying values and the estimated aggregated fair values of \$38.5 million, less estimated selling costs. The valuation of these properties were based on capitalization rates, discounted future cash flows, third-party appraisals, broker selling estimates and sale agreements under negotiations. The capitalization rates (ranging from 9.9% to 12.1%) and discounts rates (ranging from 9.3% to 10.8%) utilized in the analyses were based upon unobservable rates that the Company believes to be in a reasonable range of current market rates.

During the year ended December 31, 2018, we recognized a \$3.1 million impairment charge on our property in Salem, NH as a result of the loss of the anchor tenant at the property. The valuation of our property in Salem, NH was based on comparable property transactions in the property's surrounding area. We also recognized a \$2.5 million impairment charge on our property in West Babylon, NY. The fair value for our property in West Babylon, NY was based on an executed letter of intent with a third-party buyer less costs to sell.

During the year ended December 31, 2017, we recognized a \$3.5 million impairment charge on our property in Eatontown, NJ. Our determination of fair value was based on the executed contract of sale with the third-party buyer.

The Company believes the inputs utilized to measure these fair values were reasonable in the context of applicable market conditions, however due to the significance of the unobservable inputs in the overall fair value measures, including market conditions and expectations for growth, the Company determined that such fair value measurements are classified as Level 3.

Aggregate impairment charges of \$26.3 million, \$5.6 million and \$3.5 million, respectively, are included as an expense within casualty and impairment loss, net on our consolidated statements of income for the years ended December 31, 2019, 2018 and 2017.

10. COMMITMENTS AND CONTINGENCIES

There are various legal actions against us in the ordinary course of business. In our opinion, after consultation with legal counsel, the outcome of such matters will not have a material adverse effect on our financial condition, results of operations or cash flows.

Redevelopment

As of December 31, 2019, we had approximately \$65.6 million of active development, redevelopment and anchor repositioning projects underway, of which \$29.9 million remains to be funded. Based on current plans and estimates, we anticipate the remaining amounts will be expended over the next two years.

Insurance

The Company maintains (i) general liability insurance with limits of \$200 million for properties in the U.S. and Puerto Rico and (ii) all-risk property insurance with limits of \$500 million per occurrence and in the aggregate for properties in the U.S. and \$139 million for properties in Puerto Rico, subject to the terms, conditions, exclusions, deductibles and sub-limits when applicable for certain perils such as floods and earthquakes and (iii) numerous other insurance policies including trustees' and officers' insurance, workers' compensation and automobile-related liabilities insurance. The Company's insurance includes coverage for acts of terrorism but excludes coverage for nuclear, biological, chemical or radiological terrorism events as defined by the Terrorism Risk Insurance Program Reauthorization Act, which expires in December 2020. In addition, the Company maintains coverage for certain cybersecurity losses providing first and third-party coverage including network interruption, event management, cyber extortion and claims for media content, security and privacy liability. Insurance premiums are typically charged directly to each of the retail properties and warehouses but not all of the cost of such premiums are recovered. The Company is responsible for deductibles, losses in excess of insurance coverage, and the portion of premiums not reimbursable by tenants at our properties, which could be material.

We continue to monitor the state of the insurance market and the scope and costs of available coverage. We cannot anticipate what coverage will be available on commercially reasonable terms in the future and expect premiums across most coverage lines to increase in light of recent events. The incurrence of uninsured losses, costs or uncovered premiums could materially and adversely affect our business, results of operations and financial condition.

Certain of our loans and other agreements contain customary covenants requiring the maintenance of insurance coverage. Although we believe that we currently have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. If lenders or other counterparties insist on greater coverage than we are able to obtain, such requirement could materially and adversely affect our ability to finance our properties and expand our portfolio.

Tornado-Related Charges

On June 13, 2018, a tornado hit our shopping center in Wilkes-Barre, PA, damaging approximately 13% of the property's gross leasable area. During the year ended December 31, 2019, the Company settled the related insurance claim with its carrier for \$5.5 million. Of this amount, the Company recognized \$4.8 million as a casualty gain during the year ended December 31, 2019 included in casualty and impairment loss, net on the accompanying consolidated statements of income. As part of the settlement, the Company recognized \$0.3 million as business interruption proceeds within rental revenue during the year ended December 31, 2019.

Hurricane-Related Charges

On September 20, 2017, Hurricane Maria made landfall, damaging our two properties in Puerto Rico. During the year ended December 31, 2017, the Company incurred a \$2.2 million charge reflecting the net book value of assets damaged and incurred \$1.7 million of hurricane-related expenses, included in casualty and impairment loss, net on the accompanying consolidated statements of income. During the year ended December 31, 2017, the Company recognized \$2.2 million of business interruption losses, net of \$1.8 million in cash advances received from its insurance carrier. Losses of \$0.9 million pertained to rent abatements when the malls were closed or inoperable as a result of the hurricane, recorded as a reduction of rental revenue, and \$1.3 million was recorded within property operating expenses to provision for doubtful accounts for unpaid rents.

During the year ended December 31, 2018, the Company received \$1.5 million in casualty insurance proceeds, which were partially offset by \$0.3 million of hurricane-related costs, resulting in net casualty gains of \$1.2 million included in casualty and impairment loss, net on the accompanying consolidated statements of income. During the year ended December 31, 2018, the Company recognized \$0.3 million of business interruption losses, comprised of \$0.7 million of rent abatements due to tenants that had not reopened since the hurricane, recorded as a reduction of rental revenue, offset by a \$0.4 million reversal within property operating expenses to provision for doubtful accounts for payments received from tenants on rents previously reserved.

In June 2019, the Company finalized its insurance recovery related to Hurricane Maria with its carrier at \$14.3 million, of which \$3.3 million was previously received, subject to deductibles of \$2.3 million. We recognized an \$8.7 million casualty gain during the year ended December 31, 2019 as a result of the remaining insurance proceeds from the settlement agreement for our two malls in Puerto Rico.

Environmental Matters

Each of our properties has been subjected to varying degrees of environmental assessment at various times. Based on these assessments, we have accrued costs of \$2.7 million and \$1.7 million on our consolidated balance sheets as of December 31, 2019 and December 31, 2018, respectively, for remediation costs for environmental contamination at certain properties. While this accrual reflects third-party estimates of the potential costs of remediation at these properties, there can be no assurance that the actual costs will not exceed these amounts. During the year ended December 31, 2019 and December 31, 2018, the Company recognized \$1.4 million and \$0.6 million, respectively, of environmental remediation costs included in property operating expenses on the consolidated statements of income. Although we are not aware of any other material environmental contamination, there can be no assurance that the identification of new areas of contamination, changes in the extent or known scope of contamination, the discovery of additional sites, or changes in cleanup requirements would not result in significant costs to us.

Bankruptcies

Although our rental revenue is supported by long-term leases, leases may be rejected in a bankruptcy proceeding and the related tenant stores may permanently vacate prior to lease expiration. In the event a tenant with a significant number of leases or square footage in our shopping centers files for bankruptcy and rejects its leases with us, we could experience a reduction in our revenues. We monitor the operating performance and rent collections of all tenants in our shopping centers, especially those tenants in arrears or operating retail formats that are experiencing significant changes in competition, business practice, or store closings in other locations.

During the year ended December 31, 2018, Toys "R" Us, Sears, Fallas, and National Wholesale Liquidators filed for Chapter 11 bankruptcy protection.

During September 2017, Toys "R" Us filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code and announced an orderly wind-down of its U.S. business and liquidation of all U.S. stores on March 15, 2018. Prior to the liquidation, the Company had leases with Toys "R" Us at nine locations with annual rental revenue of \$7.6 million. In connection with the Toys "R" Us bankruptcy, the Company recognized a write-off of \$21.6 million of below-market intangible liabilities (classified within rental revenue), \$15.5 million of lease termination payments (classified within property operating expense) and a \$1.0 million write-off of reserves on receivables from straight-line rents in the year ended December 31, 2018. During the year ended December 31, 2019, the Company received \$1.2 million of bankruptcy settlement income in connection with the bankruptcy proceedings of Toys "R" Us. The settlement proceeds were used to offset outstanding credit losses and the remaining proceeds were recorded to other income. No determination has been made as to the amount or timing of additional bankruptcy settlement proceeds, if any, that may be received.

Fallas filed for Chapter 11 bankruptcy protection on August 6, 2018. Prior to the tenant vacating, the Company had one lease with Fallas at the Shops at Bruckner in the Bronx, NY comprising approximately 38,000 sf which generated \$1.4 million in annual rental revenue. In connection with the bankruptcy, the Company recognized a write-off of \$0.8 million of below-market intangible liabilities (classified within rental revenue) in the year ended December 31, 2018. As of December 31, 2019, the Company executed a lease with LA Fitness for this space.

Sears filed for Chapter 11 bankruptcy protection on October 15, 2018. The Company had four Kmart leases with Sears comprising approximately 547,000 sf, which generated \$8.5 million in annual rental revenue. Property rents were paid on all four Kmart locations through April 2019. In April 2019, our Kmart leases at Las Catalinas and Huntington, NY were rejected and we recognized a \$7.4 million write-off of the below-market intangible liability connected with the lease in Huntington, NY (classified within rental revenues). ESL assumed the Company's remaining two Kmart leases at Montehiedra and at Bruckner Commons. In January 2020 the Company executed a lease with ShopRite for its former Kmart space in Huntington, NY.

National Wholesale Liquidators filed for Chapter 11 bankruptcy protection on October 24, 2018. The Company had one lease with National Wholesale Liquidators in Lodi, NJ comprising approximately 171,000 sf, which generated \$3.1 million in annual rental revenue. This lease was rejected and returned to us on November 30, 2018. In connection with the bankruptcy, the Company recorded a \$0.8 million write-off of reserves on receivables from straight-line rents in the year ended December 31, 2018. The Company is in active negotiations to lease this property.

11. PREPAID EXPENSES AND OTHER ASSETS

The following is a summary of the composition of the prepaid expenses and other assets in the consolidated balance sheets:

(Amounts in thousands)	Balance at	
	December 31, 2019	December 31, 2018
Other assets	\$ 7,460	\$ 2,615
Real estate held for sale	6,574	—
Deposits for acquisitions	10,000	150
Prepaid expenses:		
Real estate taxes	6,491	6,911
Insurance	1,520	2,509
Rent, licenses/fees	1,655	783
Total Prepaid expenses and other assets	\$ 33,700	\$ 12,968

12. ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER LIABILITIES

The following is a summary of the composition of accounts payable, accrued expenses and other liabilities in the consolidated balance sheets:

(Amounts in thousands)	Balance at	
	December 31, 2019	December 31, 2018
Deferred tenant revenue	\$ 26,224	\$ 28,697
Accrued capital expenditures and leasing costs	7,893	29,754
Accrued interest payable	9,729	8,950
Security deposits	5,814	5,396
Deferred tax liability, net	5,137	5,532
Accrued payroll expenses	5,851	5,747
Other liabilities and accrued expenses	15,996	14,441
Total accounts payable, accrued expenses and other liabilities	\$ 76,644	\$ 98,517

13. INTEREST AND DEBT EXPENSE

The following table sets forth the details of interest and debt expense:

(Amounts in thousands)	Year Ended December 31,		
	2019	2018	2017
Interest expense	\$ 63,783	\$ 61,989	\$ 53,342
Amortization of deferred financing costs	2,856	2,879	2,876
Total Interest and debt expense	\$ 66,639	\$ 64,868	\$ 56,218

14. EQUITY AND NONCONTROLLING INTEREST

At-The-Market Program

In 2016, the Company established an at-the-market (“ATM”) equity program, pursuant to which the Company could offer and sell from time to time its common shares, par value \$0.01 per share, with an aggregate gross sales price of up to \$250.0 million through a consortium of broker dealers acting as sales agents. During the years ended December 31, 2019, 2018 and 2017, respectively, no common shares were issued under the ATM equity program. The Company’s ATM program expired in August 2019. We had no obligation to sell the remaining shares available under the ATM equity program.

Units of the Operating Partnership

An equivalent number of common units were issued by the Operating Partnership to the Company in connection with the Company’s issuance of common shares of beneficial interest under the ATM equity program.

The Operating Partnership’s capital includes general and common limited partnership interests in the operating partnership (“OP Units”). As of December 31, 2019, Urban Edge owned approximately 95.4% of the outstanding common OP Units with the remaining limited OP Units held by members of management, Urban Edge’s Board of Trustees and contributors of property interests acquired. Urban Edge serves as the sole general partner of the Operating Partnership. The third-party unitholders have limited rights over the Operating Partnership such that they do not have characteristics of a controlling financial interest. As such, the Operating Partnership is considered a VIE, and the Company is the primary beneficiary which consolidates it. The Company’s only investment is the Operating Partnership. The VIE’s assets can be used for purposes other than the settlement of the VIE’s obligations and the Company’s partnership interest is considered a majority voting interest.

Dividends and Distributions

During the years ended December 31, 2019 and 2018, the Company declared common stock dividends and OP unit distributions of \$0.88 per share/unit in the aggregate. We have a Dividend Reinvestment Plan (the “DRIP”), whereby shareholders may use their dividends to purchase shares. During the years ended December 31, 2019 and 2018, 6,920 and 8,419 shares were issued under the DRIP, respectively.

Noncontrolling Interests in Operating Partnership

Noncontrolling interests in the Operating Partnership reflected on the consolidated balance sheets of the Company are comprised of OP units and limited partnership interests in the Operating Partnership in the form of LTIP unit awards. LTIP unit awards were granted to certain executives pursuant to our 2015 Omnibus Share Plan (the “Omnibus Share Plan”) and our 2018 Inducement Equity Plan (the “Inducement Plan”). OP units were issued to contributors in exchange for their property interests in connection with the Company’s property acquisitions in 2017.

The total of the OP units and LTIP units represent a 5.8% weighted-average interest in the Operating Partnership for the year ended December 31, 2019. Holders of outstanding vested LTIP units may, from and after two years from the date of issuance, redeem their LTIP units for cash, or for the Company’s common shares on a one-for-one basis, solely at our election. Holders of outstanding OP units may redeem their units for cash or the Company’s common shares on a one-for-one basis, solely at our election. On August 5, 2019, the Company received requests from certain holders of OP units to redeem 357,998 units. The Company elected to satisfy the redemption requests by repurchasing the units at a price of \$16.70 per unit, for total cash consideration of \$6.0 million.

In connection with the separation from Vornado Realty L.P. (“VRLP”), the Company issued 5.7 million OP units, which represented a 5.4% interest in the Operating Partnership, to VRLP in exchange for interests in VRLP properties contributed by VRLP. On February 28, 2019, the Company issued 5.7 million common shares to VRLP, in exchange for an equal number of OP units after receiving a notice of redemption from VRLP. The issuance is exempt from registration in reliance upon Section 4(a)(2) of the Securities Act of 1933, as amended, on the basis that no public offering was made.

Noncontrolling Interest in Consolidated Subsidiaries

The noncontrolling interest relates to the 5% interest held by others in our property in Walnut Creek, CA (Mount Diablo). The net income attributable to noncontrolling interest is presented separately in our consolidated statements of income.

15. SHARE-BASED COMPENSATION

Omnibus Share Plan

On January 7, 2015 our board and initial shareholder approved the Urban Edge Properties Omnibus Share Plan, under which awards may be granted up to a maximum of 15,000,000 of our common shares or share equivalents. Pursuant to the Omnibus Share Plan, stock options, LTIP units, operating partnership units and restricted shares were granted.

Outperformance Plans

The Compensation Committee of the Board of Trustees of the Company approved the Company's 2015 Outperformance Plan ("2015 OPP") on November 3, 2015 and the Company's 2017 Outperformance Plan ("2017 OPP") on February 24, 2017. Both Outperformance Plans are multi-year, performance-based equity compensation plans under which participants, including our Chairman and Chief Executive Officer, have the opportunity to earn awards in the form of LTIP units if, and only if, we outperform a predetermined total shareholder return ("TSR") and/or outperform the market with respect to a relative TSR over the three-year period beginning on the date the respective plan was approved. The aggregate notional amounts of the 2015 OPP grant and the 2017 OPP grant are \$10.2 million and \$12.0 million, respectively.

Awards under the 2015 OPP and the 2017 OPP may be earned if we (i) achieve a TSR level greater than 7% per annum, or 21% over the three-year performance measurement period, and/or (ii) achieve a TSR equal to or above, that of the 50th percentile of a retail REIT peer group ("Peer Group") comprised of our peer companies, over a three-year performance measurement period. Distributions on awards accrue during the measurement period, except that 10% of such distributions are paid in cash. If the designated performance objectives are achieved, LTIP units are also subject to time-based vesting requirements. Awards earned under the 2015 OPP and the 2017 OPP vest 50% in year three, 25% in year four and 25% in year five.

The fair values of the 2015 OPP and the 2017 OPP on the dates of grant were \$3.9 million and \$4.1 million, respectively. A Monte Carlo simulation was used to estimate the fair values based on the probability of satisfying the market conditions and the projected share prices at the time of payments, discounted to the valuation dates over the three-year performance periods. For the 2015 OPP, assumptions include historical volatility (25.0%), risk-free interest rates (1.2%), and historical daily return as compared to our Peer Group (which ranged from 19.0% to 27.0%). For the 2017 OPP, assumptions include historical volatility (19.7%), risk-free interest rates (1.5%), and historical daily return as compared to our Peer Group. For both plans, such amounts are being amortized into share-based compensation expense over a five-year period from the dates of grant, using graded vesting attribution models. In the years ending December 31, 2019, 2018, and 2017 we recognized \$1.4 million, \$1.7 million and \$2.0 million of compensation expense related to the 2015 and 2017 OPPs' LTIP Units, respectively. As of December 31, 2019, there was \$0.8 million of total unrecognized compensation cost related to the 2015 and 2017 OPPs' LTIP Units, which will be recognized over a weighted-average period of 0.8 years.

2018 Long-Term Incentive Plan

On February 22, 2018, the Compensation Committee of the Board of Trustees of the Company approved the Company's 2018 Long-Term Incentive Plan ("2018 LTI Plan") under the Omnibus Share Plan, a multi-year equity compensation program, comprised of both performance-based and time-based vesting awards. Equity awards granted under the 2018 LTI Plan are weighted, in terms of grant date and fair value, 80% performance-based and 20% time-based.

