

**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, 2021

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

10019

(Address of Principal Executive Offices)

(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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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 30, 2021, the last business day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the Common Shares held by non-affiliates of the Registrant was approximately \$2.2 billion based upon the last reported sale price of \$19.10 per share on the New York Stock Exchange on such date.

As of February 9, 2022, Urban Edge Properties had 117,398,896 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 2022 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, 2021 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.

UDEL 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 UDEL. As the sole general partner of UDEL, UE has exclusive control of UDEL’s day-to-day management.

As of December 31, 2021, UE owned an approximate 96.2% ownership interest in UDEL. The remaining approximate 3.8% interest is owned by other limited partners. The other limited partners of UDEL are members of management, our Board of Trustees and contributors of property interests acquired. Under the limited partnership agreement of UDEL, unitholders may present their common units of UDEL 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, UDEL 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 UDEL, 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 UDEL pay cash. With each such exchange or redemption, UE’s percentage ownership in UDEL will increase. In addition, whenever UE issues common shares other than to acquire common units of UDEL, UE must contribute any net proceeds it receives to UDEL and UDEL must issue to UE an equivalent number of common units of UDEL. 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 UDEL into this single report provides the following benefits:

- enhances investors’ understanding of UE and UDEL 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 UDEL; 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 UDEL in the context of how UE and UDEL operate as a consolidated company. The financial results of UDEL are consolidated into the financial statements of UE. UE does not have any other significant assets, liabilities or operations, other than its investment in UDEL, nor does it have employees of its own. UDEL, not UE, generally executes all significant business relationships other than transactions involving the securities of UE. UDEL holds substantially all of the assets of UE and retains the ownership interests in the Company’s joint ventures. UDEL 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 UDEL in exchange for units of limited partnership in UDEL, as applicable, UDEL 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 UDEL. The limited partners of UDEL are accounted for as partners’ capital in UDEL’s financial statements and as noncontrolling interests in UE’s financial statements. The noncontrolling interests in UDEL’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 UDEL’s level and limited partners of UDEL. The differences between shareholders’ equity and partners’ capital result from differences in the equity issued at UE and UDEL levels.

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

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 UDEL in order to establish that the requisite certifications have been made and that UE and UDEL 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, 2021

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FORWARD-LOOKING STATEMENTS

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 identify many of these statements by 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 forward-looking statements are beyond our ability to control or predict and include, among others: (i) the economic, political and social impact of, and uncertainty relating to, the COVID-19 pandemic, including its impact on our retail tenants and their ability to make rent and other payments or honor their commitments under existing leases; (ii) the loss or bankruptcy of major tenants; (iii) the ability and willingness of the Company’s tenants to renew their leases with the Company upon expiration, the Company’s ability to re-lease its properties on the same or better terms, or at all, in the event of non-renewal or in the event the Company exercises its right to replace an existing tenant; (iv) the impact of e-commerce on our tenants’ business; (v) macroeconomic conditions, such as a disruption of, or lack of access to the capital markets, as well as potential volatility in the Company’s share price; (vi) the Company’s success in implementing its business strategy and its ability to identify, underwrite, finance, consummate and integrate diversifying acquisitions and investments; (vii) changes in general economic conditions or economic conditions in the markets in which the Company competes, and their effect on the Company’s revenues, earnings and funding sources, and on those of its tenants; (viii) increases in the Company’s borrowing costs as a result of changes in interest rates and other factors, including the discontinuation of USD LIBOR, which is currently anticipated to occur in 2023; (ix) the Company’s ability to pay down, refinance, restructure or extend its indebtedness as it becomes due and potential limitations on the Company’s ability to borrow funds under its existing credit facility as a result of covenants relating to the Company’s financial results; (x) potentially higher costs associated with the Company’s development, redevelopment and anchor repositioning projects, and the Company’s ability to lease the properties at projected rates; (xi) the Company’s liability for environmental matters; (xii) damage to the Company’s properties from catastrophic weather and other natural events, and the physical effects of climate change; (xiii) the Company’s ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; (xiv) information technology security breaches; and (xv) the loss of key executives. 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, 2021. A reader should also review carefully our audited consolidated financial statements and the notes thereto included in this Report.

We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for any forward-looking statements included in this Annual Report on Form 10-K. You are cautioned not to place undue reliance on 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.

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 Washington, D.C. to Boston corridor with a concentration on 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. Our portfolio is currently comprised of 68 shopping centers, five malls and two industrial parks totaling approximately 17.0 million square feet (sf) with a consolidated occupancy rate of 88.8%.

For additional information on recent business developments, see [Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#) in this Annual Report on Form 10-K.

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 Washington, D.C. to Boston corridor. We believe urban markets offer attractive acquisition and redevelopment opportunities resulting from high population density, strong demand from consumers, above average retailer sales trends, a limited supply of institutional quality assets and a large number of older, undermanaged assets that remain privately owned. We seek to create value through the following primary strategies:

Maximize 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; targeted leasing to desirable tenants; and efficient and cost-conscious day-to-day operations that minimize operating expenses and enhance property quality. Repurposing retail real estate with high-quality retailers, with a focus on grocers, and incorporating other uses including industrial, residential, self-storage, and medical are increasingly important to our business plan. Leasing and asset management add value through:

- Monitoring retailer sales, merchandising, store operations, timeliness of payments, overall financial condition and related factors;
- Being consistently aware of each asset's competitive position within its trade area 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 tenant 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.

Develop and redevelop assets to their highest and best use. Our existing portfolio presents considerable opportunity to generate additional income at attractive returns by redeveloping underutilized existing space, developing new space through expanding our properties and developing pad sites, and incorporating non-retail uses such as industrial, multifamily, office, self-storage and other uses. As of December 31, 2021, we have \$218.7 million of active redevelopment projects, of which \$146.6 million remains to be funded. These projects are expected to generate an approximate 8% unleveraged yield. Active redevelopment projects include \$102.2 million of projects related to anchor leases executed during the year. We will continue to explore opportunities throughout our portfolio to achieve similar upgrades in tenancy, to densify sites where feasible and to repurpose certain retail space to non-retail uses.

Invest in target markets. We intend to selectively deploy capital through acquisitions in our target markets that meet our criteria for risk-adjusted returns and enhance the overall quality of our existing portfolio. At the same time, we plan to sell assets that no longer meet our return requirements and strategic objectives. Investment considerations for acquisitions include:

- *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.
- *Geography:* We focus primarily on the Washington, D.C. to Boston corridor with a concentration on the New York metropolitan area. We intend to invest in our existing core markets, and, over time, 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 derive our revenue from fixed and variable rents from our tenants. 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.
- *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.

Maintain 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, general access to equity markets and from potential secured debt financing on our existing assets.

Environmental, Social and Governance (“ESG”) Achievements, Initiatives, and Objectives

We seek to drive financial performance while engaging in environmentally and socially responsible business practices grounded in sound corporate governance. We believe that disclosure around our ESG practices allows our stakeholders to see our company holistically and understand its trajectory beyond fundamentals and financial metrics. In addition to a dedicated team of professionals, we have a robust suite of environmental, social, and governance policies that inform and guide our ESG approach and drive our ESG goals forward. We have aligned our sustainability practices in accordance with the Global Reporting Initiative (“GRI”) standards and commensurate with the Sustainability Accounting Standards Board (“SASB”) and the Task Force on Climate-Related Financial Disclosures (“TCFD”) frameworks. In line with our corporate transparency, we have completed our first Global Real Estate Sustainability Benchmarks (“GRESB”) submission and will continue to benchmark our progress against our peers. We routinely reassess our plans and policies to evaluate compliance with regional and national requirements as well as industry best practices.

From an environmental perspective, we have implemented and plan to continue to implement policies and practices with the goal of supporting the continued reduction of energy (thereby reducing greenhouse gas emissions), water, and waste production across the portfolio. Initiatives we have taken include the installation of energy-efficient roofing, LED lighting retrofits, electric vehicle charging stations and waste recycling and management. Additionally, we are continuing to research solar and alternative energy options to further reduce our consumption and carbon footprint. We are committed to maintaining sustainable operations and believe that our long-term sustainability goals will provide positive financial and environmental outcomes for shareholders, tenants, employees and the communities in which we invest.

We believe that through our business, we are able to provide the communities in which we operate a welcoming and safe environment for our tenants and customers to connect and engage with one another. We consciously choose to add retailers that we believe are needed to neighborhoods lacking vital resources and reposition spaces with uses that appeal to the respective communities where the properties are located. Our community involvement also includes donations to various charitable organizations, hospitals and COVID-19 relief funds as well as food, coat and clothing drives. Many of these organizations and drives directly benefit the people and neighborhoods in which our properties are located.

Our corporate governance standards and policies aim to promote ethical conduct, fair dealing, transparency and accountability. The Company is governed by a ten-member board comprised primarily of independent trustees. The Board of Trustees is focused on independence, diversity of thought and experience, and ethical leadership and is critical in the oversight of our risk-management processes. Additionally, we have three board committees made up of the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee, each of which addresses risks specific to their respective functional responsibilities and works closely with the Board of Trustees. Our Corporate Governance Guidelines are re-evaluated annually, taking into account changing circumstances to ensure that the best interests of the Company and our shareholders are met. We maintain additional policies including our Code of Ethics, Conflict of Interest Policy, and Whistleblower Policy, on which all employees are trained.

Further information on our ESG practices can be found on our website in the Investors section. The information on our website is not incorporated by reference in this Annual Report on Form 10-K.

Human Capital

At December 31, 2021, we had 116 employees. We believe that our people are our most valuable asset. Our future success will depend, in part, on our ability to continue to attract, hire, and retain qualified personnel. Accordingly, we strive to offer competitive salaries and employee benefits to all employees and monitor salaries in our market areas. We provide professional training and development workshops and aim to provide a workplace environment where employees are informed, engaged, feel empowered, and can succeed. As part of our employee development, we have launched an employee-performance tracking

platform which serves as a year-round benchmark tool and allows employees and managers to take notes, set goals and track progress.

Our employees enjoy subsidized health and wellness benefits, professional training and development workshops, ergonomic office equipment, telecommuting opportunities and policies encouraging work/life balance. We have created an employee wellness program which spans the entire year and focuses on five pillars of health and wellness, both inside and outside of the office. The areas of focus for this program include financial, emotional, physical, social and community wellness. Each month there is a theme with associated activities and employee incentives including the ability to earn additional money for health savings accounts and raffles for prizes.

We understand the importance of work/life balance and allow employees the flexibility to maintain a hybrid in-office and remote working schedule. We provide all employees with the equipment and resources necessary to work and perform their duties in a remote setting. In response to the COVID-19 pandemic, we have implemented enhanced cleaning protocols within our offices and our properties to promote employee health and safety, which include cleaning and disinfecting high-touch surfaces daily, providing hand sanitizer and personal protective equipment such as face masks.

Diversity, equity and inclusion (“DE&I”) are an integral part of our culture. We believe that a diverse workforce and an inclusive culture promotes growth, both personally and professionally, and is an important aspect in our ability to attract and retain talented employees. All employees are required to complete trainings on DE&I which cover a range of topics including best practices and education on unconscious bias. We aim to create an equitable workplace for all and our CEO has signed the CEO Diversity and Inclusion Action Pledge on behalf of our Company, joining thousands of other CEOs and peers across the country to cultivate a trusting environment where our employees feel comfortable and are empowered to have discussions about diversity and inclusion.

Through our Wellness program, health and safety protocols and quarterly town hall meetings with all employees, among other initiatives, we continually strive to provide a workplace environment where employees are informed, engaged, feel empowered and can succeed.

Our headquarters are located at 888 Seventh Avenue, New York, NY 10019.

Significant Tenants

None of our tenants accounted for more than 10% of total revenues in any of the years ended December 31, 2021, 2020 and 2019. The TJX Companies, Inc. is our largest tenant and accounted for approximately \$20.6 million, or 4.8%, of our total revenue for the year ended December 31, 2021.

REIT Qualification

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, in particular income taxes arising from its operating activities in Puerto Rico, which are included in income tax expense in the consolidated statements of income.

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. 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 charters, code, guidelines, and 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 the following groups:

- Risks Related to Our Business and Operations;
- Risks Related to Our Liquidity and Indebtedness;
- Risks Related to Business Continuity;
- Risks Related to Environmental Liability and Regulatory Compliance;
- Risks Related to Our Status as a REIT;
- Risks Related to Our Organization and Structure; and
- Risks Related to An Investment in Our Common Shares.

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”.

RISKS RELATED TO OUR BUSINESS AND OPERATIONS

Actual or perceived threats associated with epidemics, pandemics or other public health crises, including the COVID-19 pandemic, have had and could have a material adverse effect on our and our tenants’ businesses, financial condition, results of operations, cash flow, liquidity, and ability to access the capital markets and satisfy debt service obligations.

Epidemics, pandemics or other public health crises, including the COVID-19 pandemic, that impact economic and market conditions, particularly in the markets where our properties are located, and preventative measures taken to alleviate their impact, may have a material adverse effect on our and our tenants’ businesses, financial condition, results of operations, liquidity, and ability to access capital markets and satisfy debt service obligations.

The ongoing COVID-19 pandemic and restrictions intended to prevent and mitigate its spread have had, and could continue to have, additional adverse effects on our business, including with regards to:

- the ability and willingness of our tenants to renew their leases upon expiration, our ability to re-lease the properties on the same or better terms in the event of nonrenewal or in the event we exercise our right to replace an existing tenant, and obligations we may incur in connection with the replacement of an existing tenant;
- anticipated returns from development and redevelopment projects, some of which experienced delays due to the COVID-19 pandemic;
- the broader impact of the pandemic and its effect on consumer behavior;
- our ability to pay down, refinance, restructure or extend our indebtedness as it becomes due and potential limitations on our ability to borrow funds under our credit facility as a result of covenants relating to our financial results; and
- the potential reduction in our operating effectiveness if key personnel become unavailable due to illness or other personal circumstances related to COVID-19.

While the U.S. economy has shown signs of improvement compared to fiscal year 2020 and widespread use of vaccines has alleviated COVID-19 restrictions, the spread of new strains of the COVID-19 virus is likely to pose additional challenges. Accordingly, developments regarding the COVID-19 pandemic preclude prediction as to the ultimate economic, political and social impact, and may continue to present material risks and uncertainties with respect to our and our tenants’ business, financial condition, results of operations, cash flows, liquidity and ability to access the capital markets and satisfy debt service obligations.

To the extent any of these risks and uncertainties adversely impact us in the ways described above or otherwise, they may also have the effect of heightening many of the other risks described under this section.

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 on terms comparable to prior leases or at all.

When our tenants decide not to renew their leases upon their expiration, we may not be able to relet the space on terms comparable to prior leases or at all. Spaces that accounted for approximately 15.2% of physical occupancy were vacant as of December 31, 2021, excluding leases signed but not commenced. In addition, leases accounting for approximately 28% of our annualized base rent for the fiscal year ended December 31, 2021 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, certain of our tenants have become insolvent or declared bankruptcy and other tenants may declare bankruptcy or become insolvent in the future. 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 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.

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, 2021, one of our New York metropolitan area properties, The Outlets at Bergen Town Center, in Paramus, NJ, generated in excess of 10% of our annualized base rent. Collectively, our New York metropolitan area properties in the aggregate generated approximately 74% of our annualized base rent as of December 31, 2021. 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.

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, 2021, we had 21 active redevelopment projects in which we have invested a total of approximately \$72.1 million, and based on our current plans and estimates, we anticipate it will cost an additional \$146.6 million to complete. 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, restrictions caused by the COVID-19 pandemic, 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.

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, taking into account the appropriate capitalization rate in determining a future terminal value. An impairment loss is based on 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.

RISKS RELATED TO OUR LIQUIDITY AND INDEBTEDNESS

Risks related to our outstanding debt.

We have historically used moderate levels of leverage and expect to continue to incur indebtedness to support our activities. As of December 31, 2021, our outstanding indebtedness was \$1.7 billion, of which \$161.1 million was variable rate indebtedness. If we are unable to obtain debt financing or refinance existing debt upon maturity on terms favorable to us or at all, our financial condition and results of operations would likely be adversely affected.

As of December 31, 2021, approximately 9.5% of our current outstanding debt bore interest at variable rates which bears interest at a floating rate based on the London Interbank Offered Rate ("LIBOR"), plus an applicable margin. We are exposed to risks related to a potential rising interest rate environment for our current or any future variable interest rate debt. Interest expense on our variable rate debt at December 31, 2021 would increase by approximately \$1.6 million annually for every 100-basis-point increase in interest rates. While we may enter into interest rate hedging transactions with counterparties, there can be no guarantee that the future financial condition of these counterparties will enable them to fulfill their obligations under such agreements.

In 2017, U.K. regulators announced that they intend to stop compelling banks to submit rates for the calculation of LIBOR after 2021. As a result, U.S. regulators identified the Secured Overnight Financing Rate ("SOFR") as their preferred alternative to USD LIBOR in derivatives and other financial contracts. Additionally, while U.S. official guidance states that there should be no new LIBOR trading after December 31, 2021, USD LIBOR will continue to be published until June 2023 and we are not currently able to predict when LIBOR will cease to be available in the United States. When LIBOR is discontinued, the interest rates of our LIBOR-indexed debt following such event will be based on either alternate base rates, such as SOFR, or agreed upon replacement rates. While such an event would not affect our ability to borrow or maintain already outstanding borrowings, it could result in higher interest rates.