For the performance-based awards under the 2018 LTI Plan, participants have the opportunity to earn awards in the form of LTIP Units if, and only if, Urban Edge's absolute and/or relative total shareholder return ("TSR") meets certain criteria over the three-year performance measurement period (the "Performance Period") beginning on February 22, 2018 and ending on February 21, 2021. The Company issued 328,107 LTIP Units under the 2018 LTI Plan.

Under the Absolute TSR component (25% of the performance-based awards), 40% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to 18%, 100% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to 27%, and 165% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to or greater than 36%. The Relative TSR component is based on the Company's performance compared to a peer group comprised of 14 companies. Under the Relative TSR Component (75% of the performance-based awards), 40% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to the 35th percentile of the peer group, 100% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to the 55th percentile of the peer group, and 165% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to or above the 75th percentile of the peer group, with earning determined using linear interpolation if between such relative TSR thresholds.

The fair value of the performance-based award portion of the 2018 LTI Plan on the date of grant was \$3.6 million using a Monte Carlo simulation to estimate the fair value through a risk-neutral premise. The time-based awards under the 2018 LTI Plan, also granted in the form of LTIP Units, vest ratably over three years except in the case of our Chairman and Chief Executive Officer, where the vesting is ratably over four years. The Company granted time-based awards under the 2018 LTI Plan that represent

33,172 LTIP units with a grant date fair value of \$0.7 million. During the years ended December 31, 2019 and 2018, respectively, we recognized \$0.9 million and \$1.0 million of compensation expense related to the 2018 LTI Plan.

2018 Inducement Equity Plan

The Inducement Plan was approved by the Compensation Committee of the Board of Trustees of the Company on September 26, 2018. Under the Inducement Plan, the Compensation Committee of the Board of Trustees may grant, subject to any Company performance conditions as specified by the Compensation Committee, awards to individuals who were not previously employees as an inducement material to the individual's entry into employment with the Company. The terms and conditions of the Inducement Plan and any awards thereunder granted are substantially similar to those under the 2015 Omnibus Share Plan. The Company has granted an aggregate of 352,890 restricted LTIP Units and 2,000,000 stock options under the Inducement Plan with grant date fair values of \$7.2 million and \$9.3 million, respectively, which were granted in connection with inducing the Company's new Chief Operating Officer and new President of Development to join the Company.

2019 Long-Term Incentive Plan

On April 4, 2019, the Compensation Committee of the Board of Trustees of the Company approved the Company's 2019 Long-Term Incentive Plan ("2019 LTI Plan"). The Plan is a multi-year, equity compensation program under which participants, including our Chairman and Chief Executive Officer, have the opportunity to earn awards in the form of LTIP units that vest based on the passage of time (one-third of the program) and performance goals tied to our relative and absolute total shareholder return ("TSR") during the three-year performance period following their grant (two-thirds of the program).

For the performance-based awards under the 2019 LTI Plan, participants have the opportunity to earn awards in the form of LTIP Units if, and only if, Urban Edge's absolute and/or relative TSR meets certain criteria over the three-year performance measurement period (the "Performance Period") beginning on February 27, 2019 and ending on February 26, 2022. The Company issued 489,319 LTIP Units under the 2019 LTI Plan.

Under the Absolute TSR component, 40% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to 18%, 100% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to 27%, and 165% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to or greater than 36%. The Relative TSR component is based on the Company's performance compared to a peer group comprised of 14 companies. Under the Relative TSR Component, 40% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to the 35th percentile of the peer group, 100% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to the 55th percentile of the peer group, and 165% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to or above the 75th percentile of the peer group, with earning determined using linear interpolation if between such relative and absolute TSR thresholds. The fair value of the performance-based award portion of the 2019 LTI Plan on the date of grant was \$4.3 million using a Monte Carlo simulation to estimate the fair value through a risk-neutral premise.

The time-based awards under the 2019 LTI Plan, also granted in the form of LTIP Units, vest ratably over three years except in the case of our Chairman and Chief Executive Officer, where the vesting is ratably over four years. As of December 31, 2019, the Company granted time-based awards under the 2019 LTI Plan that represent 112,910 LTIP units with a grant date fair value of \$2.0 million. During the year ended December 31, 2019, we recognized \$1.4 million of compensation expense related to the 2019 LTI Plan.

Units and Deferred Share Units Granted to Trustees

On May 9, 2019, certain trustees elected to receive a portion of their compensation in deferred share units and an aggregate of 5,608 shares were granted to those trustees based on the weighted average grant date fair value of \$15.60. During both the years ended December 31, 2019 and December 31, 2018, respectively, the Company incurred expenses of \$0.2 million related to deferred share units granted to trustees.

In addition, On May 9, 2019, certain trustees elected to receive a portion of their compensation in LTIP units and an aggregate of 28,040 LTIP units, were granted to those trustees based on the weighted average grant date fair value of \$14.98.

Shares Under Option

All stock options granted have ten-year contractual lives, containing vesting terms of three to five years. As of December 31, 2019, the weighted average contractual term of shares under option outstanding at the end of the period is 7.6 years. The following table presents stock option activity for the years ended December 31, 2019, 2018, and 2017:

	Shares Under Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Expected Term (In years)
Outstanding at January 1, 2017	2,472,284	\$ 23.86	5.33
Granted	137,259	28.36	6.01
Exercised	—	—	—
Forfeited or expired	(5,879)	23.17	—
Outstanding at December 31, 2017	2,603,664	24.09	4.40
Granted	2,146,885	21.71	4.58
Exercised	—	—	—
Forfeited or expired	—	—	—
Outstanding at December 31, 2018	4,750,549	23.02	4.48
Granted	180,213	19.53	3.88
Exercised	—	—	—
Forfeited or expired	—	—	—
Outstanding at December 31, 2019	4,930,762	\$ 22.89	4.46
Exercisable at December 31, 2019	1,500,793	\$ 24.00	—

The weighted average grant date fair value of options granted in 2019, 2018 and 2017 was \$3.88, \$4.68, and \$5.10, respectively. No options were exercised during the years ended December 31, 2017, 2018 and 2019. As of December 31, 2019, there was no intrinsic value for the outstanding and exercisable shares under option.

During the years ended December 31, 2019, 2018 and 2017, the fair value of the options granted was estimated on the grant date using the Black-Scholes pricing model with the following assumptions:

	February 24, 2017	February 22, 2018	September 27, 2018	February 27, 2019
Risk-free interest rate	1.93%	2.73%	3.00%	2.54%
Expected option life	6.25	6.25	7.00	6.25
Expected volatility	25.06%	32.23%	30.42%	30.98%

The options were granted with an exercise price equivalent to the average of the high and low share price on the grant date.

Restricted Shares

The following table presents information regarding restricted share activity during the years ended December 31, 2019, 2018, and 2017:

	Shares	Weighted Average Grant Date Fair Value per Share
Unvested at January 1, 2017	129,395	\$ 24.29
Granted	104,698	27.69
Vested	(53,236)	25.13
Forfeited	(5,427)	24.64
Unvested at December 31, 2017	175,430	26.05
Granted	103,814	21.65
Vested	(84,185)	25.67
Forfeited	(32,482)	23.32
Unvested at December 31, 2018	162,577	23.99
Granted	34,638	19.15
Vested	(96,378)	24.19
Forfeited	(5,672)	22.11
Unvested at December 31, 2019	95,165	\$ 22.16

During the years ended December 31, 2019, 2018 and 2017, we granted 34,638, 103,814, and 104,698 restricted shares, respectively, that are subject to forfeiture and vest over periods ranging from one to four years. The total grant date value of the 96,378, 84,185, and 53,236 restricted shares vested during the years ended December 31, 2019, 2018 and 2017 was \$2.3 million, \$2.2 million and \$1.3 million, respectively.

Restricted Units

During the years ended December 31, 2019, 2018 and 2017, respectively, there were 276,482, 444,954 and 31,734 additional LTIP units issued. During the years ended December 31, 2019, 2018 and 2017, 131,884, 24,722, and 16,789 units vested, respectively. The remaining 727,040 units vest over a weighted average period of 2.8 years.

Share-Based Compensation Expense

Share-based compensation expense, which is included in general and administrative expenses in our consolidated statements of income, is summarized as follows:

(Amounts in thousands)	Year Ended December 31,		
	2019	2018	2017
Share-based compensation expense components:			
Restricted share expense	\$ 1,697	\$ 2,051	\$ 1,961
Stock option expense	4,055	2,778	2,569
LTIP expense ⁽¹⁾	4,477	2,218	557
Performance-based LTI expense ⁽²⁾	3,164	2,530	2,050
DSU expense	156	164	—
Total Share-based compensation expense	\$ 13,549	\$ 9,741	\$ 7,137

⁽¹⁾ LTIP expense includes the time-based portion of the 2018 and 2019 LTI Plans.

⁽²⁾ Performance-based LTI expense includes the 2015 and 2017 OPP plans and the performance-based portion of the 2018 and 2019 LTI Plans.

As of December 31, 2019, we had a total of \$22.7 million of unrecognized compensation expense related to unvested and restricted share-based payment arrangements including unvested stock options, LTIP units, deferred share units, and restricted share awards which were granted under our Omnibus Share Plan as well as OPP awards. This expense is expected to be recognized over a weighted average period of 2.7 years.

16. EARNINGS PER SHARE AND UNIT

Urban Edge Earnings per Share

We have calculated earnings per share (“EPS”) under the two-class method. The two-class method is an earnings allocation methodology whereby EPS for each class of Urban Edge common shares and participating securities is calculated according to dividends declared and participating rights in undistributed earnings. Restricted shares issued pursuant to our share-based compensation program are considered participating securities, and as such have non-forfeitable rights to receive dividends.

The computation of diluted EPS reflects potential dilution of securities by adding potential common shares, including stock options and unvested restricted shares, to the weighted average number of common shares outstanding for the period. For the years ended December 31, 2019, 2018 and 2017, there were options outstanding for 4,930,762, 4,750,549, and 2,603,664 shares, respectively, that potentially could be exercised for common shares. During the year ended December 31, 2017, 167,933 options with exercise prices ranging from \$22.83 to \$28.36, were included in the diluted EPS calculation as their option prices were lower than the average market prices of our common shares. During the years ended December 31, 2018 and 2019, no options were included in the diluted EPS calculation as their exercise prices were higher than the average market prices of our common shares. In addition, as of December 31, 2019 there were 95,165 unvested restricted shares outstanding that potentially could become unrestricted common shares. The computation of diluted EPS for the years ended December 31, 2019, 2018 and 2017 included the 100,406, 188,329, and 167,100 weighted average unvested restricted shares outstanding, respectively, as their effect is dilutive.

The effect of the redemption of OP and vested LTIP units is not reflected in the computation of basic and diluted earnings per share, as they are redeemable for common shares on a one-for-one basis. The income allocable to such units is allocated on this same basis and reflected as noncontrolling interests in the accompanying consolidated financial statements. As such, the assumed redemption of these units would have no net impact on the determination of diluted earnings per share since they would be anti-dilutive.

The following table sets forth the computation of our basic and diluted earnings per share:

(Amounts in thousands, except per share amounts)	Year Ended December 31,		
	2019	2018	2017
Numerator:			
Net income attributable to common shareholders	\$ 109,523	\$ 105,150	\$ 67,070
Less: Earnings allocated to unvested participating securities	(92)	(184)	(155)
Net income available for common shareholders - basic	\$ 109,431	\$ 104,966	\$ 66,915
Impact of assumed conversions:			
OP and LTIP units	5	—	5,782
Net income available for common shareholders - diluted	\$ 109,436	\$ 104,966	\$ 72,697
Denominator:			
Weighted average common shares outstanding - basic	119,751	113,863	107,132
Effect of dilutive securities:			
Stock options using the treasury stock method	—	—	168
Restricted share awards	100	188	167
Assumed conversion of OP and LTIP units	45	—	10,923
Weighted average common shares outstanding - diluted	119,896	114,051	118,390
Earnings per share available to common shareholders:			
Earnings per common share - Basic	\$ 0.91	\$ 0.92	\$ 0.62
Earnings per common share - Diluted	\$ 0.91	\$ 0.92	\$ 0.61

Operating Partnership Earnings per Unit

The following table sets forth the computation of basic and diluted earnings per unit:

(Amounts in thousands, except per unit amounts)	Year Ended December 31,		
	2019	2018	2017
Numerator:			
Net income attributable to unitholders	\$ 116,222	\$ 116,918	\$ 72,894
Less: net income attributable to participating securities	(92)	(200)	(155)
Net income available for unitholders	\$ 116,130	\$ 116,718	\$ 72,739
Denominator:			
Weighted average units outstanding - basic	126,333	126,198	117,779
Effect of dilutive securities issued by Urban Edge	100	188	335
Unvested LTIP units	45	—	276
Weighted average units outstanding - diluted	126,478	126,386	118,390
Earnings per unit available to unitholders:			
Earnings per unit - Basic	\$ 0.92	\$ 0.92	\$ 0.62
Earnings per unit - Diluted	\$ 0.92	\$ 0.92	\$ 0.61

17. QUARTERLY FINANCIAL DATA (unaudited)

The following tables summarize the quarterly results of operations of Urban Edge Properties and Urban Edge Properties LP for the years ended December 31, 2019 and 2018:

(Amounts in thousands, except per share/unit amounts)	Three Months Ended,			
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Total revenue	\$ 95,927	\$ 91,243	\$ 102,747	\$ 97,732
Total expenses	78,098	61,900	71,222	72,561
Net income	3,538	56,700	28,067	27,892
Net income attributable to noncontrolling interests in operating partnership	(164)	(2,662)	(1,518)	(2,355)
Net loss attributable to noncontrolling interests in consolidated subsidiaries	1	2	22	—
Net income attributable to common shareholders	3,375	54,040	26,571	25,537
Net income attributable to unitholders	3,539	56,702	28,089	27,892
Earnings per common share - Basic	0.03	0.45	0.22	0.22
Earnings per common share - Diluted	0.03	0.45	0.22	0.22
Earnings per common unit - Basic	0.03	0.45	0.22	0.22
Earnings per common unit - Diluted	0.03	0.45	0.22	0.22

(Amounts in thousands, except per share/unit amounts)	Three Months Ended,			
	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Total revenue	\$ 100,923	\$ 112,214	\$ 101,970	\$ 99,053
Total expenses	76,478	73,017	78,816	63,984
Net income	7,251	26,899	59,774	23,039
Net income attributable to noncontrolling interests in operating partnership	(727)	(2,688)	(6,025)	(2,328)
Net income attributable to noncontrolling interests in consolidated subsidiaries	(11)	(11)	(12)	(11)
Net income attributable to common shareholders	6,513	24,200	53,737	20,700
Net income attributable to unitholders	7,240	26,888	59,762	23,028
Earnings per common share - Basic	0.06	0.21	0.47	0.18
Earnings per common share - Diluted	0.06	0.21	0.47	0.18
Earnings per common unit - Basic	0.06	0.21	0.47	0.18
Earnings per common unit - Diluted	0.06	0.21	0.47	0.18

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

Controls and Procedures (Urban Edge Properties)

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)) that are designed to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s 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 disclosures. Because of inherent limitations, disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of disclosure controls and procedures are met.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports filed or submitted under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC’s rules and forms.

Management’s Annual Report on Internal Control over Financial Reporting

The management of Urban Edge Properties and subsidiaries (the “Company”) is responsible for establishing and maintaining adequate internal control over financial reporting for the Company, defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the Company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the Company’s Board of Trustees, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting, which requires the use of certain estimates and judgments, and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 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 trustees of the Company; and
- 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.

Management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. In designing and evaluating our control system, management recognized that any control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. Further, the design of a control system must reflect the fact that there are resource constraints, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, that may affect our operation have been or will be detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management’s override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions that cannot be anticipated at the present time, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. In making this assessment, the Company's management used the criteria set forth by the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). Based on this assessment, management has concluded that, as of December 31, 2019, the Company's internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2019 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm as stated in their attestation report which is included herein.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f)) that occurred during the three months ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Controls and Procedures (Urban Edge Properties LP)

Evaluation of Disclosure Controls and Procedures

The Operating Partnership's management maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer of our general partner, as appropriate to allow timely decisions regarding required disclosures. Because of inherent limitations, disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of disclosure controls and procedures are met.

The Operating Partnership's management, with the participation of the Chief Executive Officer and Chief Financial Officer of our general partner, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer of our general partner concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports filed or submitted under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms.

Management's Annual Report on Internal Control over Financial Reporting

The Operating Partnership's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Operating Partnership, defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the Operating Partnership's principal executive and principal financial officers, or persons performing similar functions, and effected by the Board of Trustees, management and other personnel of the Operating Partnership's general partner, to provide reasonable assurance regarding the reliability of financial reporting, which requires the use of certain estimates and judgments, and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 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 trustees of the Operating Partnership's general partner; and
- 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.

The Operating Partnership's management, including the Chief Executive Officer and Chief Financial Officer of our general partner, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. In designing and evaluating our control system, management recognized that any control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. Further, the design of a control system must reflect the fact that there are resource constraints, and management necessarily was required

to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, that may affect our operation have been or will be detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management's override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions that cannot be anticipated at the present time, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

The Operating Partnership's management assessed the effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2019. In making this assessment, the Operating Partnership's management used the criteria set forth by the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). Based on this assessment, management has concluded that, as of December 31, 2019, the Operating Partnership's internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

The effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2019 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm as stated in their attestation report which is included herein.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f)) that occurred during the three months ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of Urban Edge Properties

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Urban Edge Properties and subsidiaries (the “Company”) as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* 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 the criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements and financial statement schedules as of and for the year ended December 31, 2019, of the Company and our report dated February 12, 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 Annual 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/ DELOITTE & TOUCHE LLP

New York, New York
February 12, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of Urban Edge Properties LP

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Urban Edge Properties LP (the “Operating Partnership”) as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Operating Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements and financial statement schedules as of and for the year ended December 31, 2019 of the Operating Partnership and our report dated February 12, 2020 expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Operating Partnership’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 Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Operating Partnership’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 Operating Partnership 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/ DELOITTE & TOUCHE LLP

New York, New York
February 12, 2020

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 will be included in the Proxy Statement to be filed relating to Urban Edge Properties' 2020 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 will be included in the Proxy Statement to be filed relating to Urban Edge Properties' 2020 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information

The following table summarizes information, as of December 31, 2019, relating to our equity compensation plans pursuant to which our common shares or other equity securities may be granted from time to time.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a)
Equity compensation plans approved by security holders	3,549,423 ⁽¹⁾	\$ 20.04	4,074,804 ⁽³⁾
Equity compensation plans not approved by security holders	2,323,444 ⁽⁴⁾	21.72	N/A
Total	5,872,867	\$ 20.71	4,074,804

⁽¹⁾ Includes an aggregate of (i) 3,429,969 common shares issuable upon exercise of outstanding options and (ii) 2,307,122 common shares issuable in exchange for common units which may, upon satisfaction of certain conditions, be issuable pursuant to outstanding LTIP Units in our Operating Partnership (“LTIP Units”). The LTIP Units outstanding as of December 31, 2019 include 1,045,088 LTIP Units issued pursuant to our 2017 OPP, 2018 LTI Plan, and 2019 LTI Plan, which remain subject to performance-based vesting criteria.