If the cost or amount of our debt 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 our company, including our ability to make distributions to our shareholders.

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.

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, 2021, we had \$1.7 billion of secured debt outstanding and 33 of our properties were encumbered by secured debt. As of December 31, 2021, we were in compliance with all debt covenants. 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.

RISKS RELATED TO BUSINESS CONTINUITY

Risks related to our malls in Puerto Rico.

Our two malls in Puerto Rico make up approximately 8% of our net operating income for the year ended December 31, 2021. Puerto Rico faces significant fiscal and economic challenges, including those resulting from natural disasters such as hurricanes and earthquakes, the COVID-19 pandemic, and its government filing for bankruptcy protection in 2017. 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, 2021, we have individual, non-recourse mortgages on each of our Puerto Rico properties.

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. We maintain 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 potential losses may not be covered by insurance.

We maintain numerous insurance policies including for general liability, property, pollution, acts of terrorism, trustees' and officers', cyber security, workers' compensation and automobile-related liabilities. However, all such policies are subject to the terms, conditions, exclusions, deductibles and sub-limits, among other limiting factors. For example, our terrorism insurance policy excludes coverage for nuclear, biological, chemical or radiological terrorism events as defined by the Terrorism Risk Insurance Program Reauthorization Act.

Certain of the insurance premiums are charged directly to each of the properties but not all of the cost of such premiums are recovered. We are 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. 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.

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 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 and we may experience system difficulties related to our 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.

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.

RISKS RELATED TO ENVIRONMENTAL LIABILITY AND REGULATORY COMPLIANCE

We may be adversely affected by laws, regulations or other issues related to climate change.

We may become subject to laws or regulations related to climate change, which could cause our business, results of operations and financial condition to be impacted adversely. The federal government has enacted, and some of the states and localities in which we operate may enact, certain climate change laws and regulations or have begun regulating carbon footprints and greenhouse gas emissions. Although these laws and regulations have not had any known material adverse effects on our business to date, they could result in substantial costs, including compliance costs, increased energy costs, retrofit costs and construction costs, including monitoring and reporting costs, and capital expenditures for environmental control facilities and other new equipment. We have implemented strategies to support our continued effort to reduce energy and water consumption, greenhouse gas emissions, and waste production across our portfolio. We cannot predict how future laws and regulations, or future interpretations of current laws and regulations, related to climate change will affect our business, results of operations and financial condition. Additionally, the potential physical impacts of climate change on our operations are highly uncertain,

and would be particular to the geographic circumstances in areas in which we operate. These may include changes to global weather patterns, which could include local changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperature averages or extremes. These impacts may adversely affect our properties, our business, financial condition and results of 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.

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.

Increased scrutiny and changing expectations from investors, customers, employees, and others regarding our environmental, social and governance practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer acquisition and retention, access to capital and employee retention.

Companies across all industries are facing increasing scrutiny related to their ESG practices and reporting. Investors, customers, employees, and other stakeholders have begun to focus increasingly on ESG practices and to place increasing importance on the implications and social cost of their investments, purchases, and other interactions with companies. With this increased focus and demand, public reporting regarding ESG practices is becoming more broadly expected. If our ESG practices and reporting do not meet investor, customer, or employee expectations, which continue to evolve, our reputation and tenant retention may be negatively impacted. Any disclosure we make may include our policies and practices on a variety of ESG matters, including corporate governance, environmental compliance, employee health and safety practices, human capital management, and workforce inclusion and diversity. It is possible that stakeholders may not be satisfied with our ESG reporting, our ESG practices or our speed of adoption. We could also incur additional costs and devote additional resources to monitor, report and implement various ESG practices. If we fail, or are perceived to be failing, to meet the standards included in any sustainability disclosure or the expectations of our various stakeholders, it could negatively impact our reputation, tenant and employee retention, and access to capital.

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.

RISKS RELATED TO OUR STATUS AS A REIT

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.

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 us of such qualification. Even changes that do not impose greater taxes on us could potentially result in adverse consequences to our shareholders.

In 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.

RISKS RELATED TO OUR ORGANIZATION AND STRUCTURE

Our 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 our outstanding shares of beneficial interest may be owned, directly or indirectly, by five or fewer individuals at any time during the last half of our taxable year. The Code defines “individuals” for purposes of the requirement described in the preceding sentence to include some types of entities. Under our 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 our shares of beneficial interest 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 us or other transaction that might involve a premium price or otherwise be in the best interest of the shareholders.

Our Declaration of Trust limits the removal of members of the Board of Trustees.

Our 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 us 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 the holders of “control shares” of a 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, our 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 our 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 us 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.

Our Declaration of Trust and Bylaws authorize the Board of Trustees in its sole discretion and without shareholder approval, to:

- cause us 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 we issue; and
- increase the number of shares of beneficial interest that we 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 us or other transaction that might involve a premium price or otherwise be in the best interest of our shareholders. Our Declaration of Trust and Bylaws contain other provisions that may delay, deter or prevent a change in control of us or other transaction that might involve a premium price or otherwise be in our best interest or the best interest of our shareholders.

RISKS RELATED TO AN INVESTMENT IN 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 depend 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, and therefore, we cannot guarantee that we will pay dividends in the future.

Your percentage of ownership in our 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, our 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.

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, 2021, our portfolio is comprised of 68 shopping centers, five malls and two industrial parks totaling approximately 17.0 million sf. We own our four malls, two industrial parks and 53 shopping centers 100% in fee simple. We own a 95% interest in Walnut Creek (Mt. Diablo), an 82.5% interest in Sunrise Mall in Massapequa, NY and lease 14 of our shopping center properties under ground and/or building leases. As of December 31, 2021, we had \$1.7 billion of outstanding mortgage indebtedness which is secured by our properties. The following pages provide details of our properties as of December 31, 2021.

| Property | Total Square Feet ⁽¹⁾ | Percent Leased ⁽¹⁾ | Weighted Average Annual Rent per sq ft ⁽²⁾ | Major Tenants |
|--|----------------------------------|-------------------------------|---|--|
| SHOPPING CENTERS AND MALLS: | | | | |
| California: | | | | |
| Walnut Creek (Olympic) | 31,000 | 100.0% | 80.50 | Anthropologie |
| Walnut Creek (Mt. Diablo) ⁽⁴⁾ | 7,000 | 43.8% | 72.00 | Sweetgreen (lease not commenced) |
| Connecticut: | | | | |
| Newington | 189,000 | 90.0% | 9.75 | Walmart, Staples |
| Maryland: | | | | |
| Towson (Goucher Commons) | 155,000 | 92.5% | 24.25 | Staples, HomeGoods, Five Below, Ulta, Kirkland's, Sprouts, DSW |
| Rockville | 94,000 | 98.0% | 25.01 | Regal Entertainment Group |
| Wheaton (leased through 2060) ⁽³⁾ | 66,000 | 100.0% | 18.27 | Best Buy |
| Woodmore Towne Centre ⁽⁶⁾ | 712,000 | 96.7% | 17.43 | Costco, Wegmans, At Home, Best Buy, LA Fitness, Nordstrom Rack |
| Massachusetts: | | | | |
| Cambridge (leased through 2033) ⁽³⁾ | 48,000 | 62.1% | 31.46 | PetSmart |
| Revere (Wonderland Marketplace) | 140,000 | 100.0% | 13.33 | Big Lots, Planet Fitness, Marshalls, Get Air |
| Missouri: | | | | |
| Manchester | 131,000 | 100.0% | 11.55 | Academy Sports, Bob's Discount Furniture, Pan-Asia Market |
| New Hampshire: | | | | |
| Salem (leased through 2102) ⁽³⁾ | 39,000 | 100.0% | 10.00 | Fun City |
| New Jersey: | | | | |
| Bergen Town Center - East, Paramus | 253,000 | 93.8% | 22.39 | Lowe's, REI, Best Buy |
| Bergen Town Center - West, Paramus | 1,058,000 | 90.6% | 30.82 | Target, Whole Foods Market, Burlington, Marshalls, Nordstrom Rack, Saks Off 5th, HomeGoods, H&M, Bloomingdale's Outlet, Nike Factory Store, Old Navy, Kohl's (lease not commenced) |
| Brick | 278,000 | 97.0% | 19.95 | Kohl's, ShopRite, Marshalls, Old Navy |
| Carlstadt (leased through 2050) ⁽³⁾ | 78,000 | 98.5% | 24.22 | Stop & Shop |
| Cherry Hill (Plaza at Cherry Hill) | 422,000 | 73.0% | 14.40 | LA Fitness, Aldi, Raymour & Flanigan, Restoration Hardware, Total Wine, Guitar Center, Sam Ash Music |
| East Brunswick | 427,000 | 100.0% | 14.76 | 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% | 21.73 | The Home Depot, Dick's Sporting Goods, Saks Off Fifth, Marshalls, Paper Store |
| East Rutherford | 197,000 | 100.0% | 12.85 | Lowe's |

| | | | | |
|---|---------|--------|-------|--|
| Garfield | 298,000 | 100.0% | 15.82 | Walmart, Burlington, Marshalls, PetSmart, Ulta |
| Hackensack | 275,000 | 99.4% | 23.97 | The Home Depot, Staples, Petco, 99 Ranch |
| Hazlet | 95,000 | 100.0% | 3.70 | Stop & Shop ⁽⁵⁾ |
| Jersey City (Hudson Mall) | 382,000 | 85.4% | 18.14 | Marshalls, Big Lots, Retro Fitness, Staples, Old Navy, National retailer (lease not commenced) |
| Jersey City (Hudson Commons) | 236,000 | 100.0% | 13.90 | Lowe's, P.C. Richard & Son |
| Kearny | 116,000 | 100.0% | 23.17 | LA Fitness, Marshalls, Ulta |
| Lodi (Washington Street) ⁽⁶⁾ | 43,000 | 100.0% | 20.08 | Dollar Tree |
| Manalapan | 208,000 | 87.7% | 20.44 | Best Buy, Bed Bath & Beyond, Raymour & Flanigan, PetSmart, Avalon Flooring |
| Marlton | 218,000 | 100.0% | 16.49 | Kohl's, ShopRite, PetSmart |
| Middletown (Town Brook Commons) | 231,000 | 98.9% | 13.92 | Kohl's, Stop & Shop |
| Millburn | 104,000 | 88.3% | 28.70 | Trader Joe's, CVS, PetSmart |
| Montclair | 18,000 | 100.0% | 32.00 | Whole Foods Market |
| Morris Plains (Briarcliff Commons) | 179,000 | 94.8% | 23.08 | Kohl's, Uncle Giuseppe's |
| North Bergen (Kennedy Commons) | 62,000 | 100.0% | 14.55 | Food Bazaar |
| North Bergen (Tonnelles Commons) | 408,000 | 100.0% | 21.89 | Walmart, BJ's Wholesale Club, PetSmart |
| North Plainfield (West End Commons) | 241,000 | 99.1% | 11.58 | Costco, The Tile Shop, La-Z-Boy, Petco, Da Vita Dialysis |
| Paramus (leased through 2033) ⁽³⁾ | 63,000 | 100.0% | 44.56 | 24 Hour Fitness |
| Rockaway | 189,000 | 93.1% | 14.51 | ShopRite, T.J. Maxx |
| South Plainfield (Stelton Commons) (leased through 2039) ⁽³⁾ | 56,000 | 100.0% | 21.97 | Staples, Party City |
| Totowa | 271,000 | 100.0% | 18.30 | The Home Depot, Bed Bath & Beyond, buybuy Baby, Marshalls, Staples |
| Union (2445 Springfield Ave) | 232,000 | 100.0% | 17.85 | The Home Depot |
| Union (West Branch Commons) | 278,000 | 98.7% | 16.60 | Lowe's, Burlington |
| Watchung (Greenbrook Commons) | 170,000 | 100.0% | 18.54 | BJ's Wholesale Club |
| Woodbridge (Woodbridge Commons) | 225,000 | 94.7% | 13.27 | Walmart, Charisma Furniture |
| Woodbridge (Plaza at Woodbridge) | 332,000 | 91.9% | 19.04 | Best Buy, Raymour & Flanigan, Lincoln Tech, Retro Fitness, Bed Bath & Beyond and buybuy Baby |
| New York: | | | | |
| Bronx (Gun Hill Commons) | 81,000 | 100.0% | 36.85 | Planet Fitness, Aldi |
| Bronx (Bruckner Commons) ⁽⁶⁾ | 396,000 | 39.4% | 44.96 | ShopRite, Burlington |
| Bronx (Shops at Bruckner) | 115,000 | 85.2% | 38.73 | Marshalls, Old Navy, Aldi (lease not commenced), Five Below (lease not commenced) |
| Brooklyn (Kingswood Center) | 129,000 | 84.3% | 35.83 | T.J. Maxx, Visiting Nurse Service of NY |
| Brooklyn (Kingswood Crossing) | 107,000 | 69.5% | 41.72 | Target, Marshalls, Maimonides Medical |
| Buffalo (Amherst Commons) | 311,000 | 98.1% | 10.94 | BJ's Wholesale Club, T.J. Maxx, Burlington, HomeGoods, LA Fitness |
| Dewitt (Marshall Plaza) (leased through 2041) ⁽³⁾ | 46,000 | 100.0% | 24.62 | 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% | 26.32 | The Home Depot, Staples |
| Huntington | 216,000 | 71.6% | 19.70 | Marshalls, ShopRite (lease not commenced), Old Navy, Petco |
| Inwood (Burnside Commons) | 100,000 | 29.3% | 27.96 | |
| Mt. Kisco | 189,000 | 98.5% | 17.20 | Target, Stop & Shop |
| New Hyde Park (leased through 2029) ⁽³⁾ | 101,000 | 100.0% | 21.93 | Stop & Shop |
| Queens (Cross Bay Commons) | 45,000 | 83.8% | 42.29 | Northwell Health |
| Rochester (Henrietta) (leased through 2056) ⁽³⁾ | 165,000 | 100.0% | 4.65 | Kohl's |
| Staten Island (Forest Commons) | 165,000 | 96.6% | 24.68 | Western Beef, Planet Fitness, Mavis Discount Tire, NYC Public School |
| Yonkers Gateway Center | 448,000 | 91.6% | 15.80 | Burlington, Marshalls, Homesense, Best Buy, DSW, PetSmart, Alamo Drafthouse Cinema |

| | | | | |
|--|-------------------|---------------|----------------|--|
| Pennsylvania: | | | | |
| Bensalem (Marten Commons) | 185,000 | 96.6% | 14.59 | Kohl's, Ross Dress for Less, Staples, Petco |
| Broomall ⁽⁶⁾ | 169,000 | 64.1% | 16.56 | National retailer (lease not commenced), Planet Fitness, PetSmart |
| Glenolden (MacDade Commons) | 102,000 | 100.0% | 12.89 | Walmart |
| Lancaster (Lincoln Plaza) | 228,000 | 100.0% | 5.17 | Lowe's, Community Aid, Mattress Firm |
| Springfield (leased through 2025) ⁽³⁾ | 41,000 | 100.0% | 25.29 | PetSmart |
| Wilkes-Barre | 184,000 | 88.1% | 12.89 | Bob's Discount Furniture, Ross Dress for Less, Marshalls, Petco, Wren Kitchen (lease not commenced) |
| Wyomissing (leased through 2065) ⁽³⁾ | 76,000 | 100.0% | 14.70 | 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% | 7.79 | BJ's Wholesale Club |
| Puerto Rico: | | | | |
| Las Catalinas | 356,000 | 85.4% | 28.84 | Sector Sixty6 (lease not commenced), Forever 21, Old Navy |
| Montehiedra ⁽⁶⁾ | 540,000 | 69.0% | 20.80 | The Home Depot, Marshalls, Caribbean Cinemas, Tiendas Capri, Old Navy |
| Total Shopping Centers and Malls | 14,469,000 | 91.1% | \$19.70 | |
| INDUSTRIAL: | | | | |
| East Hanover Warehouses ⁽⁷⁾ | 1,218,000 | 100.0% | 5.63 | J & J Tri-State Delivery, Foremost Groups, PCS Wireless, Fidelity Paper & Supply, Meyer Distributing, Givaudan Flavors, Reliable Tire, LineMart, Nutra-Med |
| Lodi (Route 17 North) | 127,000 | 100.0% | 9.95 | AAA Wholesale Group |
| Total Industrial | 1,345,000 | 100.0% | \$6.04 | |
| Massapequa, NY (Sunrise Mall) (portion leased through 2069) ⁽³⁾⁽⁴⁾⁽⁶⁾ | 1,217,000 | 49.2% | 8.50 | Macy's, Dick's Sporting Goods, Dave & Busters, Raymour & Flanigan |
| Total Urban Edge Properties | 17,031,000 | 88.8% | \$18.04 | |

- ⁽¹⁾ Percent leased is expressed as the percentage of gross leasable area subject to a lease, excluding temporary tenants. The Company also excludes 132,000 sf of self-storage from the report above.
- ⁽²⁾ Weighted average annual rent per square foot including ground leases and executed leases for which rent has not commenced is calculated by annualizing tenants' current base rent (excluding any free rent periods), and excluding tenant reimbursements, concessions and storage rent. Excluding the ground leases where the Company is the lessor, the weighted average annual rent per square foot for our retail portfolio is \$20.08 per square foot.
- ⁽³⁾ The Company is a lessee under a ground or building lease. The total square feet disclosed for the building will revert to the lessor upon lease expiration.
- ⁽⁴⁾ We own 95% of Walnut Creek (Mt. Diablo) and 82.5% of Sunrise Mall with the remaining portions in each case owned by joint venture partners.
- ⁽⁵⁾ The tenant never commenced operations at this location but continues to pay rent.
- ⁽⁶⁾ Not included in the same-property pool for the purposes of calculating same-property NOI for the quarter ended December 31, 2021 and 2020.
- ⁽⁷⁾ Includes acquisitions of 151 Ridgedale Avenue and 601 Murray Road. These properties are included in our non-same property pool for the quarter and year ended December 31, 2021.