⁽²⁾ The LTIP Units do not have an exercise price. Accordingly, these awards are not included in the weighted-average exercise price calculation.

⁽³⁾ Includes (i) 2,241,508 common shares remaining available for issuance under the Urban Edge Properties 2015 Omnibus Incentive Plan (the “Plan”) and (ii) 1,833,296 common share remaining available under the Urban Edge Properties 2015 Employee Share Purchase Plan (“ESPP”). The number of common shares remaining available for issuance under the Plan is based on awards being granted as “Full Value Awards,” as defined in the Plan, including awards such as restricted stock, LTIP units or performance units that do not require the payment of an exercise price. If we were to grant awards other than “Full Value Awards,” as defined in the Plan, including stock options or stock appreciation rights, the number of securities remaining available for future issuance under the Plan would be 4,483,016. Pursuant to the terms of the ESPP, on each January 1 prior to the tenth anniversary of the ESPP’s effective date, an additional number of common shares will be added to the maximum number of shares authorized for issuance under the ESPP equal to the lesser of (a) 0.1% of the total number of common shares outstanding on December 31 of the preceding calendar year and (b) 150,000 common shares; provided that the Compensation Committee of our Board of Trustees may act prior to January 1 of any calendar year to provide that there will be no increase in the share reserve for that calendar year, or that the increase in the share reserve for that calendar year shall be less than the increase that would otherwise occur.

⁽⁴⁾ Relates to the Urban Edge Properties 2018 Inducement Equity Plan, which is an omnibus equity plan pursuant to which we may grant a variety of equity awards pursuant to the employment inducement award exemption provided by Section 303A.08 of the New York Stock Exchange Listed Company Manual, including options, share appreciation rights, performance shares, restricted shares and other share-based awards including LTIP Units. A total of 2,352,890 common shares are authorized to be issued under the 2018 Inducement Equity Plan. The 2018 Inducement Equity Plan has a ten-year term expiring on September 20, 2028 and generally may be amended at any time by our Board of Trustees. Included in the 2,352,890 common shares authorized to be issued under the 2018 Inducement Equity Plan are an aggregate of (i) 2,000,000 common shares issuable upon exercise of outstanding options and (ii) 352,890 common shares issuable in exchange for common units which may, upon satisfaction of certain conditions, be issuable pursuant to outstanding LTIP Units in our Operating Partnership (“LTIP Units”).

Additional information concerning security ownership of certain beneficial owners and management required by Item 12 will be included in the Proxy Statement to be filed relating to Urban Edge Properties’ 2020 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 will be included in the Proxy Statement to be filed relating to Urban Edge Properties’ 2020 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 will be included in the Proxy Statement to be filed relating to Urban Edge Properties’ 2020 Annual Meeting of Shareholders and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

Our consolidated financial statements and notes thereto, together with the Reports of Independent Registered Public Accounting Firm are included in Item 8 of this Annual Report on Form 10-K commencing on [page 42](#).

(2) Financial Statement Schedules

Our financial statement schedules are included in Item 8 of this Annual Report on Form 10-K commencing on [page 96](#).

(3) Exhibits

A list of exhibits to this Annual Report on Form 10-K is set forth on the Index to Exhibits commencing on [page 92](#) and is incorporated herein by reference.

(b) See Index to Exhibits

(c) Schedules other than those listed above are omitted because they are not applicable or the information required is included in the consolidated financial statements or the notes thereto.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

INDEX TO EXHIBITS

The following exhibits are included as part of this Annual Report on Form 10-K:

<u>Exhibit Number</u>	<u>Exhibit Description</u>
<u>2.1</u>	<u>Separation and Distribution Agreement by and among Vornado Realty Trust, Vornado Realty L.P., Urban Edge Properties and Urban Edge Properties LP, dated as of January 14, 2015 (incorporated by reference to Exhibit 2.1 to Form 8-K filed January 21, 2015)</u>
<u>3.1</u>	<u>Declaration of Trust of Urban Edge Properties, as amended and restated (incorporated by reference to Exhibit 3.1 to Form 8-K filed January 21, 2015)</u>
<u>3.2</u>	<u>Amended and Restated Bylaws of Urban Edge Properties (incorporated by reference to Exhibit 3.1 to Form 8-K filed March 1, 2019)</u>
<u>4.1*</u>	<u>Description of Urban Edge Properties' Securities Registered Under Section 12 of the Securities Exchange Act of 1934</u>
<u>10.1</u>	<u>Tax Matters Agreement by and between Vornado Realty Trust and Urban Edge Properties, dated as of January 15, 2015 (incorporated by reference to Exhibit 10.3 to Form 8-K filed January 21, 2015)</u>
<u>10.2</u>	<u>Limited Partnership Agreement of Urban Edge Properties LP, dated as of January 14, 2015 (incorporated by reference to Exhibit 10.1 to Form 8-K filed January 21, 2015)</u>
<u>10.3</u>	<u>Revolving Credit Agreement among Urban Edge Properties LP, as Borrower, the Banks party thereto, and Wells Fargo Bank, National Association, as Administrative Agent, dated as of January 15, 2015 (incorporated by reference to Exhibit 10.10 to Form 8-K filed January 21, 2015)</u>
<u>10.4</u>	<u>First Amendment, dated as of March 7, 2017, to Revolving Credit Agreement among Urban Edge Properties LP, as Borrower, to the Banker party thereto, and Wells Fargo Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on May 3, 2017)</u>
<u>10.5*</u>	<u>Second Amendment, dated as of July 29, 2019, to Revolving Credit Agreement by and among Urban Edge Properties LP, as Borrower, each of the Banks party thereto, and Wells Fargo Bank, National Association, as Administrative Agent</u>
<u>10.6</u>	<u>Tax Protection Agreement dated as of May 24, 2017, by and among Urban Edge Properties LP; Urban Edge Properties; and Acklinis Yonkers Realty, L.L.C., Acklinis Realty Holding, LLC, Acklinis Original Building, L.L.C., A & R Woodbridge Shopping Center, L.L.C., A & R Millburn Associates, L.P., Ackrik Associates, L.P., A & R Manchester, LLC, A & R Westfield Lincoln Plaza, LLC and A & R Westfield Broad Street, LLC. (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on August 2, 2017)</u>
<u>10.7</u>	<u>Contribution Agreement dated as of April 7, 2017, by and among Urban Edge Properties LP; Urban Edge Properties; and Acklinis Yonkers Realty, L.L.C., Acklinis Realty Holding, LLC, Acklinis Original Building, L.L.C., A & R Woodbridge Shopping Center, L.L.C., A & R Millburn Associates, L.P., Ackrik Associates, L.P., A & R Manchester, LLC, A & R Westfield Lincoln Plaza, LLC and A & R Westfield Broad Street, LLC. (incorporated by reference to Exhibit 10.2 to Form 10-Q filed on August 2, 2017)</u>
<u>10.8</u>	<u>Loan Agreement between VNO Bergen Mall Owner LLC and Wells Fargo Bank, National Association, dated March 25, 2013 (incorporated by reference to Exhibit 10.6 to Amendment No. 2 to Form 10 filed November 13, 2014)</u>
<u>10.9†</u>	<u>Urban Edge Properties 2015 Employee Share Purchase Plan (incorporated by reference to Exhibit 4.4 to Form S-8 filed February 17, 2015)</u>
<u>10.10†</u>	<u>Urban Edge Properties 2015 Omnibus Share Plan (incorporated by reference to Exhibit 10.5 to Form 8-K filed January 21, 2015)</u>
<u>10.11†</u>	<u>Urban Edge Properties 2018 Inducement Equity Plan (incorporated by reference to Exhibit 99.1 to Form S-8 filed September 26, 2018)</u>
<u>10.12†</u>	<u>Employment Offer Letter between Urban Edge Properties and Herb Eilberg (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on May 4, 2016)</u>
<u>10.13†</u>	<u>Employment Agreement between Urban Edge Properties and Christopher Weilminster (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on October 31, 2018)</u>
<u>10.14†</u>	<u>Employment Agreement between Urban Edge Properties and Donald Briggs (incorporated by reference to Exhibit 10.2 to Form 10-Q filed on October 31, 2018)</u>
<u>10.15†</u>	<u>Employment Agreement between Urban Edge Properties and Jeffrey S. Olson (incorporated by reference to Exhibit 10.1 to Form 8-K filed August 9, 2019)</u>
<u>10.16†</u>	<u>Retention Agreement between Urban Edge Properties and Mark Langer (incorporated by reference to Exhibit 10.1 to Form 8-K filed October 24, 2019)</u>
<u>10.17†</u>	<u>Form of Indemnification Agreement between Urban Edge Properties and each of its trustees and executive officers (incorporated by reference to Exhibit 10.15 to Form 10-K/A filed on March 23, 2015)</u>

<u>21.1*</u>	<u>List of Subsidiaries</u>
<u>23.1*</u>	<u>Consent of Independent Registered Public Accounting Firm for Urban Edge Properties</u>
<u>23.2*</u>	<u>Consent of Independent Registered Public Accounting Firm for Urban Edge Properties LP</u>
<u>24.1*</u>	<u>Power of Attorney (included on signature page)</u>
<u>31.1*</u>	<u>Certification by the Chief Executive Officer for Urban Edge Properties pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
<u>31.2*</u>	<u>Certification by the Chief Financial Officer for Urban Edge Properties pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
<u>31.3*</u>	<u>Certification by the Chief Executive Officer for Urban Edge Properties LP pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
<u>31.4*</u>	<u>Certification by the Chief Financial Officer for Urban Edge Properties LP pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
<u>32.1**</u>	<u>Certification by the Chief Executive Officer and Chief Financial Officer for Urban Edge Properties pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
<u>32.2**</u>	<u>Certification by the Chief Executive Officer and Chief Financial Officer for Urban Edge Properties LP pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Extension Calculation Linkbase
101.LAB*	Inline XBRL Extension Labels Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
104*	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

* Filed herewith

** In accordance with Item 601 (b)(32) of Regulation S-K, this Exhibit is not deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

† Management contracts and compensatory plans or arrangements required to be filed pursuant to Item 15(b) of Form 10-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

URBAN EDGE PROPERTIES

(Registrant)

/s/ Mark Langer

Mark Langer, Chief Financial Officer

Date: February 12, 2020

URBAN EDGE PROPERTIES LP

By: Urban Edge Properties, General Partner

/s/ Mark Langer

Mark Langer, Chief Financial Officer

Date: February 12, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Urban Edge Properties in its own capacity and in its capacity as the sole general partner of Urban Edge Properties LP, and in the capacities and on the dates indicated:

Signature	Title	Date
By: <u>/s/ Jeffrey S. Olson</u> Jeffrey S. Olson	Chairman of the Board of Trustees and Chief Executive Officer (Principal Executive Officer)	February 12, 2020
By: <u>/s/ Mark Langer</u> Mark Langer	Chief Financial Officer (Principal Financial Officer)	February 12, 2020
By: <u>/s/ Jennifer Holmes</u> Jennifer Holmes	Chief Accounting Officer (Principal Accounting Officer)	February 12, 2020
By: <u>/s/ Michael A. Gould</u> Michael A. Gould	Trustee	February 12, 2020
By: <u>/s/ Steven H. Grapstein</u> Steven H. Grapstein	Trustee	February 12, 2020
By: <u>/s/ Steven J. Guttman</u> Steven J. Guttman	Trustee	February 12, 2020
By: <u>/s/ Amy B. Lane</u> Amy B. Lane	Trustee	February 12, 2020
By: <u>/s/ Kevin P. O'Shea</u> Kevin P. O'Shea	Trustee	February 12, 2020
By: <u>/s/ Steven Roth</u> Steven Roth	Trustee	February 12, 2020

URBAN EDGE PROPERTIES AND URBAN EDGE PROPERTIES LP
SCHEDULE II- VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Year	Additions (Reversals) Expensed	Uncollectible Accounts Written-Off	Balance at End of Year
Year Ended December 31, 2019:				
Allowance for doubtful accounts ⁽¹⁾	\$ —	\$ —	\$ —	\$ —
Year Ended December 31, 2018:				
Allowance for doubtful accounts	5,431	4,138	(2,949)	6,620
Year Ended December 31, 2017:				
Allowance for doubtful accounts	2,593	3,445	(607)	5,431

⁽¹⁾ Due to the adoption of ASC 842, we recognize changes in the collectibility assessment of operating leases as adjustments to rental revenue and thus no allowance for doubtful accounts is maintained.

URBAN EDGE PROPERTIES AND URBAN EDGE PROPERTIES LP
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
(in thousands)

Description	Encumbrances	Initial cost to company			Costs capitalized subsequent to acquisition	Gross amount at which carried at close of period			Accumulated depreciation and amortization ⁽¹⁾	Date of construction	Date acquired
		Land	Building and improvements			Land	Building and improvements	Total ⁽²⁾			
SHOPPING CENTERS AND MALLS:											
Baltimore (Towson), MD	—	581	3,227	18,592	581	21,819	22,400	(7,144)	1968	1968	
Bensalem, PA	—	2,727	6,698	1,617	2,727	8,315	11,042	(4,297)	1972/ 1999	1972	
Bergen Town Center - East, Paramus, NJ	—	6,305	6,824	41,993	6,305	48,817	55,122	(10,125)	1957/ 2009	2003/ 2019	
Bergen Town Center - West, Paramus, NJ	300,000	22,930	89,358	387,208	42,968	456,528	499,496	(132,711)	1957/ 2009	2003/ 2015	
Bethlehem, PA	—	827	5,200	(6,027)	—	—	—	—	1966	1966/ 2018/ 2019	
Brick, NJ	50,000	1,391	11,179	13,948	1,391	25,127	26,518	(16,338)	1968	1968	
Bronx (Bruckner Boulevard), NY	—	66,100	259,503	6,320	61,618	270,305	331,923	(33,385)	N/A	2007	
Bronx (Shops at Bruckner), NY	10,978	—	32,979	(271)	—	32,708	32,708	(2,780)	N/A	2017	
Bronx (1750-1780 Gun Hill Road), NY	24,500	6,427	11,885	23,363	6,428	35,247	41,675	(10,568)	2009	2005	
Broomall, PA	—	850	2,171	1,623	850	3,794	4,644	(2,998)	1966	1966	
Buffalo (Amherst), NY	—	5,743	4,056	16,559	5,107	21,251	26,358	(9,018)	1968	1968	
Cambridge (leased through 2033) ⁽³⁾ , MA	—	—	—	1,002	—	1,002	1,002	(101)	N/A	2007	
Carlstadt (leased through 2050) ⁽³⁾ , NJ	—	—	16,458	133	—	16,591	16,591	(5,053)	N/A	2007	
Charleston (leased through 2063) ⁽³⁾ , SC	—	—	3,634	308	—	3,942	3,942	(1,230)	N/A	2006	
Cherry Hill (Plaza at Cherry Hill), NJ	28,930	14,602	33,666	(3,065)	14,602	30,601	45,203	(3,967)	N/A	2017	
Commack (leased through 2021) ⁽³⁾ , NY	—	—	43	160	—	203	203	(247)	N/A	2006	
Dewitt (leased through 2041) ⁽³⁾ , NY	—	—	7,116	—	—	7,116	7,116	(2,334)	N/A	2006	
Rockaway, NJ	27,800	559	6,363	5,340	559	11,703	12,262	(7,008)	1964	1964	
East Brunswick, NJ	63,000	2,417	17,169	7,580	2,417	24,749	27,166	(18,745)	1957/ 1972	1957/ 1972	
East Hanover (200 - 240 Route 10 West), NJ	63,000	2,232	18,241	16,347	2,671	34,149	36,820	(17,610)	1962	1962/ 1998	
East Hanover (280 Route 10 West), NJ	—	—	—	6,063	—	6,063	6,063	(1,834)	N/A	1962/ 1998	
East Rutherford, NJ	23,000	—	36,727	1,256	—	37,983	37,983	(8,876)	2007	2007	
Freeport (Meadowbrook Commons) (leased through 2040) ⁽³⁾ , NY	—	—	—	260	—	260	260	(260)	N/A	2005	
Freeport (Freeport Commons), NY	43,100	1,231	4,747	4,679	1,593	9,064	10,657	(6,851)	1981	1981	
Garfield, NJ	40,300	45	8,068	46,294	44	54,363	54,407	(16,547)	2009	1998	

Glenolden, PA	—	850	1,820	741	850	2,561	3,411	(2,320)	1975	1975
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Description	Encumbrances	Initial cost to company			Costs capitalized subsequent to acquisition	Gross amount at which carried at close of period			Accumulated depreciation and amortization ⁽¹⁾	Date of construction	Date acquired
		Land	Building and improvements			Land	Building and improvements	Total ⁽²⁾			
Hackensack, NJ	66,400	692	10,219	7,573	692	17,792	18,484	(11,108)	1963	1963	
Hazlet, NJ	—	7,400	9,413	(8,082)	5,211	3,520	8,731	—	N/A	2007	
Huntington, NY	—	21,200	33,667	8,588	21,200	42,255	63,455	(11,361)	N/A	2007	
Inwood, NY	—	12,419	19,097	3,115	12,419	22,212	34,631	(8,521)	N/A	2004	
Jersey City (Hudson Commons), NJ	29,000	652	7,495	950	652	8,445	9,097	(3,792)	1965	1965	
Jersey City (Hudson Mall), NJ	23,625	15,824	37,593	(3,463)	15,824	34,130	49,954	(4,803)	N/A	2017	
Kearny, NJ	—	309	3,376	16,996	296	20,385	20,681	(5,517)	1938	1959	
Lancaster, PA	—	3,140	63	2,059	3,140	2,122	5,262	(922)	1966	1966	
Las Catalinas, Puerto Rico	129,335	15,280	64,370	15,858	15,280	80,228	95,508	(40,475)	1996	2002	
Lawnside, NJ	—	1,226	3,164	(4,390)	—	—	—	—	1969	1969/ 2015	
Lodi (Route 17 North), NJ	—	238	9,446	519	238	9,965	10,203	(4,780)	1999	1975	
Lodi (Washington Street), NJ	—	7,606	13,125	2,855	7,606	15,980	23,586	(5,747)	N/A	2004	
Manalapan, NJ	—	725	7,189	6,278	1,046	13,146	14,192	(9,620)	1971	1971	
Manchester, MO	12,500	4,409	13,756	(6,799)	2,858	8,508	11,366	(127)	N/A	2017	
Marlton, NJ	37,400	1,611	3,464	14,416	1,454	18,037	19,491	(11,913)	1973	1973	
Middletown, NJ	31,400	283	5,248	2,836	283	8,084	8,367	(6,555)	1963	1963	
Millburn, NJ	23,798	15,783	25,837	400	15,783	26,237	42,020	(3,312)	N/A	2017	
Montclair, NJ	—	66	419	1,439	448	1,476	1,924	(771)	1972	1972	
Montehiedra, Puerto Rico	113,202	9,182	66,751	29,548	9,267	96,214	105,481	(46,129)	1996/ 2015	1997	
Morris Plains, NJ	—	1,104	6,411	8,870	1,104	15,281	16,385	(7,404)	1961	1985	
Mount Kisco, NY	13,488	22,700	26,700	4,106	22,942	30,564	53,506	(8,140)	N/A	2007	
New Hyde Park (leased through 2029) ⁽³⁾ , NY	—	—	4	—	—	4	4	(4)	1970	1976	
Newington, CT	—	2,421	1,200	2,052	2,421	3,252	5,673	(1,578)	1965	1965	
Norfolk (leased through 2069) ⁽³⁾ , VA	—	—	3,927	15	—	3,942	3,942	(3,886)	N/A	2005	
North Bergen (Kennedy Boulevard), NJ	—	2,308	636	261	2,308	897	3,205	(616)	1993	1959	
North Bergen (Tonnel Avenue), NJ	100,000	24,978	10,462	66,176	34,473	67,143	101,616	(18,058)	2009	2006	
North Plainfield, NJ	25,100	6,577	13,983	627	6,577	14,610	21,187	(4,568)	1955	1989	
Paramus (leased through 2033) ⁽³⁾ , NJ	—	—	—	12,569	—	12,569	12,569	(4,923)	1957/ 2009	2003	
Queens, NY	—	14,537	12,304	3,733	14,537	16,037	30,574	(1,721)	N/A	2015	
Rochester (Henrietta) (leased through 2056) ⁽³⁾ , NY	—	—	2,647	1,293	—	3,940	3,940	(3,664)	1971	1971	
Rockville, MD	—	3,470	20,599	2,851	3,470	23,450	26,920	(8,895)	N/A	2005	
Revere (Wonderland), MA	—	6,323	17,130	—	6,323	17,130	23,453	(163)	N/A	2019	
Salem (leased through 2102) ⁽³⁾ , NH	—	6,083	—	(3,084)	2,994	5	2,999	—	N/A	2006	

Signal Hill, CA	—	9,652	2,940	1	9,652	2,941	12,593	(974)	N/A	2006
South Plainfield (leased through 2039) ⁽³⁾ , NJ	—	—	10,044	1,926	—	11,970	11,970	(3,700)	N/A	2007

Description	Encumbrances	Initial cost to company			Costs capitalized subsequent to acquisition	Gross amount at which carried at close of period			Accumulated depreciation and amortization ⁽¹⁾	Date of construction	Date acquired
		Land	Building and improvements			Land	Building and improvements	Total ⁽²⁾			
Springfield (leased through 2025) ⁽³⁾ , PA	—	—	—	80	—	80	80	(80)	N/A	2005	
Staten Island, NY	—	11,446	21,262	4,658	11,446	25,920	37,366	(10,251)	N/A	2004	
Totowa, NJ	50,800	120	11,994	4,883	92	16,905	16,997	(14,446)	1957/1999	1957	
Turnersville, NJ	—	900	1,342	4,057	900	5,399	6,299	(2,428)	1974	1974	
Union (2445 Springfield Avenue), NJ	45,600	19,700	45,090	—	19,700	45,090	64,790	(14,184)	N/A	2007	
Union (Route 22 and Morris Avenue), NJ	—	3,025	7,470	7,106	3,025	14,576	17,601	(5,516)	1962	1962	
Vallejo (leased through 2043) ⁽³⁾ , CA	—	—	2,945	221	—	3,166	3,166	(1,178)	N/A	2006	
Walnut Creek (1149 South Main Street), CA	—	2,699	19,930	(1,003)	2,699	18,927	21,626	(2,221)	N/A	2006	
Walnut Creek (Mt. Diablo), CA	—	5,909	—	1,340	5,908	1,341	7,249	(251)	N/A	2007	
Watchung, NJ	27,000	4,178	5,463	2,738	4,441	7,938	12,379	(5,957)	1994	1959	
Westfield, NJ	4,730	5,728	4,305	(4,459)	3,349	2,225	5,574	(38)	N/A	2017	
Wheaton (leased through 2060) ⁽³⁾ , MD	—	—	5,367	—	—	5,367	5,367	(1,778)	N/A	2006	
Wilkes-Barre (461 - 499 Mundy Street), PA	—	6,053	26,646	(18,630)	3,133	10,936	14,069	(410)	N/A	2007	
Woodbridge (Woodbridge Commons), NJ	22,100	1,509	2,675	5,483	1,539	8,128	9,667	(3,376)	1959	1959	
Woodbridge (Plaza at Woodbridge), NJ	55,340	21,547	75,017	304	21,547	75,321	96,868	(7,213)	N/A	2017	
Wyomissing (leased through 2065) ⁽³⁾ , PA	—	—	2,646	1,810	—	4,456	4,456	(4,004)	N/A	2005	
Yonkers, NY	30,122	63,341	110,635	16,339	65,942	124,373	190,315	(10,976)	N/A	2017	
WAREHOUSES:											
East Hanover, NJ	40,700	576	7,752	31,081	691	38,718	39,409	(19,448)	1972	1972	
TOTAL UE PROPERTIES	1,556,248	500,746	1,400,350	840,123	515,621	2,225,598	2,741,219	(669,849)			
Leasehold Improvements, Equipment and Other	—	—	—	7,566	—	7,566	7,566	(2,097)			
TOTAL	\$ 1,556,248	\$ 500,746	\$ 1,400,350	\$ 847,689	\$ 515,621	\$ 2,233,164	\$ 2,748,785	\$ (671,946)			

⁽¹⁾ Depreciation of the buildings and improvements are calculated over lives ranging from the life of the lease to forty years.

⁽²⁾ Adjusted tax basis for federal income tax purposes was \$1.5 billion as of December 31, 2019.

⁽³⁾ The Company is a lessee under a ground or building lease. The building will revert to the lessor upon lease expiration.

URBAN EDGE PROPERTIES AND URBAN EDGE PROPERTIES LP
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
(Amounts in thousands)

The following is a reconciliation of real estate assets and accumulated depreciation:

	Year Ended December 31,		
	2019	2018	2017
Real Estate			
Balance at beginning of period	\$ 2,768,992	\$ 2,671,854	\$ 2,138,500
Additions during the period:			
Land	13,441	4,120	142,305
Buildings & improvements	31,806	12,394	389,338
Construction in progress	61,641	118,389	34,525
	2,875,880	2,806,757	2,704,668
Less: Impairments and assets sold or written-off	(127,095)	(37,765)	(32,814)
Balance at end of period	\$ 2,748,785	\$ 2,768,992	\$ 2,671,854
Accumulated Depreciation			
Balance at beginning of period	\$ 645,872	\$ 587,127	\$ 541,077
Additions charged to operating expenses	80,774	80,578	65,140
	726,646	667,705	606,217
Less: Accumulated depreciation on assets written-off	(54,700)	(21,833)	(19,090)
Balance at end of period	\$ 671,946	\$ 645,872	\$ 587,127

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Section 2: EX-4.1 (EXHIBIT 4.1)

Exhibit 4.1

Description of Securities

The following is a summary of the material terms of the common shares of beneficial interest, par value \$0.01 per share (the “Common Shares”), of Urban Edge Properties, a Maryland real estate investment trust (the “Company”), as well as certain relevant provisions of the amended and restated declaration of trust (the “Declaration of Trust”) and amended and restated bylaws (the “Bylaws”) of the Company, the Maryland General Corporation Law (the “MGCL”) and the Maryland REIT Law. A more complete description is available by referring to the full text of the Declaration of Trust, the Bylaws and the MGCL. As of December 31, 2019, the Company had 500,000,000 Common Shares authorized, 121,370,125 of which were issued and outstanding, and 200,000,000 preferred shares of beneficial interest, par value \$0.01 per share (the “Preferred Shares”), authorized, none of which are issued and outstanding.

Dividend, Voting and Other Rights of Holders of Common Shares

The holders of Common Shares are entitled to receive dividends if, when and as authorized by the Board of Trustees of the Company (the “Board”) and declared by the Company out of assets legally available to pay dividends, if receipt of the dividends is in compliance with the provisions in the Declaration of Trust restricting the ownership and transfer of shares and the preferential rights of any other class or series of shares.

Subject to the provisions of the Declaration of Trust regarding the restrictions on ownership and transfer of shares and except as may otherwise be specified in the terms of any class or series of shares of beneficial interest, holders of Common Shares will be entitled to one vote for each Common Share on all matters on which shareholders are entitled to vote, including elections 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. A majority of the votes cast at a meeting of shareholders at which a quorum is present is sufficient to approve any matter, other than the election of trustees (see “Certain Provisions of Maryland Law and of the Declaration of Trust and Bylaws - The Board of Trustees” below), on which shareholders are entitled to vote, unless more than a majority of the votes cast is required by statute or by the Declaration of Trust.

Generally, the holders of Common Shares will not have any conversion, sinking fund, redemption, appraisal or preemptive rights to subscribe to any securities of the Company. If the Company is dissolved, liquidated or wound up, subject to the preferential rights of any Preferred Shares outstanding, holders of Common Shares will be entitled to share proportionally in any assets remaining after the Company satisfies (i) the prior rights of creditors, including holders of indebtedness of the Company, and (ii) the aggregate liquidation preference of any Preferred Shares then outstanding.

Subject to the provisions of the Declaration of Trust regarding the restrictions on ownership and transfer of shares, Common Shares will have equal dividend, distribution, liquidation and other rights and will have no preference or exchange rights. The rights, preferences and privileges of the holders of Common Shares will be subject to, and may be adversely affected by, the rights of the holders of shares of any class or series of Preferred Shares that the Company may designate and issue in the future.

The transfer agent for the Common Shares is American Stock Transfer & Trust Company, New York, New York.

Listing

The Common Shares are listed on the New York Stock Exchange under the symbol “UE”.

Power to Increase Authorized Shares and Issue Additional Shares

The Board has the authority, without shareholder approval, to amend the Declaration of Trust to increase or decrease the aggregate number of authorized shares or the number of shares of any class or series that the Company has authority to issue, to issue additional authorized but unissued Common Shares or Preferred Shares and to classify or reclassify

unissued Common Shares or Preferred Shares and thereafter to issue such classified or reclassified shares. These actions may be taken without shareholder approval, unless shareholder approval is required by applicable law, the terms of any other class or series of shares or the rules of any securities exchange or automated quotation system on which the securities of the Company may be listed or traded. The Board could authorize the Company to issue additional classes or series of Common Shares or Preferred Shares that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change of control of the Company, even if such transaction or change of control involves a premium price for the shareholders of the Company or shareholders believe that such transaction or change of control may be in their best interests.

Restrictions on Ownership and Transfer of Shares

The Beneficial Ownership Limit

For the Company to maintain its qualification as a real estate investment trust (“REIT”) under the Internal Revenue Code of 1986, as amended (the “Code”), not more than 50% of the value of its outstanding shares of beneficial interest may be owned, directly or indirectly, by five or fewer individuals at any time during the last half of a taxable year and the shares of beneficial interest must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months, or during a proportionate part of a shorter taxable year (except, in each case, with respect to the first taxable year for which an election to be taxed as a REIT is made). The Code defines “individuals” to include some entities for purposes of the preceding sentence. All references to a shareholder’s ownership of Common Shares in this “The Beneficial Ownership Limit” section assume application of the applicable attribution rules of the Code under which, for example, a shareholder is deemed to own shares owned by his or her spouse.

The Declaration of Trust contains several provisions restricting the ownership and transfer of shares of the Company that are designed to satisfy the REIT provisions of the Code. These provisions may also deter non-negotiated acquisitions of, and proxy contests for, control of the Company by third parties. The Declaration of Trust contains a limitation that restricts, with some exceptions, shareholders from owning more than 9.8% (in value or number of shares, whichever is more restrictive) of the outstanding shares of any class or series. This percentage is referred to as the “beneficial ownership limit”.

Shareholders should be aware that events other than a purchase or other transfer of shares may result in ownership, under the applicable attribution rules of the Code, of shares of the Company in excess of the beneficial ownership limit. For instance, if two shareholders, each of whom owns 6% of the outstanding Common Shares, were to marry, then after their marriage both shareholders would be deemed to own 12% of the outstanding Common Shares, which is in excess of the beneficial ownership limit. Similarly, if a shareholder who is treated as owning 6% of the outstanding Common Shares purchased a 50% interest in a corporation which owns 10% of the outstanding Common Shares, then the shareholder would be deemed to own 11% of the outstanding Common Shares immediately after such purchase.

Closely Held and General Restriction on Ownership

In addition, shares of beneficial interest may not be transferred if, as a result, more than 50% in value of outstanding shares would be owned by five or fewer individuals or if such transfer would otherwise cause the Company to fail to qualify as a REIT.

The Constructive Ownership Limit

Under the Code, rental income received by a REIT from persons in which the REIT is treated, under the applicable attribution rules of the Code, as owning a 10% or greater interest does not constitute qualifying income for purposes of the income requirements that REITs must satisfy. For these purposes, a REIT is treated as owning any shares owned, under the applicable attribution rules of the Code, by a person that owns 10% or more of the value of the outstanding shares of the REIT. The attribution rules of the Code applicable for these purposes are different from those applicable with respect to the beneficial ownership limit. All references to a shareholder’s ownership of shares of the Company in this “The Constructive Ownership Limit” section assume application of the applicable attribution rules of the Code.

In order to ensure that rental income of the Company will not be treated as nonqualifying income under the rule described in the preceding paragraph, and thus to ensure that the Company will not inadvertently lose its REIT status as a result of the ownership of shares by a tenant or a person that holds an interest in a tenant, the Declaration of Trust restricts, with some exceptions, shareholders from owning, directly or indirectly, more than 9.8% (in value or number of shares, whichever is more restrictive) of the outstanding shares of any class or series. The 9.8% ownership limit is referred to as the “constructive ownership limit”.

Shareholders should be aware that events other than a purchase or other transfer of shares may result in ownership, under the applicable attribution rules of the Code, of shares in excess of the constructive ownership limit. As the attribution rules that apply with respect to the constructive ownership limit differ from those that apply with respect to the beneficial ownership limit, the events other than a purchase or other transfer of shares which may result in share ownership in excess of the constructive ownership limit may differ from those which may result in share ownership in excess of the beneficial ownership limit.

Automatic Transfer to a Trust If the Ownership Limits Are Violated

The Declaration of Trust provides that a purported or attempted transfer of shares of any class or series that would otherwise result in ownership, under the applicable attribution rules of the Code, of shares in excess of the beneficial ownership limit or the constructive ownership limit, would cause the shares to be beneficially owned by fewer than 100 persons, would result in the Company being “closely held” (within the meaning of Section 856(h) of the Code) or would otherwise cause the Company to fail to qualify as a REIT will be void and the purported transferee will acquire no rights or economic interest in such shares. In addition, the Declaration of Trust provides that, if the provisions causing a transfer to be void do not prevent a violation of the restrictions mentioned in the preceding sentence, the shares that would otherwise be owned, under the applicable attribution rules of the Code, in excess of the beneficial ownership limit or the constructive ownership limit will be automatically transferred to one or more trusts (each, a “charitable trust”) for the benefit of one or more charitable beneficiaries, appointed by us, effective as of the close of business on the business day prior to the date of the relevant purported or attempted transfer.

Shares held in a charitable trust will be issued and outstanding shares. Pursuant to the Declaration of Trust, the purported or attempted transferee will have no rights in the shares held in a charitable trust and will not benefit economically from ownership of any shares held in the charitable trust, will have no rights to dividends or other distributions and will have no right to vote or other rights attributable to the shares held in the charitable trust. Instead, the Declaration of Trust provides that the trustee of the charitable trust will have all voting rights and rights to dividends or other distributions with respect to Common Shares held in the charitable trust, to be exercised for the exclusive benefit of the charitable beneficiary. Under the Declaration of Trust, any dividend or other distribution paid prior to the discovery by the Company that the Common Shares have been transferred to the charitable trust shall be paid by the holder of such dividend or other distribution to the trustee upon demand and any dividend or other distribution authorized but unpaid shall be paid when due to the trustee. Subject to Maryland law, the trustee of the charitable trust has the authority (i) to rescind as void any vote cast by a purported transferee prior to the discovery by the Company that the shares have been transferred to the charitable trust and (ii) to recast such vote in accordance with the instructions of the trustee acting for the benefit of the charitable beneficiary. However, if the Company has already taken irreversible trust action, then the trustee will not have the authority to rescind and recast the vote.