As of December 31, 2021, we had approximately 900 leases. Tenant leases under 10,000 square feet generally have lease terms of five years or less. Tenant leases comprising 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 approximately 2% of our total revenues for the year ended December 31, 2021.

Occupancy

The following table sets forth the consolidated retail portfolio leased occupancy rate (excluding industrial 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:

| | 2021 ⁽¹⁾ | 2020 | December 31, 2019 | 2018 | 2017 |
|---------------------------------|---------------------|------------|----------------------|------------|------------|
| Total square feet | 14,469,000 | 15,221,000 | 14,277,000 | 15,407,000 | 15,743,000 |
| Occupancy rate | 91.1 % | 88.7 % | 92.4 % | 92.6 % | 96.0 % |
| Average annual base rent per sf | \$19.70 | \$18.97 | \$19.22 | \$17.90 | \$17.38 |

⁽¹⁾ Excludes Sunrise Mall for the year ended December 31, 2021.

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

| | 2021 | 2020 | December 31, 2019 | 2018 | 2017 |
|---------------------------------|-----------|-----------|----------------------|---------|---------|
| Total square feet | 1,345,000 | 1,070,000 | 943,000 | 942,000 | 942,000 |
| Occupancy rate | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| Average annual base rent per sf | \$6.04 | \$6.34 | \$5.70 | \$5.34 | \$5.15 |

Major Tenants

The following table sets forth information for our ten largest tenants by total revenues for the year ended December 31, 2021:

| Tenant | Number of Stores | Square Feet | % of Total Square Feet | 2021 Revenues ⁽¹⁾ (in thousands) | % of Total Revenues |
|--|------------------|-------------|------------------------|--|---------------------|
| The TJX Companies, Inc. ⁽²⁾ | 22 | 714,731 | 4.2% | \$20,589 | 4.8% |
| The Home Depot, Inc. | 6 | 808,926 | 4.8% | 19,904 | 4.7% |
| Lowe's Companies, Inc. | 6 | 976,415 | 5.7% | 13,570 | 3.2% |
| Walmart Inc. | 5 | 708,435 | 4.2% | 12,692 | 3.0% |
| Burlington Stores, Inc. | 7 | 415,828 | 2.4% | 10,106 | 2.4% |
| Best Buy Co., Inc. | 8 | 359,551 | 2.1% | 9,731 | 2.3% |
| Kohl's Corporation | 7 | 633,345 | 3.7% | 9,087 | 2.1% |
| BJ's Wholesale Club | 4 | 454,297 | 2.7% | 8,263 | 1.9% |
| Wakefern (ShopRite) | 4 | 296,018 | 1.7% | 7,284 | 1.7% |
| PetSmart, Inc. | 10 | 228,869 | 1.3% | 7,137 | 1.7% |

⁽¹⁾ Based on contractual revenues as determined by the tenants' operating lease agreements.

⁽²⁾ Includes Marshalls (14), T.J. Maxx (4), HomeGoods (3) and Homesense (1).

Lease Expirations

The following table sets forth the anticipated expirations of tenant leases in our consolidated retail portfolio for each year from 2022 through 2032 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 | 29 | 113,000 | 0.8% | \$ 2,853,250 | \$25.25 |
| 2022 | 83 | 486,000 | 3.4% | 13,379,580 | 27.53 |
| 2023 | 106 | 1,145,000 | 7.9% | 25,361,750 | 22.15 |
| 2024 | 104 | 1,551,000 | 10.7% | 31,314,690 | 20.19 |
| 2025 | 80 | 1,234,000 | 8.5% | 23,248,560 | 18.84 |
| 2026 | 97 | 891,000 | 6.2% | 20,635,560 | 23.16 |
| 2027 | 84 | 1,065,000 | 7.4% | 17,540,550 | 16.47 |
| 2028 | 47 | 653,000 | 4.5% | 18,395,010 | 28.17 |
| 2029 | 70 | 1,526,000 | 10.5% | 33,358,360 | 21.86 |
| 2030 | 43 | 1,191,000 | 8.2% | 18,543,870 | 15.57 |
| 2031 | 32 | 909,000 | 6.3% | 15,053,040 | 16.56 |
| 2032 | 35 | 347,000 | 2.4% | 7,318,230 | 21.09 |
| Thereafter | 48 | 2,064,000 | 14.3% | 31,909,440 | 15.46 |
| Subtotal/Average | 858 | 13,175,000 | 91.1% | \$ 259,547,500 | \$19.70 |
| Vacant | 185 | 1,294,000 | 8.9% | N/A | N/A |
| Total ⁽¹⁾ | 1,043 | 14,469,000 | 100.0% | \$ 259,547,500 | N/A |

⁽¹⁾ Total lease count excludes industrial tenant leases, temporary tenant leases, cart and kiosk leases and Sunrise Mall.

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 9, 2022, there were approximately 1,134 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 Board of Trustees declared a quarterly dividend of \$0.15 per share for each of the four quarters in 2021, which resulted in a total annual dividend per common share and OP unit of \$0.60 for 2021. Our Board of Trustees declared a quarterly dividend of \$0.22 per common share and OP unit for the first quarter of 2020 and temporarily suspended quarterly dividend distributions for the second and third quarters as a result of COVID-19 and the uncertainties it generated. A special cash dividend of \$0.46 per common share and OP unit was declared in December 2020, which resulted in a total annual dividend per common share and OP unit of \$0.68 for 2020. 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 2021 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.

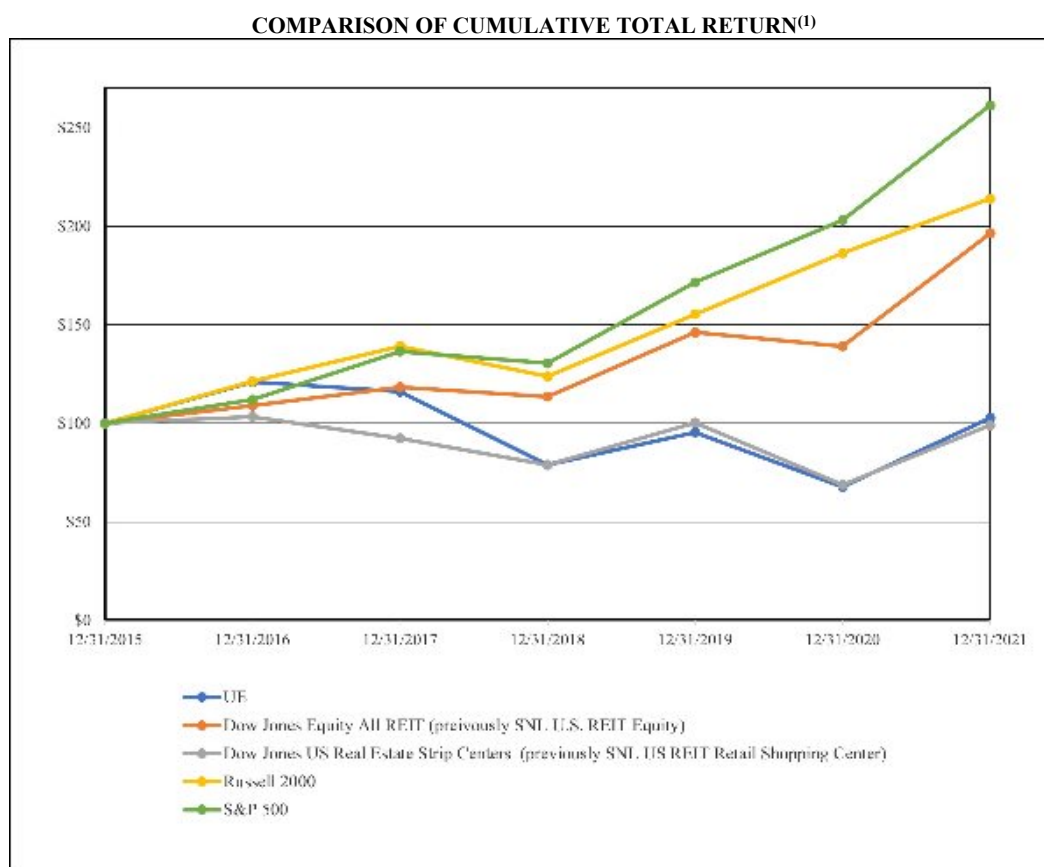
We have determined the dividends paid on our common shares during 2021 and 2020 qualify for the following tax treatment:

| | Total Distribution per Share | Ordinary Dividends | Long Term Capital Gains | Return of Capital |
|-------------|-------------------------------------|---------------------------|--------------------------------|--------------------------|
| 2021 | \$ 0.60 | \$ 0.60 | \$ — | \$ — |
| 2020 | 0.68 | 0.68 | — | — |

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, Dow Jones Equity All REIT (previously SNL U.S. REIT Equity Index) and the Dow Jones US Real Estate Strip Centers (previously SNL REIT Retail Shopping Center Index) as provided by SNL Financial LC, for the six fiscal years commencing December 31, 2015 and ending December 31, 2021, 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.



⁽¹⁾ \$100 invested on December 31, 2015 in stock or index, including reinvestment of dividends.

| Stock/Index | Cumulative ⁽¹⁾ Total Return % | Total Return \$ as of | | | | | | |
|--|---|-----------------------|------------|------------|------------|------------|------------|------------|
| | | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 |
| UE | 2.7 | 100 | 120.9 | 116.0 | 78.9 | 95.4 | 67.7 | 102.7 |
| S&P 500 | 161.3 | 100 | 112.0 | 136.4 | 130.4 | 171.5 | 203.0 | 261.3 |
| Russell 2000 | 114.0 | 100 | 121.3 | 139.1 | 123.8 | 155.4 | 186.4 | 214.0 |
| Dow Jones Equity All REIT | 96.4 | 100 | 108.9 | 118.3 | 113.5 | 146.1 | 139.1 | 196.4 |
| Dow Jones US Real Estate Strip Centers | (1.0) | 100 | 103.3 | 92.4 | 78.9 | 100.2 | 68.8 | 99.0 |

⁽¹⁾ Cumulative total return is for the six fiscal years commencing December 31, 2015 and ending December 31, 2021.

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 9, 2022, there were 117,398,896 general partnership units outstanding and 4,412,654 common limited partnership units outstanding, held by approximately 1,134 and 40 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, 2021, 100,000 units were redeemed for common shares and no units were redeemed for cash.

Recent Sales of Unregistered Shares

During the year ended December 31, 2021, the Company issued an aggregate of 100,000 common shares in exchange for 100,000 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 year ended, December 31, 2021, 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 24,544 common limited partnership units to the Company in exchange for approximately \$0.3 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 the year ended December 31, 2021, 5,305 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 year ended December 31, 2021. 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 year ended December 31, 2021, 13,062 restricted common shares were surrendered.

In March 2020, our Board of Trustees authorized a share repurchase program for up to \$200 million of the Company’s common shares. During the year ended December 31, 2020, we repurchased 5,873,923 shares at a weighted average share price of \$9.22 amounting to \$54.1 million. During the year ended December 31, 2021, no shares were repurchased.

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. [RESERVED]

Not applicable.

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

The following discussion should be read in conjunction with the consolidated financial statements 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 2021 and 2020 items and provides a year-to-year comparison between 2021 and 2020. A discussion of 2019 items and year-to-year comparisons between 2020 and 2019 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, 2020.

Executive Overview

Our Company

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 Washington, D.C. to Boston corridor with a concentration on 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, 2021, Urban Edge owned approximately 96.2% 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, 2021, our portfolio was comprised of 68 shopping centers, five malls and two industrial parks totaling approximately 17.0 million square feet.

COVID-19 Pandemic

On January 30, 2020, the spread of the COVID-19 outbreak was declared a Public Health Emergency of International Concern by the World Health Organization ("WHO"). On March 11, 2020, the WHO characterized the COVID-19 outbreak as a global pandemic. Early in the pandemic, the tri-state area of Connecticut, New York and New Jersey enforced preventive measures including mandatory business closures for non-essential businesses and quarantines or "shelter-in-place" requirements. Given our geographic concentration in the Northeast, many of our tenants faced adverse financial consequences from reduced business operations and social distancing requirements as a result of the COVID-19 pandemic. The Company's results for 2020 were negatively impacted by tenant fallout from COVID-driven bankruptcies, uncollected or disputed rents from impacted tenants, and from abatements granted to tenants facing financial hardships due to the pandemic.

Throughout 2021, the widespread distribution of vaccines and reduction of restrictions boosted economic confidence and increased consumer spending, resulting in a strengthened existing retail tenant base and increase in demand for space. The Company reached record leasing volumes with 161 total new leases, renewals and options, totaling approximately 2 million square feet. Foot traffic at our properties returned to near pre-pandemic levels, which has increased sales volume for our tenants and we have collected 98% of base rents billed during the year, inclusive of rent deferrals granted as part of our COVID-19 tenant relief efforts.

2021 Highlights

Set forth below are highlights of our development and redevelopment projects, property acquisitions and dispositions, and leasing activities:

- Acquired Woodmore Towne Centre in December 2021 for a purchase price of \$198.1 million, including transaction costs. The property, located in Glenarden, MD, sits on 83 acres including an adjacent 22-acre vacant land parcel and is anchored by top-tier national and regional tenants including grocers Wegmans and Costco;
- Acquired two industrial warehouses aggregating 275,000 sf, for a total purchase price of \$56.1 million, including transaction costs. The two properties, located at 601 Murray Road and 151 Ridgedale Avenue, are adjacent to our existing 943,000 sf warehouse park in East Hanover, NJ;

- Completed the sale of three properties, one property parcel and one ground lease and received proceeds of \$37.3 million, net of selling costs, resulting in a \$18.6 million net gain on sale of real estate;
- Terminated our remaining leases with Kmart and Sears at Bruckner Commons, The Outlets at Montehiedra, and Sunrise Mall for \$20 million, effective October 15, 2021. Controlling these anchor spaces is a critical aspect of the plans we have under way to reposition and redevelop these spaces;
- Stabilized five redevelopment projects aggregating \$29.3 million, two of which stabilized during the fourth quarter. The 102,000 sf CubeSmart self-storage facility developed on excess land at Tonnelle Commons reached 87% occupancy. Additionally, the build-out of Fun City was completed at our property in Salem, NH, which opened in November 2021;
- Activated six new redevelopment projects related to anchor leases executed during the year. These projects have an estimated cost of \$102.2 million, of which \$95.2 million remains to be funded as of December 31, 2021 and are expected to generate an approximate 8% unleveraged yield;
- Signed 57 new leases totaling 677,817 square feet, including 46 new leases on a same-space⁽¹⁾ basis totaling 431,386 square feet at an average rental rate of \$21.15 per square foot on a GAAP basis and \$19.43 per square foot on a cash basis, resulting in average rent spreads of 23.0% on a GAAP basis and 9.5% on a cash basis; and
- Renewed or extended 104 leases totaling 1,259,467 square feet, including 97 leases on a same-space⁽¹⁾ basis totaling 1,247,758 square feet at an average rental rate of \$20.69 per square foot on a GAAP basis and \$20.52 per square foot on a cash basis, generating average rent spreads of 10.9% on a GAAP basis and 3.5% on a cash basis.

2022 Outlook

We intend to create value and grow earnings, funds from operations, and cash flows by:

- Adding essential tenants to our properties and positioning our retail environments with quality grocers, premium healthcare operators and elevated food offerings;
- Leasing vacant spaces, proactively extending leases, managing the exercise of tenant options and, when possible, replacing underperforming tenants with operators that can pay higher rents and positively impact our properties;
- Expediting the delivery of space to tenants and the collection of rents from executed leases that have not yet commenced;
- Generating additional income from our existing assets by redeveloping underutilized existing space, developing new space and pad sites, repositioning anchors, and incorporating non-retail uses such as industrial, self-storage, office and other uses;
- Acquiring assets that meet our investment criteria.

There can be no assurance that we will be able to execute on our growth strategy, especially given the ongoing economic uncertainty. See Forward-Looking Statements in this Annual Report on Form 10-K.

⁽¹⁾ Same-space leases represent those leases signed on spaces for which there was a previous lease.

Critical Accounting 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. The following accounting estimates are considered critical because they are particularly dependent on management’s judgment about matters that have a significant level of uncertainty at the time the accounting estimates are made, and changes to those estimates could have a material impact on our financial condition or operating results.

Revenue Recognition and Receivables - Estimating Collectibility

Rental revenue comprises revenue from fixed and variable lease payments, as designated within tenant operating leases. Components of this include contractual rents arising from tenant operating lease agreements, tenant expense reimbursements, and straight-line rental income. We evaluate the collectibility of amounts due from tenants and disputed enforceable charges on both a lease-by-lease and a portfolio-level basis, which result from the inability of tenants to make required payments under their operating lease agreements. We recognize changes in the collectibility assessment of these operating leases as adjustments to rental revenue in accordance with ASC 842 *Leases* which are recorded as rental revenue deemed uncollectible and are included within the line items Rental revenue on our consolidated statements of income.

Management exercises judgement when evaluating the collectibility of these receivables and will look to both quantitative and qualitative factors. Such factors include tenants’ current credit status, either from third parties or using an internal risk assessment, payment history, amount of outstanding receivables, tenant sales performance, potential liquidity and current economic and sector specific trends. Tenant receivables, and receivables arising from the straight-lining of rents, are written-off directly when management deems the collectibility of substantially all future lease payments from a specific lease is not probable, at which point, the Company will begin recognizing revenue from such leases prospectively, based on actual cash received. This write-off effectively reduces cumulative non-cash rental income recognized from the straight-lining of rents since lease commencement. If the Company subsequently determines that it is probable it will collect substantially all of the lessee’s remaining lease payments under the lease term, the Company will reinstate the receivable balance, including those arising from the straight-lining of rents. Changes in our assessments of collectibility are recognized as adjustments to rental revenue in accordance with ASC 842.

These assessments are inherently sensitive as they are based on the judgement of management and information available at the time of evaluation. We routinely reassess the quantitative and qualitative factors used to derive these estimates and believe the methods and assumptions noted above to be reasonable in evaluating collectibility. We have not had any changes to the methods or assumptions used to evaluate collectibility. Although we routinely reassess these estimates, taking into consideration all information available and future projections, they are subject to uncertainty and have a direct impact on our net income. Actual results may differ from these estimates and can have a material impact on our operating results.

Real Estate - Estimates Related to Valuing Acquired Assets and Liabilities

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.

Since the assessment of fair value and allocation of these amounts is made at the time of acquisition, they are subject to future changes in market conditions and tenants' ability to continue operations and their exercise of options and renewals. In the case that these assumptions change materially, they could have a material impact on our results and financial statements. During 2021, we acquired three properties and utilized the above factors, including the use of a third-party, to allocate the purchase price of these properties among various assets and liabilities. Further information on these allocations can be found in Part II, Item 8, Note 4 of this Annual Report on Form 10-K. We have had no changes to our methods of fair value assessment and allocations during the year ended December 31, 2021.

Real Estate - Estimates Related to Impairments

Our properties are individually evaluated 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 in determining a future terminal value. 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, in addition to 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 change based on uncertain market conditions, 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.

During the year ended December 31, 2021, we have had no changes to the methods or assumptions used in our analyses of fair value of our real estate assets and have not incurred any material impairment losses. We operate in a business that has significant investments in real estate and our estimates of valuation are subject to current market conditions and tenant operations, which drive future cash flows, and are beyond our control. As these factors can result in changes to our estimates and result in material impairment losses, this is deemed a critical accounting estimate.

Recent Accounting Pronouncements

On January 11, 2021, the SEC issued Final Rule Release No. 33-10890, Management's Discussion and Analysis, Selected Financial Data, and Supplementary Financial Information. This rule, which became effective on February 10, 2021, adopts amendments to modernize, simplify and enhance certain financial disclosure requirements in Regulation S-K. Specifically, the amendments eliminate the requirement for Selected Financial Data, streamline the requirement to disclose Supplementary Financial Information, and amend Management's Discussion & Analysis of Financial Condition and Results of Operations ("MD&A"). We early adopted the amendments to two items resulting in the elimination of Item 301, Selected Financial Data, and the omission of Item 302(a), Supplementary Financial Information. The amendments to Item 303(a)(b) MD&A were adopted in our current Form 10-K for the year ended December 31, 2021.

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, which include payroll, professional fees, information technology, office expenses and other administrative expenses; and interest and debt expense primarily consists 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, 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. Our results of operations are affected by national, regional and local economic conditions, as well as macroeconomic conditions, which are at times subject to volatility and uncertainty. The current COVID-19 pandemic has increased volatility and uncertainty and has created significant economic disruption in many markets. Vaccinations for the COVID-19 virus have been widely distributed among the general U.S. population, which has facilitated the loosening of restrictions previously mandated on our tenants identified as nonessential; however the potential emergence of vaccine-resistant variants of COVID-19 may trigger restrictions to be put back in place. Such restrictions may include mandatory business shut-downs, reduced business operations and social distancing requirements. The long-term consequences of the various restrictions taken during the pandemic on consumer behavior is currently unknown. Specifically, the revenue and sales volume for certain tenants identified as nonessential may decline significantly as demand for their services and products declines potentially longer term. We are actively managing our business to respond to the ongoing economic and social impact and uncertainty relating to the COVID-19 pandemic; however, our future near term and potentially longer term results of operations may be significantly adversely affected. See "Pandemic-Related Contingencies" under Liquidity and Capital Resources and "Item 1A. Risk Factors" for more information.

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

| (Amounts in thousands) | Year Ended December 31, | |
|--|-------------------------|-----------|
| | 2021 | 2020 |
| Net income | \$ 107,815 | \$ 97,750 |
| FFO applicable to diluted common shareholders ⁽¹⁾ | 180,270 | 156,326 |
| NOI ⁽²⁾ | 223,811 | 200,383 |
| Same-property NOI ⁽²⁾ | 196,005 | 171,453 |

⁽¹⁾ Refer to page 33 for a reconciliation to the nearest generally accepted accounting principles ("GAAP") measure.

⁽²⁾ Refer to page 32 for a reconciliation to the nearest GAAP measure.

Comparison of the Year Ended December 31, 2021 to December 31, 2020

Net income for the year ended December 31, 2021 was \$107.8 million, compared to net income of \$97.8 million for the year ended December 31, 2020. 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, 2021 as compared to the same period of 2020:

| (Amounts in thousands) | For the year Ended December 31, | | |
|-----------------------------------|---------------------------------|------------|-----------|
| | 2021 | 2020 | \$ Change |
| Total revenue | \$ 425,082 | \$ 330,095 | \$ 94,987 |
| Real estate taxes | 63,844 | 60,049 | \$ 3,795 |
| Property operating expenses | 68,531 | 56,126 | 12,405 |
| General and administrative | 39,152 | 48,682 | (9,530) |
| Casualty and impairment loss, net | 468 | 3,055 | (2,587) |
| Gain on sale of real estate | 18,648 | 39,775 | (21,127) |
| Interest income | 360 | 2,599 | (2,239) |
| Interest and debt expense | 57,938 | 71,015 | (13,077) |
| Gain on extinguishment of debt | — | 34,908 | (34,908) |
| Income tax (benefit) expense | 1,139 | (38,996) | 40,135 |

Total revenue increased by \$95.0 million to \$425.1 million in the year ended December 31, 2021 from \$330.1 million in the year ended December 31, 2020. The increase is primarily attributable to:

- \$44.7 million accelerated amortization of below-market intangible liabilities in connection with the termination of our Kmart and Sears leases, effective October 15, 2021;
- \$30.0 million decrease in rental revenue deemed uncollectible;
- \$11.3 million increase in straight-line rent driven by write-offs of receivables arising from the straight-lining of rents for tenants put on cash basis during 2020 compared to a reinstatement of straight-line balances, net of write-offs, during 2021;
- \$10.6 million increase as a result of property acquisitions net of dispositions; and
- \$0.2 million increase in management and development fee income and tenant bankruptcy settlement income; offset by
- \$1.8 million net decrease in property rentals and tenant reimbursements due to lease terminations and modifications, partially offset by rent commencements and contractual rent increases.

Real estate tax expense increased by \$3.8 million to \$63.8 million in the year ended December 31, 2021 from \$60.0 million in the year ended December 31, 2020. The increase is primarily attributable to:

- \$7.0 million increase as a result of property acquisitions net of dispositions; offset by
- \$2.2 million decrease as a result of successful tax appeals and lowered assessments; and
- \$1.0 million of real estate taxes capitalized in connection with redevelopment projects.

Property operating expenses increased by \$12.4 million to \$68.5 million in the year ended December 31, 2021 from \$56.1 million in the year ended December 31, 2020. The increase is primarily attributable to:

- \$6.7 million increase in common area maintenance expenses across the portfolio as a result of spend reductions and limited center hours due to COVID-19 interruptions during 2020; and
- \$5.7 million increase as a result of property acquisitions net of dispositions.

General and administrative expenses decreased by \$9.5 million to \$39.2 million in the year ended December 31, 2021 from \$48.7 million in the year ended December 31, 2020. The decrease is primarily attributable to:

- \$7.2 million of executive transition costs including accelerated amortization of unvested equity awards recognized during 2020; and
- \$5.4 million decrease in transaction costs related to the Puerto Rico legal entity restructuring and debt refinancing in 2020, offset by;
- \$3.1 million increase in payroll, transaction, severance, and other expenses.

We recognized a casualty and impairment loss, net of \$0.5 million, in the year ended December 31, 2021 attributable to real estate impairment charges recognized against the carrying value of one property and one ground lease, each of which were disposed of during the year. We recognized a casualty and impairment loss, net of \$3.1 million, in the year ended December 31, 2020 attributable to a real estate impairment charge recognized against the carrying value of one property.

We recognized a gain on sale of real estate of \$18.6 million in the year ended December 31, 2021 due to the sale of three operating properties and one property parcel. We recognized a gain on sale of real estate of \$39.8 million in the year ended December 31, 2020 due to the sale of three operating properties.

Interest income decreased by \$2.2 million to \$0.4 million in the year ended December 31, 2021 from \$2.6 million in the year ended December 31, 2020. The decrease is primarily attributable to a lower cash balance and a decrease in interest rates.

Interest and debt expense decreased by \$13.1 million to \$57.9 million in the year ended December 31, 2021 from \$71.0 million in the year ended December 31, 2020. The decrease is primarily attributable to:

- \$8.1 million decrease due to the troubled debt restructuring on our mortgage at Las Catalinas Mall in Puerto Rico in December 2020, subsequent to which we recognized interest payments as a reduction of the carrying value of the loan and not as interest expense;
- \$2.0 million decrease due to the \$250 million draw on the Company's revolving credit agreement in March 2020, with the borrowings fully repaid in November 2020;
- \$1.3 million increase in capitalized interest due to the activation of redevelopment projects during 2021;
- \$0.9 million decrease in interest on variable-rate debt due to lower interest rates; and
- \$0.8 million decrease as a result of the refinancing of the mortgage secured by The Outlets at Montehiedra in June 2020.

We recognized a gain on extinguishment of debt of \$34.9 million in the year ended December 31, 2020 as a result of the refinancing of the mortgage secured by The Outlets at Montehiedra, consisting of the forgiveness of the \$30 million junior loan plus accrued interest of \$5.4 million, offset by the write-off of \$0.4 million of unamortized deferred financing fees and \$0.1 million of transaction costs.

Income tax expense of \$1.1 million was recognized in the year ended December 31, 2021 compared to a \$39.0 million tax benefit in the year ended December 31, 2020. The increase is primarily attributable to the tax impact of the mortgage refinancing and legal entity restructuring transactions related to our malls in Puerto Rico in 2020, partially offset by state and local income tax expense resulting from tax strategies implemented to limit the impact from the cancellation of debt at The Outlets at Montehiedra on the Company's U.S. federal taxable income.

Comparison of the Year Ended December 31, 2020 to December 31, 2019

Discussions of 2019 items and comparisons between the year ended December 31, 2020 and 2019, respectively, that are not included in this Report 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, 2020.

Non-GAAP Financial Measures

We use NOI internally to make investment and capital allocation decisions and to compare the unlevered performance of our properties to our peers. Further, we believe NOI is useful to investors as a performance measure because, when compared across periods, 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. The most directly comparable GAAP financial measure to NOI is net income. 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 NOI by adjusting net income to add back depreciation and amortization expense, general and administrative expenses, casualty and real estate impairment losses, interest and debt expense, income tax expense and non-cash lease expense, and deduct management and development fee income from non-owned properties, gains on sale of real estate, interest income, non-cash rental income resulting from the straight-lining of rents and amortization of acquired below market leases net of above market leases. NOI should not be considered a substitute for net income and may not be comparable to similarly titled measures employed by others.

We calculate same-property NOI using net income as defined by GAAP reflecting only those income and expense items that are reflected in NOI (as described above) and excluding 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 excluding properties acquired or sold during the periods being compared. We also exclude for the following items in calculating same-property NOI: lease termination fees, bankruptcy settlement income, and income and expenses that we do not believe are representative of ongoing operating results, if any. As such, same-property 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, which the Company believes to be useful to investors. Same-property NOI should not be considered a substitute for net income and may not be comparable to similarly titled measures employed by others.

Throughout this section, we have provided certain information on a “same-property” basis which includes the results of operations that were owned and operated for the entirety of the reporting periods being compared, which total 66 properties for the years ended December 31, 2021 and 2020. 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 retreating pursuant to a formal plan and is expected to have a significant impact on property operating income based on the retreating 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.

Same-property NOI increased by \$24.6 million, or 14.3%, for the year ended December 31, 2021 as compared to the year ended December 31, 2020. Same-property NOI results for the year ended December 31, 2020 were negatively impacted by rental revenue deemed uncollectible primarily due to the COVID-19 pandemic.

The following table reconciles net income to NOI and same-property NOI for the years ended December 31, 2021 and 2020.

| (Amounts in thousands) | For the year ended December 31, | |
|--|---------------------------------|------------|
| | 2021 | 2020 |
| Net income | \$ 107,815 | \$ 97,750 |
| Management and development fee income from non-owned properties | (1,169) | (1,283) |
| Other expense | 608 | 672 |
| Depreciation and amortization | 92,331 | 96,029 |
| General and administrative expense | 39,152 | 48,682 |
| Real estate impairment loss | 468 | 3,055 |
| Gain on sale of real estate | (18,648) | (39,775) |
| Interest income | (360) | (2,599) |
| Interest and debt expense | 57,938 | 71,015 |
| Gain on extinguishment of debt | — | (34,908) |
| Income tax (benefit) expense | 1,139 | (38,996) |
| Non-cash revenue and expenses | (55,463) | 741 |
| NOI | 223,811 | 200,383 |
| Adjustments: | | |
| Non-same property NOI and other ⁽¹⁾ | (26,493) | (27,836) |
| Tenant bankruptcy settlement income and lease termination income | (1,313) | (1,094) |
| Same-property NOI | \$ 196,005 | \$ 171,453 |
| Adjustments: | | |
| NOI related to properties being redeveloped | 20,915 | 18,621 |
| Same-property NOI including properties in redevelopment | \$ 216,920 | \$ 190,074 |

⁽¹⁾ Non-same property NOI includes NOI related to properties being redeveloped and properties acquired or disposed in the period. Amounts for 2021 include Sunrise Mall which generated a net loss of \$3.0 million for the year ended December 31, 2021. These amounts reflect the total loss on the property and include the portion pertaining to the noncontrolling interest in Sunrise Mall.

Funds From Operations

FFO applicable to diluted common shareholders for the year ended December 31, 2021 was \$180.3 million compared to \$156.3 million for the year ended December 31, 2020.

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. We believe the presentation of comparable period operating results generated from FFO provides useful information to investors because the definition excludes items included in net income that do not relate to, or are not, indicative of our operating and financial performance, such as depreciation and amortization related to real estate, and items which can make periodic and peer analyses of operating and financial performance more difficult, such as gains (or losses) from sales of depreciable real estate and land when connected to the main business of a REIT and impairments on depreciable real estate or land related to a REIT's main business. 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.

The following table reflects the reconciliation of net income to FFO for the years ended December 31, 2021 and 2020.

| (Amounts in thousands) | For the year ended December 31, | |
|---|---------------------------------|------------|
| | 2021 | 2020 |
| Net income | \$ 107,815 | \$ 97,750 |
| Less net (income) loss attributable to noncontrolling interests in: | | |
| Operating partnership | (4,296) | (4,160) |
| Consolidated subsidiaries | (833) | (1) |
| Net income attributable to common shareholders | 102,686 | 93,589 |
| Adjustments: | | |
| Rental property depreciation and amortization | 91,468 | 95,297 |
| Gain on sale of real estate | (18,648) | (39,775) |
| Real estate impairment loss | 468 | 3,055 |
| Limited partnership interests in operating partnership ⁽¹⁾ | 4,296 | 4,160 |
| FFO applicable to diluted common shareholders | \$ 180,270 | \$ 156,326 |

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

Liquidity and Capital Resources

Due to the nature of our business, 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 generally distribute at least 90% of our REIT's ordinary taxable income each year. Our Board of Trustees declared a quarterly dividend of \$0.15 per common share and OP unit for each of the four quarters in 2021, or an annual rate of \$0.60. Historically, we have paid regular cash dividends; however, the timing, declaration, amount and payment of distributions to shareholders and unitholders of the Operating Partnership fall within the discretion of our Board of Trustees. Our Board of Trustees' decisions regarding the payment of dividends depend on many factors, such as maintaining our REIT 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 have historically provided us with a relatively consistent stream of cash flow that enables us to pay operating expenses, debt service and recurring capital expenditures. During the year ended December 31, 2020, the COVID-19 pandemic had an adverse impact on our short-term cash flow by affecting our tenants' ability to pay rent, however, our collection rates have returned to pre-pandemic levels and we have collected 98% of base rents billed during the year ended December 31, 2021. Other sources of liquidity to fund cash requirements include proceeds from financings, equity offerings and asset sales. Additionally, we have a \$600 million revolving credit agreement with certain financial institutions which has a maturity date of January 29, 2024 and includes two six-month extension options. See [Note 6](#) to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Our short-term cash requirements consist of normal recurring operating expenses, lease obligations, regular debt service requirements, 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, 2021, we had cash and cash equivalents, including restricted cash, of \$219.8 million and no amounts drawn on our \$600 million revolving credit agreement.