Under the Declaration of Trust, within 20 days of receiving notice from the Company that the shares have been transferred to the charitable trust, the trustee of the charitable trust is required to sell the shares held in the charitable trust to a person or persons, designated by the trustee, whose ownership of the shares will not violate the restrictions on ownership and transfer noted above. Upon such sale, the Declaration of Trust provides that the interest of the charitable beneficiary in the shares sold terminates and the trustee of the charitable trust is required to distribute the net proceeds of the sale to the purported transferee and to the charitable beneficiary as follows: the purported transferee will receive the lesser of (i) the price paid by the purported transferee for the shares or, if the purported transferee did not give value for the shares in connection with the event causing the shares to be held in the charitable trust (e.g., in the case of a gift, devise or other such transaction), the market price (as defined in the Declaration of Trust) of the shares on the day of the event causing the shares to be held in the charitable trust and (ii) the price per share received

by the trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the shares held in the charitable trust. The trustee of the charitable trust may reduce the amount payable to the purported transferee by the amount of dividends and other distributions which have been paid to the purported transferee and are owed by the purported transferee to the charitable trust, as described above. Any net sales proceeds in excess of the amount payable to the purported transferee will be paid immediately to the charitable beneficiary. If, prior to the discovery by the Company that Common Shares have been transferred to the charitable trust, such shares are sold by a purported transferee, then (1) such shares shall be deemed to have been sold on behalf of the charitable trust and (2) to the extent that the purported transferee received an amount for such shares that exceeds the amount that such purported transferee would have been entitled to receive if such shares had been sold by the charitable trust, such excess shall be paid to the trustee upon demand.

The Declaration of Trust provides that any shares transferred to the charitable trust are deemed to have been offered for sale to the Company, or its designee. The price at which the Company, or its designee, may purchase the shares transferred to the charitable trust will be equal to the lesser of (i) the price paid by the purported transferee for the shares or, if the purported transferee did not give value for the shares in connection with the event causing the shares to be held in the charitable trust (*e.g.*, in the case of a gift, devise or other such transaction), the market price of the shares on the day of the event causing the shares to be held in the charitable trust and (ii) the market price of the shares on the date that the Company, or its designee, accepts the offer. Upon a sale to the Company, 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 transferee.

The Company may reduce the amount payable to the purported transferee by the amount of dividends and other distributions that have been paid to the purported transferee and are owed by the purported transferee to the charitable trust, as described above. The right of the Company to accept the offer described above exists for as long as the charitable trust has not otherwise sold the shares held in the charitable trust.

In addition, if the Board determines that a transfer or other event has occurred that would violate the restrictions on ownership and transfer of shares described above, the Board may take such action as it deems advisable to refuse to give effect to or to prevent such transfer, including, but not limited to, causing the Company to redeem shares, refusing to give effect to the transfer on the books of the Company or instituting proceedings to enjoin the transfer.

Other Provisions Concerning the Restrictions on Ownership

The Board, in its sole discretion, may prospectively or retroactively exempt persons from the beneficial ownership limit and the constructive ownership limit and increase or decrease the beneficial ownership limit and constructive ownership limit for one or more persons if, in each case, the Board obtains such representations, covenants and undertakings as the Board may deem appropriate in order to conclude that such exemption or modification will not cause the Company to lose its status as a REIT. In addition, the Board may require such opinions of counsel, affidavits, undertakings or agreements or a ruling from the Internal Revenue Service as it may deem necessary or advisable in order to determine or ensure the status of the Company as a REIT, and any such exemption or modification may be subject to such conditions or restrictions as the Board may impose.

The foregoing restrictions on transfer and ownership will not apply if the Board determines that it is no longer in the best interests of the Company to attempt to qualify, or to continue to qualify, as a REIT or that compliance with any of the foregoing restrictions is no longer required for REIT qualification.

All persons who own, directly or by virtue of the applicable attribution rules of the Code, more than 1.0% (or such lower percentage as required by the Code or the regulations promulgated thereunder) of outstanding shares of any class or series must give a written notice to the Company containing the information specified in the Declaration of Trust by January 31 of each year. In addition, each shareholder will be required to disclose to the Company upon demand any information that the Company may request, in good faith, to determine the status of the Company as a REIT or to comply with Treasury regulations promulgated under the REIT provisions of the Code.

The ownership restrictions described above may have the effect of precluding acquisition of control of the Company unless the Board determines that maintenance of REIT status is no longer in the best interests of the Company or that

compliance with any of the foregoing restrictions is no longer required for REIT qualification.

Certain Provisions of Maryland Law and of the Declaration of Trust and Bylaws

The Board of Trustees

The Declaration of Trust and Bylaws provide that the number of trustees of the Company may be established, increased or decreased only by a majority of the entire Board but may not be less than the number required by the Maryland REIT Law, which is currently one, nor, unless the Bylaws are amended, more than 15; provided further, that the tenure of office of a trustee will not be affected by any decrease in the number of trustees. The Declaration of Trust and Bylaws also provide that, except as may be provided by the Board in setting the terms of any class or series of shares, any vacancy may be filled only by a majority of the remaining trustees in office, even if the remaining trustees do not constitute a quorum, and any trustee elected to fill a vacancy will hold office until the next annual meeting of shareholders and until a successor is duly elected and qualifies.

The Company currently has seven trustees elected by shareholders to serve until the next annual meeting of shareholders and until his or her successor is duly elected and qualifies. There is no cumulative voting in the election of trustees. Consequently, at each annual meeting of shareholders, the holders of a majority of Common Shares will be able to elect all of the trustees standing for election. Under the Bylaws, a majority of all the votes cast with respect to a trustee's election at a meeting of shareholders duly called and at which a quorum is present will be required to elect a trustee, unless the election is contested, in which case a plurality of the votes cast will be sufficient.

Removal of Trustees

The Declaration of Trust provides that, subject to the rights of holders of one or more classes or series of Preferred Shares to elect or remove one or more trustees, a trustee may be removed at any time, but only for cause and then only by the affirmative vote of two-thirds of the holders of the shares outstanding and entitled to be cast in the election of trustees. This provision, when coupled with the exclusive power of the Board to fill vacancies on the Board, precludes shareholders from removing incumbent trustees except for cause and upon a substantial affirmative vote and thereafter filling the vacancies created by the removal with their own nominees.

Business Combinations

Under the Maryland Business Combination Act (the "MBCA"), a "business combination" between a Maryland real estate investment trust and an interested shareholder or an affiliate of an interested shareholder is prohibited for five years after the most recent date on which the interested shareholder becomes an interested shareholder. A business combination includes a merger, consolidation, share exchange, or, in circumstances specified in the MBCA, an asset transfer or issuance or reclassification of equity securities. An interested shareholder is defined as:

- a person who beneficially owns, directly or indirectly, 10% or more of the voting power of the real estate investment trust's outstanding voting shares after the date on which the trust had 100 or more beneficial owners of its shares; or
- an affiliate or associate of the real estate investment trust who, at any time within the two-year period prior to the date in question, and after the date on which the trust had 100 or more beneficial owners of its shares, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then-outstanding voting shares of the real estate investment trust.

A person is not an interested shareholder under the MBCA if the board of trustees approved in advance the transaction which otherwise would have resulted in the person becoming an interested shareholder. 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 real estate investment trust and an interested shareholder generally must be recommended by the board of trustees of the real estate investment 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 real estate investment trust; and
- two-thirds of the votes entitled to be cast by holders of voting shares of the real estate investment trust other than shares held by the interested shareholder who will or whose affiliate will be a party to the business combination or by an affiliate or associate of the interested shareholder, voting together as a single group.

These super-majority vote requirements do not apply if the consideration to be received by the real estate investment trust's holders of any class or series of outstanding shares in the business combination receive a minimum price, as defined under the MBCA, 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 of the same class or series.

The MBCA 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.

The MBCA may have the effect of delaying, deferring or preventing a change in control of the Company or other transaction that might involve a premium price or otherwise be in the best interest of the shareholders. The MBCA may discourage others from trying to acquire control of the Company and may increase the difficulty of consummating any offer.

Control Share Acquisitions

The Maryland Control Share Acquisition Act (the "MCSAA") provides that "control shares" of a Maryland real estate investment trust acquired in a "control share acquisition" have no voting rights with respect to any control shares except to the extent approved at a special meeting of shareholders by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares in respect of which any of the following persons is entitled to exercise or direct the exercise of the voting power of such shares in the election of trustees: (i) a person who makes or proposes to make a control share acquisition; (ii) an officer of the trust; or (iii) an employee of the trust who is also a trustee of the trust.

"Control shares" are voting shares which, if aggregated with all other shares owned by the acquiring person or in respect of which the acquiring person is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiring person 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 that the acquiring person is then entitled to vote as a result of having previously obtained shareholder approval or shares acquired directly from the real estate investment trust. A "control share acquisition" means the acquisition, directly or indirectly, of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding 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 real estate investment 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 real estate investment 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 MCSAA, then the real estate investment 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 real estate investment 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 any meeting of shareholders at which the voting rights of the shares are considered and not approved or, if no such meeting is held, as of the date of the last control share acquisition by the acquirer. If voting rights for control shares are approved at a shareholders meeting and the acquiring person becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights, unless these specific appraisal rights are eliminated under the charter or bylaws. The fair value of the shares as determined for purposes of these appraisal rights may not be less than the highest price per share paid by the acquiring person in the control share acquisition.

The MCSAA does not apply (a) to shares acquired in a merger, consolidation or share exchange if the real estate investment trust is a party to the transaction, or (b) to acquisitions approved or exempted by the declaration of trust or bylaws of the real estate investment trust.

The Bylaws contain a provision exempting from the MCSAA any and all acquisitions by any person of shares of the Company. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

Appraisal Rights

Under the Maryland REIT Law, a shareholder of a Maryland REIT who objects to a merger or conversion is entitled to the same rights as an objecting stockholder of a Maryland corporation under the MGCL. The MGCL provides that stockholders may exercise appraisal rights unless appraisal rights are eliminated under a company's charter. The Declaration of Trust generally eliminates all appraisal rights of shareholders provided under the Maryland REIT Law and the MGCL, unless the Board determines that such rights apply.

Approval of Extraordinary Trust Action; Amendment of Declaration of Trust and Bylaws

Under the Maryland REIT Law, a Maryland real estate investment trust generally is not entitled to amend its declaration of trust or merge with or convert into another entity, unless the action is declared advisable and submitted to shareholders by resolution of its board of trustees, and approved by the affirmative vote of shareholders holding at least two-thirds of the shares entitled to vote on the matter. However, a Maryland real estate investment trust 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. Except for certain amendments described in the Declaration of Trust that require only approval by the Board, and for amendments to the provision in the Declaration of Trust relating to the removal of trustees and the vote required to amend such provision, which require a vote of two-thirds of all of the votes entitled to be cast on the matter, the Declaration of Trust provides for approval of any of these matters and for the approval of a sale of all or substantially all of our assets or our termination by the affirmative vote of a majority of all of the votes entitled to be cast on such matters.

The Bylaws provide that the Board has the power to adopt new bylaws and to alter or repeal any provision of the Bylaws. In addition, to the extent permitted by law, shareholders may alter or repeal any provision of the Bylaws and adopt new bylaw provisions with approval by the affirmative vote of a majority of all the votes entitled to be cast on the matter, except that shareholders do not have the power to alter or repeal Article XII of the Bylaws, which provides for indemnification of trustees and officers, or Article XV of the Bylaws, which relates to the amendment of the Bylaws, or to adopt any bylaws inconsistent with the foregoing Bylaws, in either case, without the approval of the Board.

Exclusive Forum

The Bylaws provide that, unless the Company consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on the behalf of the Company, (ii) any action asserting a claim of breach of any duty owed by any trustees or officers or other employees to the Company or to the shareholders of the Company, (iii) any action asserting a claim against the Company or any of its trustees or officers or other employees arising pursuant to any provision of the Maryland REIT Law or the Declaration of Trust or Bylaws or (iv) any action asserting a claim against the Company or any of its trustees or officers or other employees that is governed by the internal affairs doctrine will be the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the United States District Court for the District of Maryland, Baltimore Division.

Advance Notice of Trustee Nominations and New Business

The Bylaws provide that with respect to an annual meeting of shareholders, nominations of persons for election to the Board and the proposal of business to be considered by shareholders may be made only (i) pursuant to notice of the meeting, (ii) by or at the direction of the Board or (iii) by a shareholder who is a shareholder of record both at the time of giving the advance notice required by the Bylaws and at the time of the meeting, who is entitled to vote at the meeting and who has complied with the advance notice procedures of the Bylaws. With respect to special meetings of shareholders, only the business specified in the notice of the meeting may be brought before the meeting. Nominations of persons for election to the Board at a special meeting may be made only (i) by or at the direction of the Board, or (ii) provided that the special meeting has been called in accordance with the Bylaws for the purpose of electing trustees, by a shareholder who is a shareholder of record both at the time of giving the advance notice required by the Bylaws and at the time of the meeting, who is entitled to vote at the meeting and who has complied with the advance notice provisions of the Bylaws.

Subtitle 8

Subtitle 8 of Title 3 of the MGCL permits a Maryland real estate investment trust with a class of equity securities registered under the Securities Exchange Act of 1934, as amended, and at least three independent trustees to elect to be subject, by provision in its declaration of trust or bylaws or a resolution of its board of trustees and notwithstanding any contrary provision in the declaration of trust or bylaws, to any or all of the following five provisions:

- a classified board;
- a two-thirds vote requirement for removing a trustee;
- a requirement that the number of trustees be fixed only by vote of the trustees;
- a requirement that a vacancy on the board be filled only by the affirmative vote of a majority of the remaining trustees and for the remainder of the full term of the class of trustees in which the vacancy occurred and until a successor is elected and qualifies; or
- a majority requirement for the calling of a shareholder-requested special meeting of shareholders.

The Declaration of Trust provides that, except as may be provided by the Board in setting the terms of any class or series of shares, the Company elects to be subject to the provisions of Subtitle 8 relating to the filling of vacancies on the Board. Through provisions in the Declaration of Trust and Bylaws, (i) the affirmative vote of shareholders entitled to cast not less than two-thirds of all of the votes entitled to be cast generally in the election of trustees is required to remove any trustee from the Board, which removal will be allowed only for cause, (ii) the exclusive power to fix the number of trusteeships, subject to limitations set forth in the Bylaws, is vested in the Board, and (iii) shareholders are not entitled to call special meetings of shareholders.

Anti-takeover Effect of Certain Provisions of Maryland Law and of the Declaration of Trust and Bylaws

The business combination provisions, other elections under Subtitle 8, and, if the applicable provision in the Bylaws is rescinded, the control share acquisition provisions of Maryland law, the provisions of the Declaration of Trust on removal of trustees and the advance notice provisions of the Bylaws could delay, defer or prevent a transaction or a change in control of the Company that might involve a premium price for holders of Common Shares or otherwise be in their best interests.

Shareholder Meetings

The Bylaws provide that annual meetings of shareholders may only be held each year at a date, time and place set by the Board. Special meetings of shareholders may only be called by the chairman of the Board, the chief executive officer, the president or a majority of the Board. Only matters set forth in the notice of a special meeting of shareholders may be considered and acted upon at such a meeting.

Shareholder Action by Written Consent

Under the Declaration of Trust and Bylaws, any action required or permitted to be taken at any annual or special meeting of shareholders may be taken without a meeting, without prior notice and without a vote if (i) a unanimous consent setting forth the action is given in writing or by electronic transmission by all shareholders entitled to vote on the matter and filed with the minutes of proceedings of shareholders or (ii) the action is advised and submitted to the shareholders for approval by the Board, and a consent in writing or by electronic transmission is given by shareholders entitled to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting of shareholders.

Limitation of Liability and Indemnification of Trustees and Officers

Maryland law permits a Maryland real estate investment trust to include in its declaration of trust a provision limiting or eliminating the liability of its current and former trustees and officers to the real estate investment trust and its shareholders for money damages except for liability resulting from (i) actual receipt of an improper benefit or profit in money, property or services, for the amount of the benefit or profit in money, property or services actually received or (ii) active and deliberate dishonesty that is established by a final judgment and which is material to the cause of action. The Declaration of Trust includes such a provision eliminating such liability to the maximum extent permitted by Maryland law.

The Declaration of Trust and Bylaws obligate the Company, to the maximum extent permitted by Maryland law in effect from time to time, to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding, without requiring a preliminary determination of the trustee's or officer's ultimate entitlement to indemnification, to (i) any present or former trustee or officer who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity, or (ii) any individual who, while serving as trustee or officer of the Company and at the request of the Company, serves or has served as a director, trustee, officer, partner, member or manager of another corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity. The Declaration of Trust and Bylaws also permit it, with the approval of the Board, to indemnify and advance expenses to any person who served a predecessor of the Company in any of the capacities described above and to any employee or agent of the Company or a predecessor of the Company.

Maryland law requires a Maryland real estate investment trust (unless its declaration of trust provides otherwise, which the Declaration of Trust does not) to indemnify a trustee or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made a party by reason of his or her service in that capacity. Maryland law permits a real estate investment trust to indemnify its present and former trustees and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made or threatened to be made a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the trustee or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) the trustee or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the trustee or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland real estate investment trust may not indemnify for an adverse judgment in a suit by or in the right of the real estate investment trust or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, Maryland law permits a real estate investment trust to advance reasonable expenses to a trustee or officer upon the real estate investment trust's receipt of (a) a written affirmation by the trustee or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the real estate investment trust and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the real estate investment trust if it shall ultimately be determined that the standard of conduct was not met.

The Company has entered into indemnification agreements with each of its trustees, and has entered or expect to enter into indemnification agreements with each of its executive officers, in each case, that will provide for indemnification to the maximum extent permitted by Maryland law.