Summary of Cash Flows

Cash and cash equivalents, including restricted cash, was \$219.8 million at December 31, 2021, compared to \$419.3 million as of December 31, 2020, a decrease of \$199.4 million.

Our cash flow activities are summarized as follows:

| (Amounts in thousands) | Year Ended December 31, | |
|---|-------------------------|------------|
| | 2021 | 2020 |
| Net cash provided by operating activities | \$ 135,273 | \$ 112,822 |
| Net cash used in investing activities | (311,160) | (98,460) |
| Net cash used in financing activities | (23,530) | (80,245) |

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 and debt expense.

Net cash provided by operating activities for the year ended December 31, 2021 increased by \$22.5 million as compared to December 31, 2020, due to the improved collection rates on property rentals and tenant expense reimbursements in 2021 and collection of previously billed and deferred amounts from 2020.

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 for the year ended December 31, 2021, increased by \$212.7 million compared to December 31, 2020 due to a (i) \$128.3 million increase in cash used for acquisitions, (ii) \$66.9 million increase in cash used for real estate development and capital improvements, and (iii) \$17.5 million decrease in cash provided by the sale of properties and operating leases.

The Company has 21 active development, redevelopment or anchor repositioning projects with total estimated costs of \$218.7 million, of which \$72.1 million has been incurred and \$146.6 million remains to be funded as of December 31, 2021.

The following summarizes capital expenditures presented on a cash basis for the years ended December 31, 2021 and 2020:

| (Amounts in thousands) | Year Ended December 31, | |
|-------------------------------------|-------------------------|-----------|
| | 2021 | 2020 |
| Capital expenditures: | | |
| Development and redevelopment costs | \$ 76,750 | \$ 15,468 |
| Capital improvements | 14,944 | 10,704 |
| Tenant improvements and allowances | 3,683 | 2,350 |
| Total capital expenditures | \$ 95,377 | \$ 28,522 |

Development and redevelopment costs includes \$20 million incurred by the Company to terminate its three remaining leases with Kmart and Sears at Bruckner Commons, The Outlets at Montehiedra, and Sunrise Mall, effective October 15, 2021. Controlling these anchor spaces is a critical aspect of the plans the Company has under way to reposition and redevelop these spaces with uses that appeal to the respective communities where the properties are located.

Financing Activities

Net cash flow used in 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 for the year ended December 31, 2021, decreased by \$56.7 million from the year ended December 31, 2020 due to (i) \$71.1 million decrease in debt repayments primarily related to the mortgage refinancing on our Puerto Rico property in 2020, (ii) \$54.1 million of cash paid to repurchase common shares in 2020, (iii) \$27.0 million increase in proceeds from borrowings under mortgage loans, (iv) \$3.5 million decrease in cash used to issue debt, (v) \$1.2 million decrease in tax withholdings on vested restricted stock, and (vi) \$0.8 million increase in cash contributed by noncontrolling interests, offset by (vii) \$101.0 million increase in distributions paid to partners due to the temporary suspension of dividends during 2020 and the declaration of a special dividend in the fourth quarter of 2020, paid in January 2021.

On May 5, 2021 we established an at-the-market equity program (the “ATM Program”), pursuant to which we may offer and sell common shares, par value \$0.01 per share, with an aggregate gross sales price of up to \$250 million. As of December 31, 2021, we have not issued any common shares under the ATM Program. Refer to Part II, Item 8 Equity and Noncontrolling Interest for more information related to this program.

Contractual Obligations

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, 2021:

| (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⁾ | \$ 1,981,997 | \$ 155,249 | \$ 602,943 | \$ 345,191 | \$ 878,614 |
| Operating lease obligations ⁽²⁾ | 89,351 | 9,089 | 16,437 | 12,416 | 51,409 |
| Finance lease obligations ⁽²⁾ | 6,859 | 109 | 218 | 233 | 6,299 |
| | \$ 2,078,207 | \$ 164,447 | \$ 619,598 | \$ 357,840 | \$ 936,322 |

⁽¹⁾ Includes interest and principal payments. Interest on variable rate debt is computed using rates in effect as of December 31, 2021. See Note 6 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for further information.

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

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.

We believe that cash flows from our current operations, cash on hand, our line of credit under our revolving credit agreement, the potential to refinance our loans and our general ability to access the capital markets will be sufficient to finance our operations and fund our obligations in both the short-term and long-term.

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, 2021, all of our variable rate debt outstanding had rates indexed to LIBOR.

| (Amounts in thousands) | 2021 | | | 2020 | |
|------------------------|------------------------------------|--------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| | December 31, Balance | Weighted Average Interest Rate | Effect of 1% Change in Base Rates | December 31, Balance | Weighted Average Interest Rate |
| Variable Rate | \$ 161,084 | 1.85% | \$ 1,611 | \$ 169,371 | 1.90% |
| Fixed Rate | 1,534,324 | 4.10% | — ⁽²⁾ | 1,428,026 | 4.16% |
| | <u>\$ 1,695,408 ⁽¹⁾</u> | | <u>\$ 1,611</u> | <u>\$ 1,597,397 ⁽¹⁾</u> | |

⁽¹⁾ Excludes unamortized debt issuance costs of \$8.2 million and \$9.9 million as of December 31, 2021 and December 31, 2020, 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 \$15.3 million based on outstanding balances as of December 31, 2021.

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, 2021, we did not have any material 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, 2021, the estimated fair value of our consolidated debt was \$1.7 billion.

Other Market Risks

As of December 31, 2021, we had no material exposure to any other market risks (including foreign currency exchange risk or commodity price risk).

In making this determination and for purposes of the SEC's market risk disclosure requirements, we have estimated the fair value of our financial instruments at December 31, 2021 based on pertinent information available to management as of that date. Although management is not aware of any factors that would significantly affect the estimated amounts as of December 31, 2021, future estimates of fair value and the amounts which may be paid or realized in the future may differ significantly from amounts presented.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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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, 2021 and 2020, the related consolidated statements of income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2021, 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, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, 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, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 16, 2022, 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 U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence 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 critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit 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 the projected 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, including estimated terminal values determined using appropriate capitalization rates. Total real estate assets as of December 31, 2021 had a net book value of \$2.4 billion.

Given that the Company's estimated capitalization rates used in the evaluation of impairment of real estate assets is a significant assumption made by management, performing audit procedures to evaluate the reasonableness of management's undiscounted 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 Company's estimated capitalization rates used in the evaluation of impairment of real estate assets included the following, among others:

- We tested the effectiveness of the Company's internal controls over management's evaluation of the recoverability of real estate, including internal controls over management's determination of the reasonableness of the applicable capitalization rates.

- Inquired with management regarding the appropriateness of the capitalization rates, including considerations related to the impact of COVID-19 and evaluating the consistency of the capitalization rates used with evidence obtained in other areas of our audit.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the Company's estimated capitalization rates by:
 - Testing the source information underlying the determination of the capitalization rates by evaluating the reasonableness of the capitalization rates used by management with independent market data, focusing on key factors, including the impact of the COVID-19 pandemic, geographical location, tenant composition, and property type.
 - Developing a range of independent estimates of capitalization rates and comparing those to the capitalization rates selected by management.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 16, 2022

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, 2021 and 2020, 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, 2021, 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, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, 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, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 16, 2022, 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 U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence 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 critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit 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 Operating Partnership'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 Operating Partnership's evaluation of the recoverability of real estate assets involves the comparison of the projected undiscounted future cash flows expected to be generated by each real estate asset over the Operating Partnership's estimated holding period to the respective carrying amount. The Operating Partnership's undiscounted future cash flow analyses require management to make significant estimates, including estimated terminal values determined using appropriate capitalization rates. Total real estate assets as of December 31, 2021 had a net book value of \$2.4 billion.

Given that the Operating Partnership's estimated capitalization rates used in the evaluation of impairment of real estate assets is a significant assumption made by management, performing audit procedures to evaluate the reasonableness of management's undiscounted 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 Operating Partnership's estimated capitalization rates used in the evaluation of impairment of real estate assets included the following, among others:

- We tested the effectiveness of the Operating Partnership's internal controls over management's evaluation of the recoverability of real estate, including internal controls over management's determination of the reasonableness of the applicable capitalization rates.
- Inquired with management regarding the appropriateness of the capitalization rates, including considerations related to the impact of COVID-19 and evaluating the consistency of the capitalization rates used with evidence obtained in other areas of our audit.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the Operating Partnership's estimated capitalization rates by:
 - Testing the source information underlying the determination of the capitalization rates by evaluating the reasonableness of the capitalization rates used by management with independent market data, focusing on key factors, including the impact of the COVID-19 pandemic, geographical location, tenant composition, and property type.
 - Developing a range of independent estimates of capitalization rates and comparing those to the capitalization rates selected by management.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 16, 2022

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, 2021 | December 31, 2020 |
|--|----------------------|----------------------|
| ASSETS | | |
| Real estate, at cost: | | |
| Land | \$ 543,827 | \$ 568,662 |
| Buildings and improvements | 2,441,797 | 2,326,450 |
| Construction in progress | 212,296 | 44,689 |
| Furniture, fixtures and equipment | 7,530 | 7,016 |
| Total | 3,205,450 | 2,946,817 |
| Accumulated depreciation and amortization | (753,947) | (730,366) |
| Real estate, net | 2,451,503 | 2,216,451 |
| Operating lease right-of-use assets | 69,361 | 80,997 |
| Cash and cash equivalents | 164,478 | 384,572 |
| Restricted cash | 55,358 | 34,681 |
| Tenant and other receivables | 15,812 | 15,673 |
| Receivables arising from the straight-lining of rents | 62,692 | 62,106 |
| Identified intangible assets, net of accumulated amortization of \$37,361 and \$37,009, respectively | 71,107 | 56,184 |
| Deferred leasing costs, net of accumulated amortization of \$17,641 and \$16,419, respectively | 20,694 | 18,585 |
| Prepaid expenses and other assets | 74,111 | 70,311 |
| Total assets | <u>\$ 2,985,116</u> | <u>\$ 2,939,560</u> |
| LIABILITIES AND EQUITY | | |
| Liabilities: | | |
| Mortgages payable, net | \$ 1,687,190 | \$ 1,587,532 |
| Operating lease liabilities | 64,578 | 74,972 |
| Accounts payable, accrued expenses and other liabilities | 84,829 | 132,980 |
| Identified intangible liabilities, net of accumulated amortization of \$35,029 and \$71,375, respectively | 100,625 | 148,183 |
| Total liabilities | 1,937,222 | 1,943,667 |
| Commitments and contingencies (Note 10) | | |
| Shareholders' equity: | | |
| Common shares: \$0.01 par value; 500,000,000 shares authorized and 117,147,986 and 117,014,317 shares issued and outstanding, respectively | 1,170 | 1,169 |
| Additional paid-in capital | 1,001,253 | 989,863 |
| Accumulated deficit | (7,091) | (39,467) |
| Noncontrolling interests: | | |
| Operating partnership | 39,616 | 38,456 |
| Consolidated subsidiaries | 12,946 | 5,872 |
| Total equity | 1,047,894 | 995,893 |
| Total liabilities and equity | <u>\$ 2,985,116</u> | <u>\$ 2,939,560</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, | | |
|---|-------------------------|------------------|-------------------|
| | 2021 | 2020 | 2019 |
| REVENUE | | | |
| Rental revenue | \$ 422,467 | \$ 328,280 | \$ 384,405 |
| Management and development fees | 1,169 | 1,283 | 1,900 |
| Other income | 1,446 | 532 | 1,344 |
| Total revenue | 425,082 | 330,095 | 387,649 |
| EXPENSES | | | |
| Depreciation and amortization | 92,331 | 96,029 | 94,116 |
| Real estate taxes | 63,844 | 60,049 | 60,179 |
| Property operating | 68,531 | 56,126 | 64,062 |
| General and administrative | 39,152 | 48,682 | 38,220 |
| Casualty and impairment loss, net ⁽¹⁾ | 468 | 3,055 | 12,738 |
| Lease expense | 12,872 | 13,667 | 14,466 |
| Total expenses | 277,198 | 277,608 | 283,781 |
| Gain on sale of real estate | 18,648 | 39,775 | 68,632 |
| Gain on sale of lease | — | — | 1,849 |
| Interest income | 360 | 2,599 | 9,774 |
| Interest and debt expense | (57,938) | (71,015) | (66,639) |
| Gain on extinguishment of debt | — | 34,908 | — |
| Income before income taxes | 108,954 | 58,754 | 117,484 |
| Income tax (expense) benefit | (1,139) | 38,996 | (1,287) |
| Net income | 107,815 | 97,750 | 116,197 |
| Less net (income) loss attributable to noncontrolling interests in: | | | |
| Operating partnership | (4,296) | (4,160) | (6,699) |
| Consolidated subsidiaries | (833) | (1) | 25 |
| Net income attributable to common shareholders | \$ 102,686 | \$ 93,589 | \$ 109,523 |
| Earnings per common share - Basic: | \$ 0.88 | \$ 0.79 | \$ 0.91 |
| Earnings per common share - Diluted: | \$ 0.88 | \$ 0.79 | \$ 0.91 |
| Weighted average shares outstanding - Basic | 117,029 | 117,722 | 119,751 |
| Weighted average shares outstanding - Diluted | 121,447 | 117,902 | 119,896 |

⁽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 STATEMENTS OF CHANGES IN EQUITY
(In thousands, except share and per share amounts)

| | Common Shares | | | | Noncontrolling Interests ("NCI") | | | Total Equity |
|--|---------------|----------|----------------------------|--------------------------------|----------------------------------|---------------------------|--------------|--------------|
| | Shares | Amount | Additional Paid-In Capital | Accumulated Earnings (Deficit) | Operating Partnership | Consolidated Subsidiaries | | |
| Balance, January 1, 2019 | 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 | |
| Net income attributable to common shareholders | — | — | — | 93,589 | — | — | 93,589 | |
| Net income attributable to noncontrolling interests | — | — | — | — | 4,160 | 1 | 4,161 | |
| Limited partnership interests: | | | | | | | | |
| Units redeemed for common shares | 1,579,389 | 15 | 11,129 | — | — | — | 11,144 | |
| Reallocation of noncontrolling interests | — | — | 8,833 | — | (19,977) | — | (11,144) | |
| Common shares issued | 66,588 | 1 | 427 | (30) | — | — | 398 | |
| Repurchase of common shares | (5,873,923) | (59) | (54,082) | — | — | — | (54,141) | |
| Dividends to common shareholders (\$0.68 per share) | — | — | — | (80,480) | — | — | (80,480) | |
| Distributions to redeemable NCI (\$0.68 per unit) | — | — | — | — | (3,386) | — | (3,386) | |
| Contributions from noncontrolling interests | — | — | — | — | — | 5,447 | 5,447 | |
| Share-based compensation expense | — | — | 5,871 | — | 11,123 | — | 16,994 | |
| Share-based awards retained for taxes | (127,862) | (1) | (1,464) | — | — | — | (1,465) | |
| Balance, December 31, 2020 | 117,014,317 | \$ 1,169 | \$ 989,863 | \$ (39,467) | \$ 38,456 | \$ 5,872 | \$ 995,893 | |
| Net income attributable to common shareholders | — | — | — | 102,686 | — | — | 102,686 | |
| Net income attributable to noncontrolling interests | — | — | — | — | 4,296 | 833 | 5,129 | |
| Limited partnership interests: | | | | | | | | |
| Units redeemed for common shares | 100,000 | — | 840 | — | (6,302) | — | (5,462) | |
| Reallocation of noncontrolling interests | — | — | 8,206 | — | (2,744) | — | 5,462 | |
| Common shares issued | 46,731 | 1 | 509 | (144) | — | — | 366 | |
| Dividends to common shareholders (\$0.60 per share) | — | — | — | (70,166) | — | — | (70,166) | |
| Distributions to redeemable NCI (\$0.60 per unit) | — | — | — | — | (2,864) | — | (2,864) | |
| Contributions from noncontrolling interests | — | — | — | — | — | 6,241 | 6,241 | |
| Share-based compensation expense | — | — | 2,045 | — | 8,774 | — | 10,819 | |
| Share-based awards retained for taxes | (13,062) | — | (210) | — | — | — | (210) | |
| Balance, December 31, 2021 | 117,147,986 | \$ 1,170 | \$ 1,001,253 | \$ (7,091) | \$ 39,616 | \$ 12,946 | \$ 1,047,894 | |

See notes to consolidated financial statements.

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

| | Year Ended December 31, | | |
|---|-------------------------|-------------------|-------------------|
| | 2021 | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income | \$ 107,815 | \$ 97,750 | \$ 116,197 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 94,135 | 97,751 | 96,641 |
| Casualty and impairment loss, net | 468 | 3,055 | 12,738 |
| Gain on sale of real estate | (18,648) | (39,775) | (68,632) |
| Gain on sale of lease | — | — | (1,849) |
| Gain on extinguishment of debt | — | (34,908) | — |
| Amortization of below market leases, net | (55,173) | (10,624) | (15,940) |
| Noncash lease expense | 6,802 | 7,522 | 8,205 |
| Straight-lining of rent | (878) | 10,523 | 1,021 |
| Share-based compensation expense | 10,819 | 16,994 | 13,549 |
| Change in operating assets and liabilities: | | | |
| Tenant and other receivables | (139) | 5,892 | 8,119 |
| Deferred leasing costs | (5,818) | (1,218) | (4,303) |
| Prepaid and other assets | 5,661 | (41,982) | (3,331) |
| Lease liabilities | (6,227) | (6,680) | (7,107) |
| Accounts payable, accrued expenses and other liabilities | (3,544) | 8,522 | 1,092 |
| Net cash provided by operating activities | <u>135,273</u> | <u>112,822</u> | <u>156,400</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Real estate development and capital improvements | (95,377) | (28,522) | (91,301) |
| Acquisitions of real estate | (252,632) | (124,340) | (47,356) |
| Proceeds from sale of operating properties | 34,482 | 54,402 | 116,510 |
| Proceeds from sale of operating lease | 2,367 | — | 6,949 |
| Insurance proceeds | — | — | 12,677 |
| Net cash used in investing activities | <u>(311,160)</u> | <u>(98,460)</u> | <u>(2,521)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Debt repayments | (18,192) | (89,302) | (5,587) |
| Dividends paid to common shareholders | (123,998) | (26,647) | (106,163) |
| Distributions paid to redeemable noncontrolling interests | (4,937) | (1,314) | (5,694) |
| Taxes withheld for vested restricted shares | (210) | (1,465) | (633) |
| Debt issuance costs | — | (3,471) | (2,649) |
| Payment for redemption of units | — | — | (5,978) |
| Proceeds related to the issuance of common shares | 366 | 398 | 439 |
| Cash paid to repurchase shares | — | (54,141) | — |
| Contributions from noncontrolling interests | 6,241 | 5,447 | — |
| Proceeds from borrowings | 117,200 | 90,250 | — |
| Net cash used in financing activities | <u>(23,530)</u> | <u>(80,245)</u> | <u>(126,265)</u> |
| Net (decrease) increase in cash and cash equivalents and restricted cash | (199,417) | (65,883) | 27,614 |
| Cash and cash equivalents and restricted cash at beginning of year | 419,253 | 485,136 | 457,522 |
| Cash and cash equivalents and restricted cash at end of year | <u>\$ 219,836</u> | <u>\$ 419,253</u> | <u>\$ 485,136</u> |

See notes to consolidated financial statements

| | Year Ended December 31, | | |
|---|-------------------------|-------------------|-------------------|
| | 2021 | 2020 | 2019 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | | |
| Cash payments for interest net of amounts capitalized of \$2,023, \$715 and \$1,425, respectively | \$ 58,621 | \$ 68,113 | \$ 64,751 |
| Cash payments for income taxes | 4,663 | 499 | 1,601 |
| NON-CASH INVESTING AND FINANCING ACTIVITIES | | | |
| Accrued capital expenditures included in accounts payable and accrued expenses | 18,702 | 5,808 | 5,056 |
| Write-off of fully depreciated and impaired assets | 10,706 | 21,447 | 56,199 |
| Forgiveness of mortgage debt | — | 30,000 | — |
| Assumption of debt from the acquisition of real estate | — | 72,473 | — |
| Dividend/distribution declared and paid in subsequent period | — | 55,905 | — |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH | | | |
| Cash and cash equivalents at beginning of year | \$ 384,572 | \$ 432,954 | \$ 440,430 |
| Restricted cash at beginning of year | 34,681 | 52,182 | 17,092 |
| Cash and cash equivalents and restricted cash at beginning of year | <u>\$ 419,253</u> | <u>\$ 485,136</u> | <u>\$ 457,522</u> |
| Cash and cash equivalents at end of year | \$ 164,478 | \$ 384,572 | \$ 432,954 |
| Restricted cash at end of year | 55,358 | 34,681 | 52,182 |
| Cash and cash equivalents and restricted cash at end of year | <u>\$ 219,836</u> | <u>\$ 419,253</u> | <u>\$ 485,136</u> |

See notes to consolidated financial statements.

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

| | December 31, 2021 | December 31, 2020 |
|---|----------------------|----------------------|
| ASSETS | | |
| Real estate, at cost: | | |
| Land | \$ 543,827 | \$ 568,662 |
| Buildings and improvements | 2,441,797 | 2,326,450 |
| Construction in progress | 212,296 | 44,689 |
| Furniture, fixtures and equipment | 7,530 | 7,016 |
| Total | 3,205,450 | 2,946,817 |
| Accumulated depreciation and amortization | (753,947) | (730,366) |
| Real estate, net | 2,451,503 | 2,216,451 |
| Operating lease right-of-use assets | 69,361 | 80,997 |
| Cash and cash equivalents | 164,478 | 384,572 |
| Restricted cash | 55,358 | 34,681 |
| Tenant and other receivables | 15,812 | 15,673 |
| Receivables arising from the straight-lining of rents | 62,692 | 62,106 |
| Identified intangible assets, net of accumulated amortization of \$37,361 and \$37,009, respectively | 71,107 | 56,184 |
| Deferred leasing costs, net of accumulated amortization of \$17,641 and \$16,419, respectively | 20,694 | 18,585 |
| Prepaid expenses and other assets | 74,111 | 70,311 |
| Total assets | \$ 2,985,116 | \$ 2,939,560 |
| LIABILITIES AND EQUITY | | |
| Liabilities: | | |
| Mortgages payable, net | \$ 1,687,190 | \$ 1,587,532 |
| Operating lease liabilities | 64,578 | 74,972 |
| Accounts payable, accrued expenses and other liabilities | 84,829 | 132,980 |
| Identified intangible liabilities, net of accumulated amortization of \$35,029 and \$71,375, respectively | 100,625 | 148,183 |
| Total liabilities | 1,937,222 | 1,943,667 |
| Commitments and contingencies (Note 10) | | |
| Equity: | | |
| Partners' capital: | | |
| General partner: 117,147,986 and 117,014,317 units outstanding, respectively | 1,002,423 | 991,032 |
| Limited partners: 4,662,654 and 4,729,010 units outstanding, respectively | 41,030 | 41,302 |
| Accumulated deficit | (8,505) | (42,313) |
| Total partners' capital | 1,034,948 | 990,021 |
| Noncontrolling interest in consolidated subsidiaries | 12,946 | 5,872 |
| Total equity | 1,047,894 | 995,893 |
| Total liabilities and equity | \$ 2,985,116 | \$ 2,939,560 |

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, | | |
|--|-------------------------|------------------|-------------------|
| | 2021 | 2020 | 2019 |
| REVENUE | | | |
| Rental revenue | \$ 422,467 | \$ 328,280 | \$ 384,405 |
| Management and development fees | 1,169 | 1,283 | 1,900 |
| Other income | 1,446 | 532 | 1,344 |
| Total revenue | 425,082 | 330,095 | 387,649 |
| EXPENSES | | | |
| Depreciation and amortization | 92,331 | 96,029 | 94,116 |
| Real estate taxes | 63,844 | 60,049 | 60,179 |
| Property operating | 68,531 | 56,126 | 64,062 |
| General and administrative | 39,152 | 48,682 | 38,220 |
| Casualty and impairment loss, net ⁽¹⁾ | 468 | 3,055 | 12,738 |
| Lease expense | 12,872 | 13,667 | 14,466 |
| Total expenses | 277,198 | 277,608 | 283,781 |
| Gain on sale of real estate | 18,648 | 39,775 | 68,632 |
| Gain on sale of lease | — | — | 1,849 |
| Interest income | 360 | 2,599 | 9,774 |
| Interest and debt expense | (57,938) | (71,015) | (66,639) |
| Gain on extinguishment of debt | — | 34,908 | — |
| Income before income taxes | 108,954 | 58,754 | 117,484 |
| Income tax (expense) benefit | (1,139) | 38,996 | (1,287) |
| Net income | 107,815 | 97,750 | 116,197 |
| Less: net (income) loss attributable to NCI in consolidated subsidiaries | (833) | (1) | 25 |
| Net income attributable to unitholders | \$ 106,982 | \$ 97,749 | \$ 116,222 |
| Earnings per unit - Basic: | \$ 0.88 | \$ 0.80 | \$ 0.92 |
| Earnings per unit - Diluted: | \$ 0.88 | \$ 0.80 | \$ 0.92 |
| Weighted average units outstanding - Basic | 120,966 | 121,957 | 126,333 |
| Weighted average units outstanding - Diluted | 122,107 | 122,811 | 126,478 |

⁽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 STATEMENTS 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, 2019 | 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 |
| Net income attributable to unitholders | — | — | — | — | 97,749 | — | 97,749 |
| Net income attributable to noncontrolling interests | — | — | — | — | — | 1 | 1 |
| Common units issued as a result of common shares issued by Urban Edge | 66,588 | 428 | 475,081 | — | (30) | — | 398 |
| Equity redemption of OP Units | 1,579,389 | 11,144 | (1,579,389) | — | — | — | 11,144 |
| Repurchase of common shares | (5,873,923) | (54,141) | — | — | — | — | (54,141) |
| Reallocation of noncontrolling interests | — | 8,833 | — | (19,977) | — | — | (11,144) |
| Distributions to Partners (\$0.68 per unit) | — | — | — | — | (83,866) | — | (83,866) |
| Contributions from noncontrolling interests | — | — | — | — | — | 5,447 | 5,447 |
| Share-based compensation expense | — | 5,871 | — | 11,123 | — | — | 16,994 |
| Share-based awards retained for taxes | (127,862) | (1,465) | — | — | — | — | (1,465) |
| Balance, December 31, 2020 | 117,014,317 | \$ 991,032 | 4,729,010 | \$ 41,302 | \$ (42,313) | \$ 5,872 | \$ 995,893 |
| Net income attributable to unitholders | — | — | — | — | 106,982 | — | 106,982 |
| Net income attributable to noncontrolling interests | — | — | — | — | — | 833 | 833 |
| Common units issued as a result of common shares issued by Urban Edge | 46,731 | 510 | 33,644 | — | (144) | — | 366 |
| Equity redemption of OP units | 100,000 | 840 | (100,000) | (6,302) | — | — | (5,462) |
| Reallocation of noncontrolling interests | — | 8,206 | — | (2,744) | — | — | 5,462 |
| Distributions to Partners (\$0.60 per unit) | — | — | — | — | (73,030) | — | (73,030) |
| Contributions from noncontrolling interests | — | — | — | — | — | 6,241 | 6,241 |
| Share-based compensation expense | — | 2,045 | — | 8,774 | — | — | 10,819 |
| Share-based awards retained for taxes | (13,062) | (210) | — | — | — | — | (210) |
| Balance, December 31, 2021 | 117,147,986 | \$ 1,002,423 | 4,662,654 | \$ 41,030 | \$ (8,505) | \$ 12,946 | \$ 1,047,894 |

⁽¹⁾ Limited partners have a 3.8% common limited partnership interest in the Operating Partnership as of December 31, 2021 in the form of units of interest in the Operating Partnership (“OP Units”) and Long-Term Incentive Plan (“LTIP”) units.

See notes to consolidated financial statements.

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

| | Year Ended December 31, | | |
|---|-------------------------|-------------------|-------------------|
| | 2021 | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income | \$ 107,815 | \$ 97,750 | \$ 116,197 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 94,135 | 97,751 | 96,641 |
| Casualty and impairment loss, net | 468 | 3,055 | 12,738 |
| Gain on sale of real estate | (18,648) | (39,775) | (68,632) |
| Gain on sale of lease | — | — | (1,849) |
| Gain on extinguishment of debt | — | (34,908) | — |
| Amortization of below market leases, net | (55,173) | (10,624) | (15,940) |
| Noncash lease expense | 6,802 | 7,522 | 8,205 |
| Straight-lining of rent | (878) | 10,523 | 1,021 |
| Share-based compensation expense | 10,819 | 16,994 | 13,549 |
| Change in operating assets and liabilities: | | | |
| Tenant and other receivables | (139) | 5,892 | 8,119 |
| Deferred leasing costs | (5,818) | (1,218) | (4,303) |
| Prepaid and other assets | 5,661 | (41,982) | (3,331) |
| Lease liabilities | (6,227) | (6,680) | (7,107) |
| Accounts payable, accrued expenses and other liabilities | (3,544) | 8,522 | 1,092 |
| Net cash provided by operating activities | <u>135,273</u> | <u>112,822</u> | <u>156,400</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Real estate development and capital improvements | (95,377) | (28,522) | (91,301) |
| Acquisitions of real estate | (252,632) | (124,340) | (47,356) |
| Proceeds from sale of operating properties | 34,482 | 54,402 | 116,510 |
| Proceeds from sale of operating lease | 2,367 | — | 6,949 |
| Insurance proceeds | — | — | 12,677 |
| Net cash used in investing activities | <u>(311,160)</u> | <u>(98,460)</u> | <u>(2,521)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Debt repayments | (18,192) | (89,302) | (5,587) |
| Distributions paid to partners | (128,935) | (27,961) | (111,857) |
| Taxes withheld for vested restricted units | (210) | (1,465) | (633) |
| Debt issuance costs | — | (3,471) | (2,649) |
| Payment for redemption of units | — | — | (5,978) |
| Proceeds related to the issuance of common shares | 366 | 398 | 439 |
| Cash paid to repurchase shares | — | (54,141) | — |
| Contributions from noncontrolling interests | 6,241 | 5,447 | — |
| Proceeds from borrowings | 117,200 | 90,250 | — |
| Net cash used in financing activities | <u>(23,530)</u> | <u>(80,245)</u> | <u>(126,265)</u> |
| Net (decrease) increase in cash and cash equivalents and restricted cash | (199,417) | (65,883) | 27,614 |
| Cash and cash equivalents and restricted cash at beginning of year | 419,253 | 485,136 | 457,522 |
| Cash and cash equivalents and restricted cash at end of year | <u>\$ 219,836</u> | <u>\$ 419,253</u> | <u>\$ 485,136</u> |

See notes to consolidated financial statements.

| | Year Ended December 31, | | |
|---|-------------------------|-------------------|-------------------|
| | 2021 | 2020 | 2019 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | | |
| Cash payments for interest net of amounts capitalized of \$2,023, \$715 and \$1,425, respectively | \$ 58,621 | \$ 68,113 | \$ 64,751 |
| Cash payments for income taxes | 4,663 | 499 | 1,601 |
| NON-CASH INVESTING AND FINANCING ACTIVITIES | | | |
| Accrued capital expenditures included in accounts payable and accrued expenses | 18,702 | 5,808 | 5,056 |
| Write-off of fully depreciated and impaired assets | 10,706 | 21,447 | 56,199 |
| Forgiveness of mortgage debt | — | 30,000 | — |
| Assumption of debt from the acquisition of real estate | — | 72,473 | — |
| Dividend/distribution declared and paid in subsequent period | — | 55,905 | — |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH | | | |
| Cash and cash equivalents at beginning of year | \$ 384,572 | \$ 432,954 | \$ 440,430 |
| Restricted cash at beginning of year | 34,681 | 52,182 | 17,092 |
| Cash and cash equivalents and restricted cash at beginning of year | <u>\$ 419,253</u> | <u>\$ 485,136</u> | <u>\$ 457,522</u> |
| Cash and cash equivalents at end of year | \$ 164,478 | \$ 384,572 | \$ 432,954 |
| Restricted cash at end of year | 55,358 | 34,681 | 52,182 |
| Cash and cash equivalents and restricted cash at end of year | <u>\$ 219,836</u> | <u>\$ 419,253</u> | <u>\$ 485,136</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, 2021, Urban Edge owned approximately 96.2% 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, 2021, our portfolio consisted of 68 shopping centers, five malls and two industrial parks totaling approximately 17.0 million sf, which is inclusive of a 95% controlling interest in Walnut Creek, CA (Mt. Diablo), and an 82.5% controlling interest in Sunrise Mall, in Massapequa, NY.

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, 2021, 2020 and 2019 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 the adoption of ASC 842 *Leases* (“ASU 2016-02”), the Company includes rental revenue deemed uncollectible as a reduction to rental revenue in the consolidated statements of income for the year ended December 31, 2019, as reflected beginning on Form 10-K for the year ended December 31, 2019.

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, 2021, 2020 and 2019 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 as of December 31, 2021. 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. 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 include revenue recognition and collectibility of receivables, acquisitions of real estate and valuation of real estate. For more information on these estimates and policies refer to Part II, Item 7 Critical Accounting Policies and Estimates of this Annual Report on Form 10-K.