Business Opportunities

The Declaration of Trust provides that the trustees of the Company who are also trustees, officers, employees or agents of Vornado Realty Trust (“Vornado”), an entity from which the Company separated in 2015, or any of Vornado’s affiliates (each such trustee, a “Covered Person”), have no duty to communicate or present any business opportunity to the Company, and the Company renounces on its behalf and on behalf of its subsidiaries, any potential interest or expectation in, or right to be offered or to participate in, such business opportunity and waives to the maximum extent permitted from time to time by Maryland law any claim against a Covered Person arising from the fact that he or she does not present, communicate or offer any such business opportunity to the Company or any of its subsidiaries, as the case may be, or pursues such business opportunity or facilitates the pursuit of such business opportunity by others; provided, however, that the foregoing shall not apply in a case in which a Covered Person is presented with a business opportunity in writing expressly in his or her capacity as a trustee of the Company. Accordingly, to the maximum extent permitted from time to time by Maryland law and except to the extent such business opportunity is presented to a Covered Person in writing expressly in his or her capacity as a trustee of the Company, (i) no Covered Person is required to present, communicate or offer any business opportunity to the Company or any of its subsidiaries, as the case may be, and (ii) any Covered Person, on his or her own behalf or on behalf of Vornado, has the right to hold and exploit any business opportunity, or to direct, recommend, offer, sell, assign or otherwise transfer such business opportunity to any person or entity other than the Company.

Termination of Operations or REIT Status

Subject to the provisions of any class or series of shares at the time outstanding, after approval by a majority of the entire Board, the Company may be terminated at any meeting of shareholders, by the affirmative vote of a majority of all the votes entitled to be cast on the matter. In addition, under the Declaration of Trust, the Board may authorize the Company to revoke or otherwise terminate its REIT election, without shareholder approval, if it determines that it is no longer in the best interests of the Company to continue to qualify as a REIT.

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Section 3: EX-10.5 (EXHIBIT 10.5)

Execution Version

EXHIBIT 10.5

SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT

THIS SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT (this “Amendment”) dated as of July 29, 2019, by and among URBAN EDGE PROPERTIES LP, a Delaware limited partnership (the “Borrower”), each of the Banks party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent (the “Administrative Agent”).

WHEREAS, the Borrower, the Banks, the Administrative Agent and certain other parties have entered into that certain Revolving Credit Agreement dated as of January 15, 2015 and amended by that certain First Amendment to Revolving Credit Agreement dated as of March 7, 2017 (as further amended and as in effect immediately prior to the effectiveness of this Amendment, the “Credit Agreement”); and

WHEREAS, the Borrower, the Banks and the Administrative Agent desire to amend certain provisions of the Credit Agreement on the terms and conditions contained herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree as follows:

Section 1. Specific Amendments to Credit Agreement. Upon the effectiveness of this Amendment, the parties hereto agree that

the Credit Agreement shall be amended as follows:

(a) The Credit Agreement is amended by replacing the table in clause (a) of the definition of “Applicable Margin” contained in Section 1.01 thereof in its entirety with the following:

Level	Ratio of Total Outstanding Indebtedness to Capitalization Value	Applicable Margin for LIBOR Loans	Applicable Margin for Base Rate Loans
1	< 0.35 to 1.00	1.050%	0.050%
2	\geq 0.35 to 1.00 but < 0.40 to 1.00	1.100%	0.100%
3	\geq 0.40 to 1.00 but < 0.45 to 1.00	1.150%	0.150%
4	\geq 0.45 to 1.00 but < 0.50 to 1.00	1.250%	0.250%
5	\geq 0.50 to 1.00 but < 0.55 to 1.00	1.300%	0.300%
6	\geq 0.55 to 1.00	1.500%	0.500%

(b) The Credit Agreement is further amended by replacing the table in clause (b) of the definition of “Applicable Margin” contained in Section 1.01 thereof in its entirety with the following:

Level	Credit Rating (S&P/Moody’s/Fitch)	Applicable Margin for LIBOR Loans	Applicable Margin for Base Rate Loans
1	A-/A3/A (or equivalent) or better	0.775%	0.000%
2	BBB+/Baa1/BBB+ (or equivalent)	0.825%	0.000%
3	BBB/Baa2/BBB (or equivalent)	0.900%	0.000%
4	BBB-/Baa3/BBB- (or equivalent)	1.100%	0.100%
5	Lower than BBB-/Baa3/BBB- (or equivalent or unrated)	1.450%	0.450%

(c) The Credit Agreement is further amended by replacing the table in clause (a) of the definition of “Facility Fee” contained in Section 1.01 thereof in its entirety with the following:

Level	Facility Fee
1	0.150%
2	0.150%
3	0.200%
4	0.200%
5	0.300%
6	0.300%

(d) The Credit Agreement is further amended by replacing clause (b) of the definition of “Applicable Margin” contained in Section 1.01 thereof in its entirety with the following:

(b) During the Investment Grade Pricing Period, the percentage rate set forth in the table below corresponding to the Level into which the Credit Rating then falls. Any change in the Credit Rating which would cause the Applicable Margin to be determined at a different Level shall be effective as of the first day of the first calendar month immediately following receipt by the Administrative Agent of written notice delivered by the Borrower in accordance with Section 6.09(16) that the Credit Rating has changed; provided, however, if the Borrower has not delivered the notice required by such Section but the Administrative Agent becomes aware that the Credit Rating has changed, then the Administrative Agent may, in its reasonable discretion, adjust the Level at which the Applicable Margin is determined effective as of the first day of the first calendar month following the date the Administrative Agent becomes aware that the Credit Rating has changed. During any period during the Investment Grade Pricing Period that the Borrower receives only two Credit Ratings, and such Credit Ratings are not equivalent, the Applicable Margin shall be the higher of the two Credit Ratings. During any period during the Investment Grade Pricing Period that the Borrower receives more than two Credit Ratings, and such Credit Ratings are not all equivalent, the Applicable Margin shall be (A) if the difference between the highest and the lowest of such Credit Ratings is one ratings category (e.g. Baa2 by Moody’s and BBB- by S&P or Fitch), the Applicable Margin shall be the rate per annum that would

be applicable if the highest of the Credit Ratings were used; and (B) if the difference between the highest and the lowest of such Credit Ratings is two ratings categories (e.g. Baa1 by Moody's and BBB- by S&P or Fitch) or more, the Applicable Margin shall be the rate per annum that would be applicable if the average of the two highest Credit Ratings were used, provided that if such average is not a recognized rating category (i.e., the difference between the Credit Ratings is an even number of ratings categories), then the Applicable Margin shall be determined based on the lower of the two highest Credit Ratings. During any period during the Investment Grade Pricing Period for which the Borrower has received a Credit Rating from only one Rating Agency, the Applicable Margin for purposes of this clause (b) shall be determined based on such Credit Rating so long as such Credit Rating is from either S&P or Moody's. During any period during the Investment Grade Pricing Period that the Borrower has (a) no Credit Rating from any Rating Agency or (b) received a Credit Rating from only one Rating Agency that is neither S&P or Moody's, the Applicable Margin for purposes of this clause (b) shall be determined based on Level 5.

(e) The Credit Agreement is further amended by restating the definitions of "Anti-Corruption Laws", "Capitalization Value", "LIBOR Interest Rate", "Maturity Date", "OFAC", "Sanctioned Country", "Sanctioned Person" and "Sanctions" contained in Section 1.01 thereof in their entirety as follows:

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder and the U.K. Bribery Act 2010 and the rules and regulations thereunder.

"Capitalization Value" means, at any time, the sum (without duplication) of the Borrower's Ownership Share of (a) with respect to Properties of the Borrower and its Subsidiaries, individually determined and aggregated, NOI (excluding NOI attributable to Properties the value of which is to be included in Capitalization Value under the immediately following clause (b)) of each such Property for the most recently ended calendar quarter, annualized (i.e., multiplied by four), capitalized at the Capitalization Rate; (b) the GAAP book value of (i) all Properties of the Borrower and its Subsidiaries acquired during the four fiscal quarters most recently ended and (ii) all Transition Properties (except, in the case of either clause (i) or (ii), any such Property (or, solely in the case of clause (ii) above, any portion of such Property) which the Borrower has elected in a written notice to the Administrative Agent be included in determinations of Capitalization Value under the immediately preceding clause (a)); (c) all Unrestricted Cash and Cash Equivalents of the Borrower and its Subsidiaries; (d) the fair market value of publicly traded securities and the book value of notes and mortgage loans receivable, Capitalized Development Costs, Equity Interests in Non-Real Estate Affiliates which do not have publicly traded securities, other Stock Holdings and Unimproved Land of the Borrower and its Subsidiaries at such time, all as determined in accordance with GAAP; and (e) leasing commissions, management fees and development fees paid by third parties to the Borrower or a Wholly Owned Subsidiary of the Borrower in respect of any Property owned by another Subsidiary (other than a Wholly Owned Subsidiary) or an Unconsolidated Affiliate to the extent that the Borrower's or such Wholly Owned Subsidiary's share of such commissions and fees exceeds the Borrower's Ownership Share of such Subsidiary or Unconsolidated Affiliate, for the most recently ended calendar quarter, annualized (i.e., multiplied by four), capitalized at the Capitalization Rate. The Borrower's Ownership Share of assets held by (A) Unconsolidated Affiliates (excluding

assets of the type described in the immediately preceding clause (c)) will be included in the calculation of Capitalization Value consistent with the above described treatment for assets owned by the Borrower or a Subsidiary and (B) Public Affiliates the publicly traded securities of which, or Non-Real Estate Affiliates (other than Public Affiliates) the Equity Interest of which, are included in Capitalization Value under the immediately preceding clause (d) shall not be included under any of the other preceding clauses. For the purposes of this definition, (1) for any Disposition of Property by the Borrower or any Subsidiary during any calendar quarter, NOI will be reduced by actual NOI generated from such Property, (2) the aggregate contribution to Capitalization Value in excess of 35% of the aggregate of notes and mortgage loans receivable, Capitalized Development Costs, publicly traded securities, other Stock Holdings and Unimproved Land of the Borrower and its Subsidiaries, and leasing commissions and management and development fees (determined after giving effect to any exclusion required under the immediately following clause (3)) shall not be included in Capitalization Value, (3) the aggregate amount of leasing commissions and management and development fees in excess of 15% of NOI included in the determination of Capitalization Value under the immediately preceding clause (e) shall not be included in Capitalization Value and (4) if the amount otherwise included pursuant to the above terms of this definition in Capitalization Value derived from Unconsolidated Affiliates that are not Public Affiliates, less the Borrower's Ownership Share of the Total Outstanding Indebtedness of such Unconsolidated Affiliates, exceeds 25% of the Capitalization Value (determined without giving effect to this clause (4)), Capitalization Value shall be reduced by the amount of such excess.

"LIBOR Interest Rate" means, subject to implementation of a Benchmark Replacement in accordance with Section 3.02, with respect to any LIBOR Loan for any Interest Period, the rate of interest obtained by dividing (i) the rate of interest per annum determined on the basis of the rate for deposits in Dollars for a period equal to the applicable Interest Period as published by ICE Benchmark Administration Limited, a United Kingdom Company, or a comparable or successor quoting service reasonably approved by the Agent, at approximately 11:00 a.m. (London time), two Banking Days prior to the first day of the applicable Interest Period by (ii) 1 minus the Eurodollar Reserve Percentage. If, for any reason, the rate referred to in the preceding clause (i) is not so published, then the rate to be used for such clause (i) shall be determined by the Administrative Agent to be the arithmetic average of the rate per annum at which deposits in Dollars would be offered by first class banks in the London interbank market to the Administrative Agent at approximately 11:00 a.m. (London time) two Banking Days prior to the first day of the applicable Interest Period for a period equal to such Interest Period. Any change in the maximum rate of reserves described in the preceding clause (ii) shall result in a change in the LIBOR Interest Rate on the date on which such change in such maximum rate becomes effective. Notwithstanding the foregoing, (x) in no event shall the LIBOR Interest Rate (including, without limitation, any Benchmark Replacement with respect thereto) be less than zero and (y) unless otherwise specified in any amendment to this Agreement entered into in accordance with Section 3.02, in the event that a Benchmark Replacement with respect to the LIBOR Interest Rate is implemented then all references herein to the LIBOR Interest Rate shall be deemed references to such Benchmark Replacement.

"Maturity Date" means January 29, 2024, subject to extension pursuant to Section 2.17.

“**OFAC**” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“**Sanctioned Country**” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (including, as of the Second Amendment Date, Cuba, Iran, North Korea, Syria and Crimea).

“**Sanctioned Person**” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including, without limitation, OFAC’s Specially Designated Nationals and Blocked Persons List and OFAC’s Consolidated Non-SDN List), the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom, or other Governmental Authority with jurisdiction over the Borrower or any of its Subsidiaries, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) or (b), including a Person that is deemed by OFAC to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s).

“**Sanctions**” means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom, or other Governmental Authority with jurisdiction over any Bank, the Borrower or any of its Subsidiaries or Affiliates.

(f) The Credit Agreement is further amended by adding the following definitions of “Anti-Money Laundering Laws”, “Benchmark Replacement”, “Benchmark Replacement Adjustment”, “Benchmark Replacement Conforming Changes”, “Benchmark Replacement Date”, “Benchmark Transition Event”, “Benchmark Transition Start Date”, “Benchmark Unavailability Period”, “Beneficial Ownership Certification”, “Beneficial Ownership Regulation”, “Early Opt-in Election”, “Eurodollar Reserve Percentage”, “Federal Reserve Bank of New York’s Website”, “Relevant Governmental Body”, “Second Amendment Date”, “SOFR”, “Term SOFR” and “Unadjusted Benchmark Replacement” to Section 1.01 thereof in the appropriate alphabetical location:

“**Anti-Money Laundering Laws**” means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules of any Governmental Authority applicable to a Loan Party, its Subsidiaries or Affiliates related to terrorism financing or money laundering, including any applicable provision of the Patriot Act and The Currency and Foreign Transactions Reporting Act (also known as the “Bank Secrecy Act,” 31 U.S.C. §§ 5311-5330 and 12U.S.C. §§ 1818(s), 1820 (b) and 1951-1959).

“**Benchmark Replacement**” means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR Interest Rate for U.S. dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the

Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

“Benchmark Replacement Adjustment” means, with respect to any replacement of LIBOR Interest Rate with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR Interest Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR Interest Rate with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent determines may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to LIBOR Interest Rate:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of LIBOR Interest Rate permanently or indefinitely ceases to provide LIBOR Interest Rate; or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to LIBOR Interest Rate:

(1) a public statement or publication of information by or on behalf of the administrator of LIBOR Interest Rate announcing that such administrator has ceased or will cease to provide LIBOR Interest Rate, permanently or indefinitely, provided that, at the time of such statement or

publication, there is no successor administrator that will continue to provide LIBOR Interest Rate;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR Interest Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR Interest Rate, a resolution authority with jurisdiction over the administrator for LIBOR Interest Rate or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR Interest Rate, which states that the administrator of LIBOR Interest Rate has ceased or will cease to provide LIBOR Interest Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR Interest Rate; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR Interest Rate announcing that LIBOR Interest Rate is no longer representative.

“Benchmark Transition Start Date” means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Banks, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Required Banks) and the Banks.

“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR Interest Rate and solely to the extent that LIBOR Interest Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBOR Interest Rate for all purposes hereunder in accordance with clauses (b)-(e) of Section 3.02 and (y) ending at the time that a Benchmark Replacement has replaced LIBOR Interest Rate for all purposes hereunder pursuant to clauses (b)-(e) of Section 3.02.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 CFR § 1010.230.

“Early Opt-in Election” means the occurrence of:

(1) (i) a determination by the Administrative Agent or (ii) a notification by the Required Banks to the Administrative Agent (with a copy to the Borrower) that the Required Banks have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that

include language similar to that contained in clauses (b)-(e) of Section 3.02, are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace LIBOR Interest Rate, and

(2) (i) the election by the Administrative Agent or (ii) the election by the Required Banks to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Banks or by the Required Banks of written notice of such election to the Administrative Agent.

“Eurodollar Reserve Percentage” means, for any day, the percentage which is in effect for such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any basic, supplemental or emergency reserves) in respect of eurocurrency liabilities or any similar category of liabilities for a member bank of the Federal Reserve System in New York City.

“Federal Reserve Bank of New York’s Website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Second Amendment Date” means July 29, 2019.

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.

“Term SOFR” means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(g) The Credit Agreement is further amended by restating Section 1.02 thereof in its entirety as follows:

SECTION 1.02. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and, except as otherwise provided herein, all financial data required to be delivered hereunder shall be prepared in accordance with GAAP. Notwithstanding the first sentence of this Section 1.02, all accounting terms, ratios and calculations shall be determined without giving effect to Accounting Standards Codification 842 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) (and related interpretations) to the extent any lease (or

similar arrangement conveying the right to use) would be required to be treated as a capital lease thereunder where such lease (or similar arrangement) would have been treated as an operating lease under GAAP as in effect immediately prior to the effectiveness of the Accounting Standards Codification 842, provided that the Borrower shall provide to the Administrative Agent and the other Banks financial statements and other documents as reasonably requested by the Administrative Agent or any Bank setting forth a reconciliation between calculations of such ratio or requirement made in accordance with GAAP and made without giving effect to Accounting Standards Codification 842.

(h) The Credit Agreement is further amended by adding the following Sections 1.06 and 1.07 immediately after Section 1.05 thereof:

SECTION 1.06. Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of “LIBOR Interest Rate”.

SECTION 1.07. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

(i) The Credit Agreement is further amended by adding the following sentence at the end of the second paragraph of Section 2.07 thereof:

In computing interest on any Loan, the date of the making of such Loan or the first day of an Interest Period applicable to such Loan or, with respect to a Base Rate Loan being Converted from a LIBOR Loan, the date of Conversion of such LIBOR Loan to such Base Rate Loan, as the case may be, shall be included, and the date of payment of such Loan or the expiration date of an Interest Period applicable to such Loan or, with respect to a Base Rate Loan being Converted to a LIBOR Loan, the date of Conversion of such Base Rate Loan to such LIBOR Loan, as the case may be, shall be excluded; provided, that if a Loan is repaid on the same day on which it is made, one day’s interest shall be paid on that Loan.

(j) The Credit Agreement is further amended by replacing “0.075%” in Section 2.17(iii) thereof with “0.0625%”.

(k) The Credit Agreement is further amended by restating Section 3.02 thereof in its entirety as follows:

SECTION 3.02. Alternate Rate of Interest.

(a) Circumstances Affecting LIBOR Interest Rate Availability. Anything herein to the contrary notwithstanding, if, on or prior to the determination of the LIBOR Interest Rate for any Interest Period:

(i) Administrative Agent reasonably determines (which determination shall be conclusive, absent manifest error) that adequate and

reasonable means do not exist for ascertaining the LIBOR Interest Rate for such Interest Period;

(ii) Administrative Agent reasonably determines (which determination shall be conclusive) that quotations of interest rates for the relevant deposits referred to in the definition of LIBOR Interest Rate are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest for LIBOR Loans as provided herein; or

(iii) Administrative Agent reasonably determines (which determination shall be conclusive) that the relevant rates of interest referred to in the definition of "LIBOR Interest Rate" upon the basis of which the rate of interest for LIBOR Loans or Bid Rate Loans for such Interest Period is to be determined (without regard to the references to the Benchmark Replacement in such definition) do not adequately cover the cost to any Bank of making or maintaining such LIBOR Loan or Bid Rate Loan for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Banks as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Banks that the circumstances giving rise to such notice no longer exist, (i) any notice by the Borrower of Election, Conversion or Continuation that requests the Conversion of any Loan to, or Continuation of any Loan as, a LIBOR Loan shall be ineffective, (ii) if the Borrower requests a Ratable Loan, such Loan shall be made or Continued as a Base Rate Loan and (iii) any request by the Borrower for a Bid Rate Loan shall be ineffective; provided that if the circumstances giving rise to such notice do not affect all the Banks, then requests by the Borrower for Bid Rate Loans may be made to Banks that are not affected thereby.

(b) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace LIBOR Interest Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Banking Day after the Administrative Agent has posted such proposed amendment to all Banks and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Banks comprising the Required Banks. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Banks comprising the Required Banks have delivered to the Administrative Agent written notice that such Required Banks accept such amendment. No replacement of LIBOR Interest Rate with a Benchmark Replacement pursuant to clauses (b)-(e) of this Section 3.02 will occur prior to the applicable Benchmark Transition Start Date.

(c) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any

amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(d) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Banks of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Banks pursuant to clauses (b)-(e) of this Section 3.02, including any applicable determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to clauses (b)-(e) of this Section 3.02.

(e) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a borrowing of a LIBOR Loan, conversion to or continuation of LIBOR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period, the component of Base Rate based upon LIBOR Interest Rate will not be used in any determination of Base Rate.

(l) The Credit Agreement is further amended by restating Section 5.26 thereof in its entirety as follows:

SECTION 5.26. Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(a) None of (i) the General Partner, the Borrower, any Subsidiary, any of their respective directors and officers acting on behalf of the Borrower or any Subsidiary with respect to this Agreement or any other Loan Document, or, to the knowledge of the Borrower or such Subsidiary, any of their respective directors, officers or Affiliates, or (ii) to the knowledge of the Borrower, any agent or representative of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from this Agreement, (A) is a Sanctioned Person or currently the subject or target of any Sanctions, (B) is controlled by or is acting on behalf of a Sanctioned Person, (C) has its assets located in a Sanctioned Country, (D) is under administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (E) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons.

(b) Each of the Borrower and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by the General Partner, the Borrower and its Subsidiaries and their respective directors, officers, employees, agents and

Affiliates with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

(c) Each of the General Partner, the Borrower and its Subsidiaries, each director, officer, and to the knowledge of Borrower, employee, agent and Affiliate of Borrower and each such Subsidiary, is in compliance with all Anti-Corruption Laws, Anti-Money Laundering Laws in all material respects and applicable Sanctions.

(d) No proceeds of any Loan or Letter of Credit have been used, directly or indirectly, by the Borrower, any of its Subsidiaries or any of its or their respective directors, officers, employees and agents in violation of Section 7.06.

(m) The Credit Agreement is further amended by adding the following Section 5.27 immediately after Section 5.26 thereof:

SECTION 5.27. Beneficial Ownership Certification. As of the Second Amendment Date, all information included in the Beneficial Ownership Certification is true and correct to the knowledge of the officer of the General Partner that executes such certification.

(n) The Credit Agreement is further amended by adding the following Section 6.12 immediately after Section 6.11 thereof:

SECTION 6.12. Compliance with Anti-Corruption Laws, Beneficial Ownership Regulation, Anti-Money Laundering Laws and Sanctions. The Borrower will (a) maintain in effect and enforce policies and procedures designed to promote and achieve compliance by the General Partner, the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions, (b) notify the Administrative Agent and each Bank that previously received a Beneficial Ownership Certification of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein and (c) promptly upon the reasonable request of the Administrative Agent or any Bank, provide the Administrative Agent or such Bank, as the case may be, any information or documentation requested by it for purposes of complying with the Beneficial Ownership Regulation.

(o) The Credit Agreement is further amended by restating Section 7.06 thereof in its entirety as follows:

SECTION 7.06. Use of Proceeds and Letters of Credit. Request any Loan or Letter of Credit, and the Borrower shall not use, and shall ensure that its Subsidiaries and its or their respective directors, trustees, officers, employees and agents shall not use, the proceeds of any Loan or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or any Anti-Money Laundering Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(p) The Credit Agreement is further amended by replacing “Fifty Million Dollars (\$50,000,000)” in clause (a) of Section 9.01(4) thereof with “Seventy-Five Million Dollars (\$75,000,000)”.

(q) The Credit Agreement is further amended by replacing “Fifty Million Dollars (\$50,000,000)” in Section 9.01(6) thereof with “Seventy-Five Million Dollars (\$75,000,000)”.

(r) The Credit Agreement is further amended by adding the following Section 12.26 immediately after Section 12.25 thereof:

SECTION 12.26. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for hedging obligations or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 12.26 the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

(s) The Credit Agreement is further amended by replacing “SCHEDULE I” attached thereto with “SCHEDULE I” attached hereto.

Section 2. Conditions Precedent. The effectiveness of this Amendment is subject to receipt by the Administrative Agent of each of the following in form and substance satisfactory to the Administrative Agent:

(a) a counterpart of this Amendment (this Amendment and any other agreements or documents executed by the Borrower in connection with this Amendment (collectively, the “Amendment Documents”)) duly executed by the Borrower, the Administrative Agent and each of the Banks;

(b) Favorable opinions, dated as of the Second Amendment Date, from counsels for Borrower and General Partner addressed to the Administrative Agent and the Banks, as to such matters as Administrative Agent may reasonably request;

(c) A certified copy of a certificate from the Secretary of State or equivalent state official of the states where Borrower and General Partner are organized, dated as of the most recent practicable date, showing the good standing or partnership qualification of Borrower and General Partner;

(d) A certified copy of a certificate from the Secretary of State or equivalent state official of the state where Borrower and General Partner maintain their principal places of business (if different from its respective state of formation) dated as of the most recent practicable date, showing the qualification to transact business in such state as a foreign limited partnership or foreign trust, as the case may be, for Borrower and General Partner;

(e) A copy of a resolution or resolutions adopted by the Board of Trustees of General Partner, certified by the Secretary or an Assistant Secretary of General Partner as being in full force and effect on the Second Amendment Date, authorizing the Loans provided for herein and the execution, delivery and performance of the Loan Documents to be executed and delivered by General Partner hereunder on behalf Borrower;

(f) A certificate, signed by the Secretary or an Assistant Secretary of General Partner and dated the Second Amendment Date, as to the incumbency, and containing the specimen signature or signatures, of the Persons authorized to execute and deliver the Loan Documents to be executed and delivered by it and Borrower hereunder;

(g) A certificate of the sort required by paragraph (3) of Section 6.09 of the Credit Agreement calculated on a pro forma basis as of the quarter ending March 31, 2019;

(h) The following statements shall be true and Administrative Agent shall have received a certificate dated as of the Second Amendment Date signed by a duly authorized signatory of Borrower stating, to the best of the certifying party's knowledge, the following:

(1) All representations and warranties contained in this Amendment and in each of the other Loan Documents are true and correct in all material respects on and as of the Second Amendment Date as though made on and as of such date (except in those cases where such representation or warranty expressly relates to an earlier date or is qualified as to "materiality", "Material Adverse Change" or similar language (which shall be true and correct in all respects as qualified therein) and except for changes in factual circumstances permitted hereunder and thereunder);

(2) No Default or Event of Default has occurred and is continuing;

(3) No litigation, action, suit, investigation or other arbitral, administrative or judicial proceeding shall be pending or threatened which could reasonably be expected to (A) result in a Material Adverse Change or (B) restrain or enjoin, impose materially burdensome conditions on, or otherwise materially and adversely affect, the ability of Borrower to fulfill its obligations under the Loan Documents to which it is a party; and

(4) Borrower has received all approvals, consents and waivers, and has made or given all necessary filings and notices, as shall be required to consummate the transactions contemplated hereby without the occurrence of any default under, conflict with or violation of (A) any Law or (B) any agreement, document or instrument to which Borrower is a party or by which Borrower or its properties is bound;

(i) evidence that (i) all fees due and payable to the Administrative Agent, the Banks and the arrangers pursuant to those certain fee letters by and among the Borrower, the arrangers and the Administrative Agent have been paid and (ii) all fees, expenses and reimbursement amounts due and payable to the Administrative Agent and the arrangers, including without limitation, the reasonable fees and expenses of counsel to the Administrative Agent, have been paid;

(j) Each Loan Party or Subsidiary thereof that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall have delivered to the Administrative Agent, and any Bank requesting the same, a Beneficial Ownership Certification in relation to such Loan Party or Subsidiary, in each case, at least five (5) Banking Days prior to the Second Amendment Date;

(k) The Borrower shall have provided to the Administrative Agent and the Banks the documentation and other information requested by the Administrative Agent in order to comply with the requirements of any Anti-Money Laundering Laws, including the PATRIOT Act and any applicable "know your customer" rules and regulations; and

(l) such other documents, agreements and instruments as the Administrative Agent, or any Bank through the Administrative Agent, may reasonably request.

Notwithstanding anything herein to the contrary, by its execution and delivery of this Amendment, the Administrative Agent and each Bank party hereto acknowledges and agrees that each of the conditions

precedent to the effectiveness of this Amendment that have not previously been waived by such Banks in accordance with the terms of this Amendment has been satisfied and that this Amendment is effective upon the execution and delivery of this Amendment by the Borrower, each such Bank and the Administrative Agent.

Section 3. New Banks; Exiting Banks; and Reallocations.

(a) Reallocations. Upon the effectiveness of this Amendment, the outstanding amounts of all Ratable Loans of the Banks having a Loan Commitment under the Credit Agreement prior to the effectiveness of this Amendment (the “Existing Loan Commitment”) previously made to the Borrower shall be reallocated among the Banks in accordance with their respective Pro Rata Share of the Loan Commitment set forth on SCHEDULE I attached hereto. In order to effect such reallocations, the New Bank (as defined below) and each other Bank whose Loan Commitment after giving effect to this Amendment exceeds its Existing Loan Commitment (each, an “Assignee Bank”) shall be deemed to have purchased at par a portion of all right, title and interest in, and all obligations in respect of, the Existing Loan Commitment of each Exiting Bank (as defined below) and each Bank whose Loan Commitment after giving effect to this Amendment will be less than its Existing Loan Commitment (each, an “Assignor Bank”) so that the outstanding principal amount of the Loan Commitment of each Bank will be as set forth on SCHEDULE I attached hereto. Such purchases shall be deemed to have been effective by way of, and subject to the terms and conditions of, Assignment and Assumptions without the payment of any related assignment fee, and, except for replacement Notes to be provided to any Assignee Bank requesting such replacement Note and, if applicable, any Assignor Bank requesting such replacement Note, in the principal amounts of their respective Loan Commitment upon the effectiveness of this Amendment, no other documents or instruments shall be, or shall be required to be, executed in connection with such assignments (all of which are hereby waived). The Assignee Bank shall make the proceeds of such purchases available to the Administrative Agent which shall then make such amounts of the proceeds of such purchases available to each Assignor Bank as is necessary to purchase in full at par the Existing Loan Commitment owing to each respective Assignor Bank. The Assignor Banks, the Assignee Bank and the other Banks shall make such cash settlements among themselves, through the Administrative Agent, as the Administrative Agent may direct with respect to such reallocations and assignments so that the aggregate principal amount of the Ratable Loans shall be held by the Banks (including the New Bank) with their respective Pro Rata Share in accordance with their respective Loan Commitment as set forth on SCHEDULE I attached hereto.

(b) Representations and Warranties and Acknowledgements of New Bank. Upon the effectiveness of this Amendment, SunTrust Bank (the “New Bank”) acknowledges and agrees that it shall be a Bank under the Credit Agreement holding a Loan Commitment in the amount set forth on SCHEDULE I hereto. Accordingly, the New Bank shall have all of the rights and obligations of a Bank under the Credit Agreement and the other Loan Documents with respect to the New Bank’s Loan Commitment. The New Bank (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Amendment to consummate the transactions contemplated hereby and to become a Bank under the Credit Agreement, (ii) subject to the approval of the Administrative Agent as evidenced by its signature to this Amendment, it meets all the requirements to be an Eligible Assignee, (iii) it is sophisticated with respect to decisions to acquire assets of the type represented by the New Bank’s Loan Commitment, and either it, or the person exercising discretion in making its decision with respect to such New Bank’s Loan Commitment is experienced in such matter, (iv) it has received a copy of the Credit Agreement, and has received or has been according the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.09(1) and (2) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Amendment and to provide the New Bank’s Loan Commitment and (v) it has, independently and without

reliance upon the Administrative Agent or any Bank and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Amendment and to provide the New Bank's Loan Commitment; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent or any Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Bank.

(c) Exiting Banks. Upon the effectiveness of this Amendment and reallocations and assignments set forth in this Section 3, all outstanding amounts due under the Credit Agreement and the other Loan Documents to each of (i) Capital One, National Association, (ii) United Bank National Association and (iii) Deutsche Bank AG New York Branch (collectively, the "Exiting Banks" and each, an "Exiting Bank") shall be paid in full, and each Exiting Bank shall cease to be a Bank under the Credit Agreement; provided, that the obligations of the Credit Parties under the Loan Documents that are intended to survive any Bank ceasing to be a Bank or a party to any Loan Document shall survive in accordance with their respective terms for the benefit of each Exiting Bank, as applicable.

Section 4. Representations. The Borrower represents and warrants to the Administrative Agent and the Banks that:

(a) Authorization of Loan Documents and Borrowings. The Borrower has the right and power, and has taken all necessary action to authorize it, to borrow and obtain other extensions of credit under the Credit Agreement as amended by this Amendment. The Borrower has the right and power, and has taken all necessary action to authorize it, to execute and deliver the Amendment Documents and perform the Amendment Documents and the Credit Agreement as amended by this Amendment in accordance with their respective terms and to consummate the transactions contemplated hereby and thereby. The Amendment Documents have been duly executed and delivered by the duly authorized officers of the Borrower and each of the Amendment Documents and the Credit Agreement as amended by this Amendment is a legal, valid and binding obligation of such Person enforceable against such Person in accordance with its respective terms, except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations (other than the payment of principal) contained herein or therein and as may be limited by equitable principles generally.

(b) Binding Effect. This Amendment and the Credit Agreement as amended by this Amendment constitute valid and binding agreements of the Borrower, enforceable against the Borrower in accordance with their terms.

(c) No Default. No Default or Event of Default has occurred and is continuing as of the date hereof nor will exist immediately after giving effect to this Amendment.

(d) No Material Adverse Change. Since December 31, 2018, there has not been any material adverse condition or material adverse change in or affecting, nor has any circumstance or condition occurred that could reasonably be expected to result in a material adverse change in, or have a material adverse effect on, the business, assets, liabilities, financial condition or results of operations of the Borrower and its subsidiaries, taken as a whole.

(e) No Guarantors. As of the Second Amendment Date and after giving effect to this Amendment, no Subsidiary is required to be a Guarantor pursuant to Section 6.11 of the Credit Agreement as amended by this Amendment.

Section 5. Reaffirmation of Representations. The Borrower hereby repeats and reaffirms all representations and warranties made or deemed made by the Borrower to the Administrative Agent and the Banks in the Credit Agreement as amended by this Amendment and the other Loan Documents on and as of the date hereof with the same force and effect as if such representations and warranties were set forth in this Amendment in full and such representations and warranties are true and correct in all material respects (except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty is true and correct in all respects) on and as of the date hereof immediately after giving effect to this Amendment except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties were true and correct in all material respects (except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty was true and correct in all respects) on and as of such earlier date) and except for changes in factual circumstances not prohibited thereunder.

Section 6. Certain References. Each reference to the Credit Agreement in any of the Loan Documents shall be deemed to be a reference to the Credit Agreement as amended by this Amendment. This Amendment is a Loan Document.

Section 7. Costs and Expenses. The Borrower shall reimburse the Administrative Agent for all reasonable out-of-pocket costs and expenses (including attorneys' fees) incurred by the Administrative Agent in connection with the preparation, negotiation and execution of this Amendment and the other agreements and documents executed and delivered in connection herewith.

Section 8. Benefits. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Section 9. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. SECTION 12.14 OF THE CREDIT AGREEMENT IS HEREBY INCORPORATED BY REFERENCE AS IF FULLY SET FORTH HEREIN, *MUTATIS MUTANDIS*.

Section 10. Effect; Ratification. Except as expressly herein amended, the terms and conditions of the Credit Agreement and the other Loan Documents remain in full force and effect. The amendments contained herein shall be deemed to have prospective application only. The Credit Agreement is hereby ratified and confirmed in all respects. Nothing in this Amendment shall limit, impair or constitute a waiver of the rights, powers or remedies available to the Administrative Agent or the Banks under the Credit Agreement or any other Loan Document. This Amendment is not intended and shall not constitute a novation of the Credit Agreement or the Obligations created thereunder.

Section 11. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and shall be binding upon all parties, their successors and assigns.

Section 12. Definitions. All capitalized terms not otherwise defined herein are used herein with the respective definitions given them in the Credit Agreement.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Revolving Credit Agreement to be executed as of the date first above written.