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 under way 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 assumption of 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 evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such events and changes include macroeconomic conditions, including those caused by global pandemics, like the recent COVID-19 pandemic, which resulted in property operational disruption and could 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 in determining a future terminal value. 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, in addition to 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 change based on uncertain market conditions, 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 impairment charge 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. 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, including money market accounts, 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.

Tenant and Other Receivables and Changes in Collectibility Assessment — Tenant receivables include unpaid amounts billed to tenants, disputed enforceable charges and accrued revenues for future billings to tenants for property expenses. We evaluate the collectibility of amounts due from tenants and disputed enforceable charges on both a lease-by-lease and a portfolio-level, which result from the inability of tenants to make required payments under their operating lease agreements. We recognize changes in the collectibility assessment of these operating leases as adjustments to rental revenue in accordance with ASC 842

Leases. Management exercises judgment in assessing collectibility and considers payment history, current credit status and publicly available information about the financial condition of the tenant, among other factors. Tenant receivables, and receivables arising from the straight-lining of rents, are written-off directly when management deems the collectibility of substantially all future lease payments from a specific lease is not probable, at which point, the Company will begin recognizing revenue from such leases prospectively, based on actual amounts received. This write-off effectively reduces cumulative non-cash rental income recognized from the straight-lining of rents since lease commencement. If the Company subsequently determines that it is probable it will collect substantially all of the lessee's remaining lease payments under the lease term, the Company will reinstate the receivables balance, including those arising from the straight-lining of rents.

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 as depreciation and amortization expense on the consolidated statements of income. Deferred leasing costs also includes lease incentives that can be used at the discretion of the tenant. Lease incentives are capitalized and amortized over the term of the related leases as a reduction to rental revenue on the consolidated statements of income.

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 were drawn or outstanding under the revolving credit agreement as of December 31, 2021. Deferred financing costs are included in prepaid expenses and other assets on the consolidated balance sheets.

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

- **Rental revenue:** 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.
- **Rental revenue deemed uncollectible:** We evaluate the collectibility of amounts due from tenants and disputed enforceable charges on both a lease-by-lease and a portfolio-level, which result from the inability of tenants to make required payments under their operating lease agreements. We recognize changes in the collectibility assessment of these operating leases as adjustments to rental revenue in accordance with ASC 842.
- **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 900 operating leases at our properties, 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, malls and industrial parks. 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 leases which commenced in the year ended December 31, 2021 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 \$9.8 million and \$2.4 million for the years ended December 31, 2021 and 2020, respectively. 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 \$101.3 million and \$96.7 million for the years ended December 31, 2021 and 2020, respectively. The Company accounts for variable lease payments as Rental revenue on the consolidated statements 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 twenty properties in its portfolio either completely or partially on land or in 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 one to 78 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, 2021, 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 the 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 for which the equity owners as a group lack any one of the following characteristics: (i) the power, through voting rights or similar rights, to direct the activities of a legal entity that most significantly impact the entity's economic performance, (ii) the obligation to absorb the expected losses of the legal entity, or (iii) the right to receive the expected residual returns of the legal entity, 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.

Management uses its judgment when determining if we are the primary beneficiary of, or have a controlling financial interest in, an entity in which we have a variable interest. Factors considered in determining whether we have the power to direct the activities that most significantly impact the entity's economic performance include voting rights, involvement in day-to-day capital and operating decisions and the extent of our involvement in the entity.

Excluding the Operating Partnership, the Company had two entities that met the criteria of a VIE in which we held variable interests as of December 31, 2021 and 2020. These entities are VIEs primarily because the noncontrolling interests do not have substantive kick-out or participating rights and we control the significant operating decisions and consequently have the power to direct the activities that most significantly impact the economic performance of these entities. As we also have the obligation to absorb the majority of the losses and/or the right to receive a majority of the benefits for these entities, they were consolidated in our financial statements as of December 31, 2021 and 2020. The majority of the operations of these VIEs are funded with cash flows generated by the properties and periodic cash contributions.

As of December 31, 2021 and 2020, excluding the Operating Partnership, the two consolidated VIEs had total assets of \$48.5 million and \$43.6 million, respectively and total liabilities of \$24.7 million and \$31.5 million, respectively.

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 — The Company elected to be taxed as a REIT under sections 856-860 of 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 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 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, in particular income taxes arising from its operating activities in Puerto Rico, which 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 future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

The Company applies the FASB’s guidance relating to uncertainty in income taxes recognized in a Company’s financial statements. Under this guidance the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also provides guidance on derecognition, classification, interest and penalties on income taxes, and accounting in interim periods. The Company records interest and penalties relating to unrecognized tax benefits, if any, as income tax expense

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, 2021. As of December 31, 2021, The TJX Companies, Inc. was our largest tenant with twenty-two stores which comprised an aggregate of 714,731 sf and accounted for approximately \$20.6 million, or 4.8% of our total revenue for the year ended December 31, 2021.

Recently Issued Accounting Literature

Effective for the fiscal period beginning January 1, 2019, we adopted 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 in the year ended December 31, 2019 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. Additionally, we reclassified certain amounts of acquired below-market lease intangibles and accrued rent and adjusted the carrying values of our ROU assets by the corresponding amounts. As of December 31, 2021, the Company had 24 operating leases and our operating lease ROU assets and lease liabilities were \$69.4 million and \$64.6 million, respectively, as presented on our consolidated balance sheet. As of December 31, 2021, our finance lease ROU asset and finance lease liabilities were \$2.7 million and \$3.0 million, respectively. The finance lease ROU asset is included within prepaid expenses and other assets on our consolidated balance sheets as of December 31, 2021 and 2020 and the finance lease liability is included within accounts payable, accrued expenses and other liabilities on our consolidated balance sheets as of December 31, 2021 and 2020. The Company recognizes interest expense on its finance lease liability. The standard's adoption has also impacted the presentation of our consolidated income statements 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 statements 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 statements 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. The standard's adoption has also impacted the presentation of our consolidated income statements due to accounting for lease and non-lease components as a single lease component, presented as rental revenue on the consolidated statements 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 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 or as expenses on the consolidated statements of income.

In March 2020, the FASB issued ASU 2020-04 *Reference Rate Reform (ASC 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides temporary optional guidance to ease the potential burden in accounting for reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. We currently do not anticipate the need to modify our existing debt agreements as a result of reference rate reform in the current year, however if any modification is executed as a result of reference rate reform, the Company will elect the optional expedient available under ASU 2020-04, which allows entities to account for the modification as if the modification was not substantial. We will disclose the nature of and reason for electing the optional expedient in each interim and annual financial statement period if and when applicable through December 31, 2022.

In April 2020, the FASB issued a question-and-answer document (the “Lease Modification Q&A”) focused on the application of lease accounting guidance to lease concessions provided as a result of COVID-19. Under existing lease guidance, the Company would have to determine, on a lease by lease basis, if a lease concession was the result of a new arrangement reached with the tenant (treated with the lease modification accounting framework) or if a lease concession was under the enforceable rights and obligations within the existing lease agreement (precluded from applying the lease modification accounting framework). The Lease Modification Q&A clarifies that entities may elect to not evaluate whether lease-related relief, that lessors provide to mitigate the economic effects of COVID-19 on lessees, is a lease modification under ASC 842. Instead, when the cash flows resulting from the lease concession granted for COVID-19 rent relief are substantially the same or less than the cash flows of the original contract, an entity may elect to apply the modification guidance (i.e. assume the relief was always contemplated by the contract or assume the relief was not contemplated by the contract).

The FASB stated that there are multiple ways to account for rent concessions, none of which the FASB believes are more preferable than the others. Two of those methods are: (i) account for the concessions as if no changes to the lease contract were made; under that accounting, a lessor would continue to increase its lease receivable and continue to recognize income, referred to as the “receivable approach”; or (ii) account for the deferred payments or abatements as variable lease payments; under that accounting, a lessor would recognize the payment as income in profit or loss in the period in which the changes in facts and circumstances on which the variable lease payments are based occurred, referred to as the “variable approach”.

The Company makes the election to account for rent concessions using the receivable approach or variable approach on a disaggregated basis, with such election applied consistently to leases with similar characteristics and similar circumstances. As of December 31, 2021, the Company has granted rent deferrals accounted under both the receivable approach by electing the Lease Modification Q&A and as modifications due to term extensions of the leases. The Company has also granted abatements accounted for under both the variable approach and as modifications due to the executed agreements including other rental term modifications, such as term extensions and substantial changes in cash flows. Refer to Note 10 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

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, 2021 and December 31, 2020, we closed on the following acquisitions:

| Date Purchased | Property Name | City | State | Square Feet | Purchase Price |
|-------------------|---------------------------|--------------|-------|-------------------|----------------------------------|
| | | | | | (in thousands) |
| August 10, 2021 | 601 Murray Road | East Hanover | NJ | 88,000 | \$ 18,312 |
| August 19, 2021 | 151 Ridgedale Avenue | East Hanover | NJ | 187,000 | 37,759 |
| December 23, 2021 | Woodmore Towne Centre | Glenarden | MD | 712,000 | 198,055 |
| | | | | 2021 Total | \$ 254,126 ⁽¹⁾ |
| February 12, 2020 | Kingswood Center | Brooklyn | NY | 130,000 | \$ 90,212 |
| February 12, 2020 | Kingswood Crossing | Brooklyn | NY | 110,000 | 77,077 |
| December 11, 2020 | 51 East Spring Valley Ave | Maywood | NJ | 3,000 | 662 |
| December 31, 2020 | Sunrise Mall | Massapequa | NY | 1,211,000 | 31,545 |
| | | | | 2020 Total | \$ 199,496 ⁽¹⁾ |

⁽¹⁾ The total purchase price for the properties acquired in the years ended December 31, 2021 and December 31, 2020 include \$5.2 million and \$3.1 million, respectively, of transaction costs incurred in relation to the transactions.

During the year ended December 31, 2021, the Company purchased three assets, at an aggregate purchase price of \$254.1 million and 987,000 sf, comprising two assets located in East Hanover, NJ, and one asset located in Glenarden, MD.

In December 2021, the Company closed on the acquisition of Woodmore Towne Centre, a 712,000 sf retail center located in Glenarden, MD, for a purchase price of \$198.1 million, including transaction costs. The property is 97% leased and sits on 83 acres and includes an additional 22 acres of land adjacent to the main parcel that may be developed for a complementary commercial use in the future. To partially fund the acquisition, the Company entered into a 10-year, \$117.2 million non-recourse first mortgage secured by the property. The mortgage has a fixed interest rate of 3.39% and is interest-only for the entire loan term.

The two industrial properties, acquired in August 2021, are adjacent to our existing 943,000 sf warehouse park in East Hanover, NJ. The acquisition of 151 Ridgedale Avenue was partially funded via a 1031 exchange using cash proceeds from previous dispositions.

The Company purchased four assets with a total consideration of \$199.5 million during the year ended December 31, 2020. Two of the assets are located in Brooklyn, NY, one asset is located in Massapequa, NY and one asset is located in Maywood, NJ and is adjacent to our existing property, Bergen Town Center.

The Company acquired Sunrise Mall in Massapequa, NY for \$31.5 million, including transaction costs on December 31, 2020. The Company's acquired ownership interest of the asset is 82.5% with the remaining 17.5% held by strategic partners.

The Company acquired Kingswood Center and Kingswood Crossing for \$167.3 million, including transaction costs on February 12, 2020. The properties are located along Kings Highway in the Midwood neighborhood of Brooklyn, NY and were funded via 1031 exchanges using cash proceeds from dispositions. Additionally, as part of the acquisition of Kingswood Center, the Company assumed a \$65.5 million mortgage, which matures in 2028.

A portion of the acquisition of Kingswood Crossing was completed as a reverse Section 1031 exchange. We entered into a reverse Section 1031 exchange agreement with third-party intermediaries, which, for a maximum of 180 days, allowed us to defer for tax purposes, gains on the sale of other properties identified and sold within the period. Until the earlier of the termination of the exchange agreements or 180 days after the respective acquisition dates, the third-party intermediaries are the legal owner of the properties; however, we controlled the activities that most significantly impact each property and retained all of the economic benefits and risks associated with each property. Therefore, at the date of acquisition, we determined that we were the primary beneficiary of these variable interest entities and consolidated the properties and their operations as of the acquisition date.

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⁾ | Debt Premium | ROU assets net of lease liabilities | Other assets, net | Total Purchase Price |
|--------------------------------------|------------------|----------------------------|---|--|-------------------|-------------------------------------|-------------------|----------------------|
| (in thousands) | | | | | | | | |
| 601 Murray Road | \$ 2,075 | \$ 14,733 | \$ 1,722 | \$ (218) | \$ — | — | — | 18,312 |
| 151 Ridgedale Avenue | 2,990 | 35,509 | — | (740) | — | — | — | 37,759 |
| Woodmore Towne Centre ⁽³⁾ | 28,398 | 144,834 | 23,128 | (8,035) | — | — | \$ 9,730 | 198,055 |
| 2021 Total | \$ 33,463 | \$ 195,076 | \$ 24,850 | \$ (8,993) | \$ — | \$ — | \$ 9,730 | \$ 254,126 |
| Kingswood Center | \$ 15,690 | \$ 76,766 | \$ 9,263 | \$ (4,534) | \$ (6,973) | \$ — | \$ — | \$ 90,212 |
| Kingswood Crossing | 8,150 | 64,159 | 4,768 | — | — | — | — | 77,077 |
| 51 East Spring Valley Ave | 662 | — | — | — | — | — | — | 662 |
| Sunrise Mall ⁽²⁾ | 44,035 | 3,084 | 5,495 | (26,495) | — | 5,012 | 414 | 31,545 |
| 2020 Total | \$ 68,537 | \$ 144,009 | \$ 19,526 | \$ (31,029) | \$ (6,973) | \$ 5,012 | \$ 414 | \$ 199,496 |

⁽¹⁾ As of December 31, 2021, the remaining weighted average amortization periods of the identified intangible assets and identified intangible liabilities acquired in 2021 were 8.7 years and 14.7 years, respectively and the remaining weighted average amortization periods of the identified intangible assets and identified intangible liabilities acquired in 2020 were 10.3 years and 27.2 years, respectively.

⁽²⁾ In connection with this acquisition, the Company acquired the lessee positions of ground leases and recognized operating lease ROU assets and operating lease liabilities. Refer to Note 8 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for further information.

⁽³⁾ The amount allocated to Other assets, net relates to future reimbursements from the county for development work performed by the previous owner and is included in Prepaid expenses and other assets on our consolidated balance sheets.

Dispositions

During the year ended December 31, 2021, we disposed of three properties and one property parcel and received proceeds of \$34.9 million, net of selling costs, resulting in an \$18.6 million net gain on sale of real estate. Of these dispositions completed during the year ended December 31, 2021, two were completed as a 1031 exchange with the acquisition of 151 Ridgedale Avenue, allowing for the deferral of capital gains from the sale for income tax purposes.

During the year ended December 31, 2021, the Company also sold its lessee position in its ground lease at Vallejo, CA and received proceeds of \$2.4 million, net of selling costs, and derecognized the ROU asset and corresponding lease liability related to the lease.

During the year ended December 31, 2020, we disposed of three properties and received proceeds of \$58.1 million, net of selling costs, resulting in a \$39.8 million net gain on sale of real estate. The sale of all three dispositions were completed as 1031 exchanges with Kingswood Crossing as a result of the sales occurring within 180 days of the Company's acquisition.

Real Estate Held for Sale

As of December 31, 2020, a parcel of one property in Lodi, NJ was classified as held for sale based on an executed contract of sale with a third-party buyer. The aggregate amount of this parcel was \$7.1 million and was included in prepaid expenses and other assets in our consolidated balance sheets as of December 31, 2020. The parcel was sold in January 2021. There was no real estate held for sale as of December 31, 2021.

5. IDENTIFIED INTANGIBLE ASSETS AND LIABILITIES

The following table summarizes our identified intangible assets and liabilities:

| (Amounts in thousands) | December 31, 2021 | December 31, 2020 |
|--|-------------------|-------------------|
| In-place leases | \$ 96,648 | \$ 82,303 |
| Accumulated amortization | (33,057) | (32,515) |
| Above-market leases | 10,185 | 9,255 |
| Accumulated amortization | (3,147) | (3,570) |
| Other intangible assets | 1,635 | 1,635 |
| Accumulated amortization | (1,157) | (924) |
| Identified intangible assets, net of accumulated amortization | <u>71,107</u> | <u>56,184</u> |
| Below-market leases | 135,654 | 219,558 |
| Accumulated amortization | (35,029) | (71,375) |
| Identified intangible liabilities, net of accumulated amortization | <u>\$ 100,625</u> | <u>\$ 148,183</u> |

Amortization of acquired below-market leases, net of acquired above-market leases resulted in rental income of \$55.2 million, \$10.6 million, and \$15.9 million for the years ended December 31, 2021, 2020 and 2019, respectively. On September 29, 2021, the Company entered into agreements to terminate our three remaining Kmart and Sears leases effective October 15, 2021. The modification of these leases resulted in accelerated amortization of the below-market intangible lease liabilities of \$45.9 million which is included in rental revenue for the year ended December 31, 2021. The intangibles related to these leases were fully amortized and subsequently written-off in 2021.