URBAN EDGE PROPERTIES LP,
a Delaware limited partnership

By: Urban Edge Properties
a Maryland real estate investment trust, general partner

By: /s/ Mark J. Langer
Name: Mark J. Langer
Title: Executive Vice President

[Signatures Continued on Next Page]

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, a Fronting Bank, a Swingline Lender and as a Bank

By: /s/ Matthew Ricketts
Name: Matthew Ricketts
Title: Managing Director

[Signatures Continued on Next Page]

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

PNC BANK, NATIONAL ASSOCIATION, as Syndication Agent, a Fronting Bank, a Swingline Lender and as a Bank

By: /s/ Denise Smyth
Name: Denise Smyth
Title: Senior Vice President

[Signatures Continued on Next Page]

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

BARCLAYS BANK PLC, as a Bank

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

[Signatures Continued on Next Page]

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

CITIBANK N.A., as a Bank

By: /s/ Christopher J. Albano
Name: Christopher J. Albano
Title: Authorized Signatory

[Signatures Continued on Next Page]

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

JPMORGAN CHASE BANK, N.A., as a Bank

By: /s/ Brian Smolowitz
Name: Brian Smolowitz
Title: Vice President

[Signatures Continued on Next Page]

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

MUFG UNION BANK, N.A., as a Bank

By: /s/ Shari Brown
Name: Shari Brown
Title: Vice President

[Signatures Continued on Next Page]

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

U.S. BANK NATIONAL ASSOCIATION, as a Bank

By: /s/ Kimberly Gill
Name: Kimberly Gill
Title: Vice President

[Signatures Continued on Next Page]

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

DEUTSCHE BANK AG NEW YORK BRANCH, as an Exiting Bank

By: /s/ Annie Chung
Name: Annie Chung
Title: Director

By: /s/ Ming K Chu
Name: Ming K Chu
Title: Director

[Signatures Continued on Next Page]

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

GOLDMAN SACHS BANK USA, as a Bank

By: /s/ Annie Carr
Name: Annie Carr
Title: Authorized Signatory

[Signatures Continued on Next Page]

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

MORGAN STANLEY SENIOR FUNDING, INC., as a Bank

By: /s/ Michael King
Name: Michael King
Title: Vice President

[Signatures Continued on Next Page]

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

TD BANK, N.A., as a Bank

By: /s/ Howard Hsu
Name: Howard Hsu
Title: Vice President

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

SUNTRUST BANK, as a New Bank

By: /s/ Trudy Wilson
Name: Trudy Wilson
Title: Vice President

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

CAPITAL ONE, NATIONAL ASSOCIATION, as an Exiting Bank

By: /s/ Jessica W. Phillips
Name: Jessica W. Phillips
Title: Senior Vice President

[Signature Page to Second Amendment to Revolving Credit Agreement for Urban Edge Properties LP]

UNITED BANK, NATIONAL ASSOCIATION, as an Exiting Bank

By: /s/ Frederick H. Denecke
Name: Frederick H. Denecke
Title: Senior Vice President

SCHEDULE I

<u>Bank</u>	<u>Loan Commitment</u>
Wells Fargo Bank, National Association	\$82,500,000
PNC Bank, National Association	\$82,500,000
MUFG Union Bank, N.A.	\$65,000,000
U.S. Bank National Association	\$65,000,000
SunTrust Bank	\$50,000,000
Goldman Sachs Bank USA	\$45,000,000
Morgan Stanley Senior Funding, Inc.	\$45,000,000
Barclays Bank PLC	\$45,000,000
JPMorgan Chase Bank, N.A.	\$45,000,000
TD Bank, N.A.	\$40,000,000
Citibank N.A.	\$35,000,000
Total	\$600,000,000.00

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Section 4: EX-21.1 (EXHIBIT 21.1)

EXHIBIT 21.1

**SUBSIDIARIES OF THE REGISTRANT
URBAN EDGE PROPERTIES
as of December 31, 2019**

Urban Edge Properties, a Maryland real estate investment trust, has only one subsidiary: Urban Edge Properties LP, a Delaware limited partnership. Below is a list of the direct and indirect subsidiaries of Urban Edge Properties, and the corresponding states of incorporation or organization:

Name of Subsidiary	State of Organization
1 Amherst II UE LLC	New York
2 Bethlehem UE LLC	Delaware
3 Bricktown UE LLC	New Jersey
4 Bricktown UE Member LLC	Delaware
5 Cherry Hill UE LLC	New Jersey
6 Dover UE LLC	New Jersey
7 Dover UE Member LLC	Delaware
8 East Brunswick UE II LLC	Delaware
9 East Brunswick UE Owner LLC	Delaware

10	Freeport UE LLC	New York
11	Freeport UE Member LLC	Delaware
12	Glen Burnie UE LLC	Maryland
13	Hackensack UE LLC	New Jersey
14	Hackensack UE Member LLC	Delaware
15	Hanover UE LLC	New Jersey
16	Hanover UE Member LLC	Delaware
17	Jersey City UE LLC	New Jersey
18	Jersey City UE Member LLC	Delaware
19	Kearny Holding UE LLC	New Jersey
20	Kearny Leasing UE LLC	New Jersey
21	Lawnside UE LLC	New Jersey
22	Lodi II UE LLC	New Jersey
23	Lodi UE LLC	New Jersey
24	Manalapan UE LLC	New Jersey
25	Marlton UE LLC	New Jersey
26	Marlton UE Member LLC	Delaware
27	Middletown UE LLC	New Jersey
28	Middletown UE Member LLC	Delaware
29	Montclair UE II LLC	Delaware
30	Montclair UE LLC	New Jersey
31	Morris Plains Holding UE LLC	New Jersey
32	Morris Plains Leasing UE LLC	New Jersey
33	New Hyde Park UE LLC	New York

34	Newington UE LLC	Connecticut
35	North Bergen UE LLC	New Jersey
36	North Plainfield UE LLC	New Jersey
37	North Plainfield UE Member LLC	Delaware
38	Paramus UE II LLC	Delaware
39	Paramus UE LLC	Delaware
40	Patson UE Holdings LLC	Delaware
41	Patson Urban Edge GP LLC	Delaware
42	Patson Urban Edge LLC	Delaware
43	Springfield UE LLC	Massachusetts
44	Totowa UE LLC	New Jersey
45	Totowa UE Member LLC	Delaware
46	Towson UE LLC	Maryland
47	Turnersville UE LLC	New Jersey
48	UE 1105 State Highway 36 LLC	Delaware
49	UE 195 North Bedford Road LLC	Delaware
50	UE 197 Spring Valley LLC	Delaware
51	UE 2100 Route 38 LLC	Delaware
52	UE 2445 Springfield Avenue LLC	Delaware
53	UE 25 Spring Valley LLC	Delaware
54	UE 3098 Long Beach Road LLC	Delaware
55	UE 447 South Broadway LLC	Delaware
56	UE 675 Paterson Avenue LLC	Delaware
57	UE 675 Route 1 LLC	Delaware
58	UE 7000 Hadley Road LLC	Delaware
59	UE 713-715 Sunrise LLC	Delaware
60	UE 839 New York Avenue LLC	Delaware
61	UE 938 Spring Valley LLC	Delaware
62	UE AP 195 N. Bedford Road LLC	Delaware
63	UE AR Building LLC	Delaware
64	UE Bensalem Holding Company LLC	Delaware
65	UE Bergen East LLC	Delaware
66	UE Bergen Mall 2017 License LLC	Delaware
67	UE Bergen Mall License II LLC	Delaware
68	UE Bergen Mall LLC	New Jersey
69	UE Bergen Mall Owner LLC	Delaware
70	UE Bethlehem Holding LP	Pennsylvania
71	UE Bethlehem Properties Holding Company LLC	Delaware
72	UE Bethlehem Property LP	Pennsylvania
73	UE Brick LLC	New Jersey
74	UE Bridgeland Warehouses LLC	New Jersey
75	UE Bruckner Plaza LLC	Delaware
76	UE Bruckner Shops LLC	Delaware
77	UE Burnside Plaza LLC	Delaware
78	UE Caguas/Catalinas Holding LLC	Delaware
79	UE Caguas/Catalinas Holding LP	Delaware

80	UE Camden Holding LLC	New Jersey
81	UE Catalinas GP Inc.	Delaware
82	UE Chicopee Holding LLC	Massachusetts
83	UE CHLL LLC	Delaware
84	UE Cross Bay LLC	Delaware
85	UE Diablo Management LLC	Delaware
86	UE Forest Plaza LLC	Delaware
87	UE Freeport II LLC	Delaware
88	UE Gun Hill Road LLC	Delaware
89	UE Hanover Public Warehousing LLC	New Jersey
90	UE Harrison Holding Company LLC	Delaware
91	UE Henrietta Holding LLC	New York
92	UE Holding LP	Delaware
93	UE Hudson Mall LLC	Delaware
94	UE IT Management LLC	Delaware
95	UE Kingswood One LLC	Delaware
96	UE Kingswood Two LLC	Delaware
97	UE Lancaster Leasing Company LLC	Delaware
98	UE Lodi Delaware LLC	Delaware
99	UE Management LLC	Delaware
100	UE Management TRS LLC	Delaware
101	UE Manchester LLC	Delaware
102	UE Marple Holding Company LLC	Delaware
103	UE Massachusetts Holding LLC	Delaware
104	UE Maywood License LLC	Delaware
105	UE Millburn LLC	Delaware
106	UE Montehiedra Acquisition LLC	Delaware
107	UE Montehiedra Acquisition LP	Delaware
108	UE Montehiedra Holding II LP	Delaware
109	UE Montehiedra Holding LLC	Delaware
110	UE Montehiedra Holding LP	Delaware
111	UE Montehiedra Inc.	Delaware
112	UE Montehiedra Lender LLC	Delaware
113	UE Montehiedra Management LLC	Delaware
114	UE Montehiedra OP LLC	Delaware
115	UE Montehiedra Out Parcel LLC	Delaware
116	UE Mundy Street LP	Delaware
117	UE New Bridgeland Warehouses LLC	Delaware
118	UE New Hanover LLC	New Jersey
119	UE New Hanover Public Warehousing LLC	Delaware
120	UE Norfolk Property LLC	Delaware
121	UE One Lincoln Plaza LLC	Delaware
122	UE PA 1 LP	Delaware
123	UE PA 10 LP	Delaware

124	UE PA 11 LP	Delaware
125	UE PA 12 LP	Delaware
126	UE PA 13 LP	Delaware
127	UE PA 14 LP	Delaware
128	UE PA 15 LP	Delaware
129	UE PA 16 LP	Delaware
130	UE PA 17 LP	Delaware
131	UE PA 18 LP	Delaware
132	UE PA 19 LP	Delaware
133	UE PA 2 LP	Delaware
134	UE PA 20 LP	Delaware
135	UE PA 21 LP	Delaware
136	UE PA 22 LP	Delaware
137	UE PA 23 LP	Delaware
138	UE PA 24 LP	Delaware
139	UE PA 25 LP	Delaware
140	UE PA 26 LP	Delaware
141	UE PA 27 LP	Delaware
142	UE PA 28 LP	Delaware
143	UE PA 29 LP	Delaware
144	UE PA 3 LP	Delaware
145	UE PA 30 LP	Delaware
146	UE PA 31 LP	Delaware
147	UE PA 32 LP	Delaware
148	UE PA 33 LP	Delaware
149	UE PA 34 LP	Delaware
150	UE PA 35 LP	Delaware
151	UE PA 36 LP	Delaware
152	UE PA 37 LP	Delaware
153	UE PA 38 LP	Delaware
154	UE PA 39 LP	Delaware
155	UE PA 4 LP	Delaware
156	UE PA 40 LP	Delaware
157	UE PA 5 LP	Delaware
158	UE PA 6 LP	Delaware
159	UE PA 7 LP	Delaware
160	UE PA 8 LP	Delaware
161	UE PA 9 LP	Delaware
162	UE PA GP LLC	Delaware
163	UE Paramus License LLC	Delaware
164	UE Paterson Plank Road LLC	Delaware
165	UE Patson LLC	Delaware
166	UE Patson Mt. Diablo A LP	Delaware

167	UE Patson Walnut Creek LP	Delaware
168	UE Pennsylvania Holding LLC	Pennsylvania
169	UE Philadelphia Holding Company LLC	Delaware
170	UE Property Management LLC	Delaware
171	UE Retail Management LLC	Delaware
172	UE Retail Manager LLC	Delaware
173	UE Revere LLC	Delaware
174	UE Rochester Holding LLC	New York
175	UE Rockaway LLC	New Jersey
176	UE Rockville LLC	Delaware
177	UE Second Rochester Holding LLC	New York
178	UE Tonnelle 8701 LLC	Delaware
179	UE Tonnelle Commons LLC	Delaware
180	UE Tonnelle Storage II LLC	Delaware
181	UE Tonnelle Storage LLC	Delaware
182	UE TRU Alewife Brook Pkwy LLC	Delaware
183	UE TRU Baltimore Park LP	Delaware
184	UE TRU CA LLC	Delaware
185	UE TRU Callahan Drive LP	Delaware
186	UE TRU Cherry Avenue LP	Delaware
187	UE TRU Erie Blvd LLC	Delaware
188	UE TRU Georgia Avenue LLC	Delaware
189	UE TRU Jericho Turnpike LLC	Delaware
190	UE TRU Leesburg Pike LLC	Delaware
191	UE TRU PA LLC	Delaware
192	UE TRU Sam Rittenburg Blvd LLC	Delaware
193	UE TRU West Sunrise Hwy LLC	Delaware
194	UE West Babylon LLC	Delaware
195	UE Woodbridge King George LLC	Delaware
196	UE Woodbridge Storage II LLC	Delaware
197	UE Wyomissing Properties LP	Delaware
198	UE Yonkers II LLC	Delaware
199	UE Yonkers LLC	Delaware
200	UE York Holding Company LLC	Delaware
201	Union UE LLC	New Jersey
202	Urban Edge Acquisitions LLC	Delaware
203	Urban Edge Bensalem LP	Pennsylvania
204	Urban Edge Bethlehem LP	Pennsylvania
205	Urban Edge Bethlehem Owner LLC	Pennsylvania
206	Urban Edge Caguas GP Inc.	Delaware
207	Urban Edge Caguas LP	Delaware
208	Urban Edge Catalinas LP	Delaware
209	Urban Edge DP LLC	Delaware

210	Urban Edge EF Borrower LLC	Delaware
211	Urban Edge Lancaster LP	Pennsylvania
212	Urban Edge Marple LP	Pennsylvania
213	Urban Edge Mass LLC	Massachusetts
214	Urban Edge Massachusetts Holdings LLC	Delaware
215	Urban Edge Montehiedra Mezz Loan LLC	Delaware
216	Urban Edge Montehiedra OP LP	Delaware
217	Urban Edge Pennsylvania LP	Pennsylvania
218	Urban Edge Philadelphia LP	Pennsylvania
219	Urban Edge Properties	Maryland
220	Urban Edge Properties Auto LLC	Delaware
221	Urban Edge Properties LP	Delaware
222	Urban Edge York LP	Pennsylvania
223	Watchung UE LLC	New Jersey
224	Watchung UE Member LLC	Delaware
225	Wayne UE LLC	New Jersey
226	Woodbridge UE LLC	New Jersey
227	Woodbridge UE Member LLC	Delaware

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Section 5: EX-23.1 (EXHIBIT 23.1)

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-233232 on Form S-3 and Registration Statement No. 333-227550 on Form S-8 of our reports dated February 12, 2020, relating to the consolidated financial statements of Urban Edge Properties and the effectiveness of Urban Edge Properties' internal control over financial reporting appearing in the Annual Report on Form 10-K of Urban Edge Properties and Urban Edge Properties LP for the year ended December 31, 2019.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 12, 2020

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Section 6: EX-23.2 (EXHIBIT 23.2)

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-233232 on Form S-3 of our reports dated February 12, 2020, relating to the consolidated financial statements of Urban Edge Properties LP and the effectiveness of Urban Edge Properties LP's internal control over financial reporting appearing in the Annual Report on Form 10-K of Urban Edge Properties and Urban Edge

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 12, 2020

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Section 7: EX-31.1 (EXHIBIT 31.1)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Jeffrey S. Olson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Urban Edge Properties;
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 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 the 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 on 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 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 trustees (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.

February 12, 2020

/s/ Jeffrey S. Olson

Jeffrey S. Olson

Chairman of the Board of Trustees and Chief Executive Officer

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Section 8: EX-31.2 (EXHIBIT 31.2)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Mark Langer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Urban Edge Properties;
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 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 the 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 on 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 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 trustees (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.

February 12, 2020

/s/ Mark Langer

Mark Langer

Chief Financial Officer

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Section 9: EX-31.3 (EXHIBIT 31.3)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Jeffrey S. Olson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Urban Edge Properties LP;
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 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 the 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 on 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 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 trustees (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.

February 12, 2020

/s/ Jeffrey S. Olson

Jeffrey S. Olson

Chairman of the Board of Trustees and Chief Executive Officer of Urban Edge Properties, general partner of registrant

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Section 10: EX-31.4 (EXHIBIT 31.4)

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Mark Langer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Urban Edge Properties LP;
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 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 the 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 on 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 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 trustees (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.

February 12, 2020

/s/ Mark Langer

Mark Langer

Chief Financial Officer of Urban Edge Properties, general partner of registrant

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Section 11: EX-32.1 (EXHIBIT 32.1)

EXHIBIT 32.1

CERTIFICATION

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Urban Edge Properties, hereby certifies, to such officer's knowledge, that:

The Annual Report on Form 10-K for the year ended December 31, 2019 (the "Report") of Urban Edge Properties 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 Urban Edge Properties.

February 12, 2020

/s/ Jeffrey S. Olson

Name: Jeffrey S. Olson
Title: Chairman of the Board of Trustees and Chief Executive Officer

February 12, 2020

/s/ Mark Langer

Name: Mark Langer
Title: Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

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Section 12: EX-32.2 (EXHIBIT 32.2)

EXHIBIT 32.2

CERTIFICATION

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Urban Edge Properties, hereby certifies, to such officer's knowledge, that:

The Annual Report on Form 10-K for the year ended December 31, 2019 (the "Report") of Urban Edge Properties LP 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 Urban Edge Properties LP.

February 12, 2020

/s/ Jeffrey S. Olson

Name: Jeffrey S. Olson
Title: Chairman of the Board of Trustees and Chief Executive Officer of Urban Edge Properties, general partner of registrant

February 12, 2020

/s/ Mark Langer

Name: Mark Langer
Title: Chief Financial Officer of Urban Edge Properties, general partner of registrant

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as

amended (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

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