Amortization of acquired in-place leases and customer relationships resulted in depreciation and amortization expense of \$8.6 million, \$10.2 million, and \$8.8 million for the years ended December 31, 2021, 2020 and 2019, respectively. During 2021, we recognized \$0.4 million of accelerated amortization of the in-place lease intangibles related to the Kmart and Sears lease terminations noted above.

The following table sets forth the estimated annual amortization (expense) and income related to intangible assets and liabilities for the five succeeding years commencing January 1, 2022:

| (Amounts in thousands) Year | Below-Market Operating Lease Amortization | Above-Market Operating Lease Amortization | In-Place Lease Amortization |
|--------------------------------|--|--|--------------------------------|
| 2022 | \$ 7,817 | \$ (1,154) | \$ (10,103) |
| 2023 | 7,771 | (1,092) | (8,355) |
| 2024 | 7,536 | (996) | (7,127) |
| 2025 | 7,354 | (803) | (6,082) |
| 2026 | 6,976 | (683) | (5,469) |

6. MORTGAGES PAYABLE

The following is a summary of mortgages payable as of December 31, 2021 and December 31, 2020.

| (Amounts in thousands) | Maturity | Interest Rate at December 31, 2021 | December 31, 2021 | December 31, 2020 |
|---|------------|---|----------------------|----------------------|
| First mortgages secured by: | | | | |
| Variable rate | | | | |
| Cherry Hill (Plaza at Cherry Hill) ⁽¹⁾ | 5/24/2022 | 1.70% | \$ 28,244 | \$ 28,930 |
| Woodbridge (Plaza at Woodbridge) ⁽¹⁾ | 5/25/2022 | 1.70% | 54,029 | 55,340 |
| Jersey City (Hudson Commons) ⁽²⁾ | 11/15/2024 | 2.00% | 28,034 | 28,586 |
| Watchung ⁽²⁾ | 11/15/2024 | 2.00% | 26,097 | 26,613 |
| Bronx (1750-1780 Gun Hill Road) ⁽²⁾ | 12/1/2024 | 2.00% | 24,680 | 25,172 |
| Westfield (One Lincoln Plaza) ⁽³⁾ | — | —% | — | 4,730 |
| Total variable rate debt | | | <u>161,084</u> | <u>169,371</u> |
| Fixed rate | | | | |
| Paramus (Bergen Town Center - West) | 4/8/2023 | 3.56% | 300,000 | 300,000 |
| Bronx (Shops at Bruckner) | 5/1/2023 | 3.90% | 9,698 | 10,351 |
| Jersey City (Hudson Mall) | 12/1/2023 | 5.07% | 22,154 | 22,904 |
| Yonkers Gateway Center | 4/6/2024 | 4.16% | 26,774 | 28,482 |
| Brick | 12/10/2024 | 3.87% | 49,554 | 50,000 |
| North Plainfield | 12/10/2025 | 3.99% | 25,100 | 25,100 |
| Las Catalinas | 2/1/2026 | 4.43% | 123,977 | 127,669 |
| 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 (Tonnelle Ave) | 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% | 22,944 | 23,381 |
| 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 |
| Brooklyn (Kingswood Center) | 2/6/2028 | 5.07% | 70,815 | 71,696 |
| 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 |
| Montehiedra | 6/1/2030 | 5.00% | 79,381 | 81,141 |
| Montclair | 8/15/2030 | 3.15% | 7,250 | 7,250 |
| Garfield | 12/1/2030 | 4.14% | 40,300 | 40,300 |
| Woodmore Towne Centre | 1/6/2032 | 3.39% | 117,200 | — |
| Mt Kisco | 11/15/2034 | 6.40% | 12,377 | 12,952 |
| Total fixed rate debt | | | <u>1,534,324</u> | <u>1,428,026</u> |
| | | Total mortgages payable | 1,695,408 | 1,597,397 |
| | | Unamortized debt issuance costs | (8,218) | (9,865) |
| | | Total mortgages payable, net of unamortized debt issuance costs | <u>\$ 1,687,190</u> | <u>\$ 1,587,532</u> |

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

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

(3) Loan repaid in July 2021 in connection with the disposition of the property.

The net carrying amount of real estate collateralizing the above indebtedness amounted to approximately \$1.4 billion as of December 31, 2021. 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, 2021, we were in compliance with all debt covenants.

As of December 31, 2021, the principal repayments for the next five years and thereafter are as follows:

(Amounts in thousands)

Year Ending December 31,

| | | |
|------------|----|---------|
| 2022 | \$ | 98,915 |
| 2023 | | 349,814 |
| 2024 | | 163,721 |
| 2025 | | 40,946 |
| 2026 | | 230,694 |
| Thereafter | | 811,318 |

Revolving Credit Agreement

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.

On June 3, 2020, we entered into a third amendment to the Agreement, which among other things, modifies certain definitions and the measurement period for certain financial covenants to a trailing four-quarter period instead of the most recent quarter period annualized. 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 change. 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 were drawn or outstanding under the Agreement as of December 31, 2021 and 2020. Financing costs associated with executing the Agreement of \$2.2 million and \$3.3 million as of December 31, 2021 and 2020, respectively, are included in the prepaid expenses and other assets line item of the consolidated balance sheets, as deferred financing costs, net.

Mortgage on Las Catalinas Mall

In April 2020, we notified the servicer of the \$129 million non-recourse mortgage loan on Las Catalinas Mall in Puerto Rico that cash flow would be insufficient to service the debt and that we were unwilling to fund the shortfalls. In December 2020, the non-recourse mortgage loan on Las Catalinas Mall was modified to convert the mortgage from an amortizing 4.43% loan to interest only payments, starting at 3.00% in 2021 and increasing 50 basis points annually until returning to 4.43% in 2024 and thereafter, and enables the Company, at its option, to repay the loan at a discounted value of \$72.5 million, beginning in August 2023 through the extended maturity date of February 2026.

While it is possible we will be able to repay the loan at the discounted value in the future, it is contingent upon certain factors including the future operating performance of the property as well as the ability to meet all required payments on the loan. Therefore, in accordance with ASC 470-60 *Troubled Debt Restructurings*, the Company did not recognize a gain at the time of the restructuring, as the future cash payments, including contingent payments, are greater than the carrying value of the mortgage payable.

We have accrued interest of \$5.4 million related to this mortgage, which is included in accounts payable, accrued expenses and other liabilities on the consolidated balance sheets as of December 31, 2021. We incurred \$1.2 million of lender fees in connection with the loan modification which are treated as a reduction of the mortgage payable balance and amortized over the term of the loan in accordance with the provisions under ASC 470-60.

Mortgage on Woodmore Towne Centre

On December 23, 2021, the Company entered into a 10-year, \$117.2 million non-recourse first mortgage to partially fund the acquisition of its property in Glenarden, MD. The mortgage is secured by the property with a fixed interest rate of 3.39% and is interest-only for the entire loan term.

Mortgage on The Outlets at Montehiedra

In connection with the refinancing of the loan secured by The Outlets at Montehiedra (“Montehiedra”) in the second quarter of 2020, the Company provided a \$12.5 million limited corporate guarantee. The guarantee is reduced commensurate with the loan amortization schedule and will reduce to zero in approximately five years. As of December 31, 2021, the remaining exposure under the guarantee is \$9.9 million. There was no separate liability recorded related to this guarantee.

7. INCOME TAXES

The Company elected to be taxed as a REIT under sections 856-860 of 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 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 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, in particular income taxes arising from its operating activities in Puerto Rico, which are included in income tax expense in the consolidated statements of income.

The Company satisfied its REIT distribution requirement by distributing \$0.60 per common share in 2021, which comprised a regular quarterly cash dividend of \$0.15 per common share declared for each quarter of 2021. During the year ended December 31, 2020, the Company declared a regular cash dividend of \$0.22 per common share for the first quarter of 2020 and a special cash dividend of \$0.46 per common share in December 2020. During the year ended December 31, 2019, the Company declared cash distributions on our common shares of \$0.88 per share. The taxability of such dividends for the years ended December 31, 2021, 2020 and 2019 are as follows:

| | Year Ended December 31, | | |
|--|-------------------------|---------|---------|
| | 2021 | 2020 | 2019 |
| Dividend paid per share ⁽¹⁾ | \$ 0.60 | \$ 0.68 | \$ 0.88 |
| Ordinary income | 100 % | 100 % | 83 % |
| Return of capital | — % | — % | — % |
| Capital gains | — % | — % | 17 % |

⁽¹⁾ The special cash dividend of \$0.46 per common share declared in December 2020, and paid in January 2021, was fully allocable to the 2020 tax year.

For U.S. federal income tax purposes, the REIT and other minority members are partners in the Operating Partnership. As such, the partners are required to report their share of taxable income on their respective tax returns. However, the Company maintains certain non-real estate operating activities that could not be performed by the REIT, and occur through the Company’s TRS, which is subject to federal, state and local income taxes. These income taxes are included in the income tax expense in the consolidated statements of income.

During the year ended December 31, 2021, the REIT was subject to Puerto Rico corporate income taxes on its allocable share of the Company’s Puerto Rico operating activities. The Puerto Rico corporate income tax consists of a flat 18.5% tax rate plus a graduated income surcharge tax for a maximum corporate income tax rate of 37.5%. In addition, the REIT is subject to a 10% branch profits tax on the earnings and profits generated from its allocable share of the Company’s Puerto Rico operating activities and such tax is included in income tax expense in the consolidated statements of income. During the year ended December 31, 2020 the Company also had activities occurring in special partnerships subject to a Puerto Rico 29% non-resident withholding tax on the net income from operating activities allocated to the Operating Partnership.

On June 1, 2020, the Company completed a mortgage refinancing of its mall in Puerto Rico, The Outlets at Montehiedra. The debt forgiven as a part of this refinancing resulted in a write-down to our Puerto Rico tax basis in the mall equal to such amount of debt forgiven and the recognition of a deferred tax liability on the Company’s consolidated balance sheet, which amounted to \$10.3 million.

On June 5, 2020 and December 11, 2020, the Company completed a legal entity restructuring of Montehiedra and Las Catalinas Mall, respectively. The legal entity restructurings resulted in a step up in our Puerto Rico tax basis in each mall and the recognition of a deferred tax asset on the Company’s consolidated balance sheet, which amounted to \$23.7 million for Montehiedra and \$29.5 million for Las Catalinas Mall.

Together, the refinancing and legal entity restructuring transactions resulted in a net deferred tax asset of \$42.9 million, which is included in prepaid expenses and other assets on the consolidated balance sheets as of December 31, 2020, and the Company recognized an accompanying Puerto Rico income tax benefit on the consolidated statements of income during the year ended December 31, 2020.

As a result of the Montehiedra refinancing and the Las Catalinas Mall troubled debt restructuring, the Company recognized a gain on extinguishment of debt for U.S. federal income tax purposes and implemented various tax planning strategies to limit its impact on the Company's overall U.S. federal taxable income. The strategies implemented resulted in the recognition of a state and local income tax liability and corresponding deferred tax asset for the REIT of \$4.5 million during the year ended December 31, 2020. During the year ended December 31, 2021, based on the filing of the 2020 state and local income tax returns, this amount was reduced by \$1.2 million due to the final taxable amount being lower than what was originally estimated.

Refer to Note 6 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for further information on the Montehiedra refinancing and the Las Catalinas Mall troubled debt restructuring.

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. Management's determination of the ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the underlying temporary differences become deductible. As of December 31, 2021, no valuation allowance has been recorded against the deferred tax assets that resulted from the legal entity restructurings of the Puerto Rico malls. In assessing the realizability of deferred tax assets, management determined it is more likely than not that these deferred tax assets will be realized.

During the year ended December 31, 2020, the Company recorded a \$4.5 million valuation allowance against the REIT's state and local deferred tax asset described above because management determined that it is not more likely than not that these deferred tax assets will be realized. As of December 31, 2021, the Company's total deferred tax asset and valuation allowance attributable to the REIT's state and local income tax liability decreased by \$1.5 million to \$3.0 million. The \$1.5 million decrease is attributed to the \$1.2 million reduction based on the final taxable amount being lower than what was originally estimated as discussed above and the current year movement in the temporary difference.

We account for 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.

Income before income taxes from the Company's operating activities in Puerto Rico during the years ended December 31, 2021 and 2020 was \$8.5 million and \$26.4 million, respectively. For the year ended December 31, 2021, the Puerto Rico income tax expense was \$2.4 million and the REIT's state and local income tax benefit was \$1.2 million as compared to a Puerto Rico income tax benefit of \$43.5 million and a REIT state and local income tax expense of \$4.5 million for the year ended December 31, 2020. Puerto Rico income tax expense of \$1.2 million was recorded for the year ended December 31, 2019. Income taxes are accounted for under the asset and liability method. Deferred income taxes are recognized for the tax effect of temporary differences between the financial reporting basis and the tax basis of taxable assets and liabilities and for the tax effect of carried forward tax attributes such as net operating losses and tax credits.

Income tax expense (benefit) for the years ended December 31, 2021, 2020 and 2019 consists of the following:

| (Amounts in thousands) | Year Ended December 31, | | |
|---|-------------------------|--------------------|-----------------|
| | 2021 | 2020 | 2019 |
| Income tax expense (benefit): | | | |
| Current: | | | |
| U.S. state and local income tax | (1,228) | 4,525 | 66 |
| Puerto Rico income tax | 110 | 1,293 | 851 |
| Total current | (1,118) | 5,818 | 917 |
| Deferred: | | | |
| U.S. federal income tax | 5 | (6) | — |
| Puerto Rico income tax ⁽¹⁾ | 2,252 | (44,808) | 370 |
| Total deferred | 2,257 | (44,814) | 370 |
| Total income tax expense (benefit) | \$ 1,139 | \$ (38,996) | \$ 1,287 |

⁽¹⁾ Due to the effects of applying ASC 842 on January 1, 2019, a 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 during the year ended December 31, 2019. 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, | | |
|--|-------------------------|--------------------|-----------------|
| | 2021 | 2020 | 2019 |
| Federal provision at statutory tax rate ⁽¹⁾ | \$ 22,880 | \$ 12,338 | \$ 24,672 |
| REIT income before income taxes not subject to federal tax provision | (22,875) | (12,339) | (24,677) |
| State and local income tax provision, net of federal benefit | 225 | 11 | 66 |
| Puerto Rico income tax provision | 2,362 | (43,515) | 1,221 |
| Change in valuation allowance | (1,453) | 4,509 | 5 |
| Total income tax expense (benefit) | \$ 1,139 | \$ (38,996) | \$ 1,287 |

⁽¹⁾ Federal statutory tax rate of 21% for the years ended December 31, 2021, 2020 and 2019.

Below is a table summarizing the Company's deferred tax assets and liabilities as of December 31, 2021 and 2020:

| (Amounts in thousands) | Balance at | |
|--|-------------------|-------------------|
| | December 31, 2021 | December 31, 2020 |
| Deferred tax assets: | | |
| Depreciation | \$ 40,793 | \$ 41,942 |
| Amortization of deferred financing costs | 860 | 1,105 |
| Rental revenue deemed uncollectible | 735 | 2,109 |
| Charitable contribution | 7 | 7 |
| Net operating loss | 1,425 | 107 |
| Valuation allowance | (3,061) | (4,514) |
| Total deferred tax assets | 40,759 | 40,756 |
| Deferred tax liabilities: | | |
| Mortgage liability | (1,394) | — |
| Straight line rent | (961) | (738) |
| Amortization of acquired leases | (205) | (228) |
| Accrued interest expense | (779) | (113) |
| Total deferred tax liabilities | (3,339) | (1,079) |
| Net deferred tax assets | \$ 37,420 | \$ 39,677 |

8. LEASES

Leases as lessor

We have approximately 900 operating leases at our retail shopping centers, malls and industrial properties 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 under 10,000 sf generally have lease terms of 5 years or less. Tenant leases 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 years ended December 31, 2021 and 2020 were as follows:

| (Amounts in thousands) | Year Ended December 31, | |
|-----------------------------|-------------------------|-------------------|
| | 2021 | 2020 |
| Rental Revenue | | |
| Fixed lease revenue | \$ 318,585 | \$ 235,488 |
| Variable lease revenue | 103,882 | 92,792 |
| Total rental revenue | \$ 422,467 | \$ 328,280 |

Property, plant and equipment under operating leases as lessor

As of December 31, 2021 and 2020, 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, including those with revenue recognized on a cash basis, are disclosed in the aggregate due to their consistent nature as real estate leases. As of December 31, 2021, 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) | |
|--------------------------------------|---------------------|
| Year Ending December 31, | |
| 2022 | \$ 258,992 |
| 2023 | 247,248 |
| 2024 | 216,275 |
| 2025 | 192,115 |
| 2026 | 171,170 |
| Thereafter | 748,432 |
| Total undiscounted cash flows | \$ 1,834,232 |

Leases as lessee

As of December 31, 2021, the Company had twenty properties in its portfolio either completely or partially on land or in a building 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 one to 78 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.

On December 31, 2020, the Company recognized \$5.7 million of operating lease ROU assets and \$0.7 million of corresponding operating lease liabilities in connection with the Company's acquisition of Sunrise Mall, which included the acquisition of the lessee positions of ground leases.

The components of lease expense for the years ended December 31, 2021 and 2020 were as follows:

| (Amounts in thousands) | Year Ended December 31, | |
|-------------------------------------|-------------------------|------------------|
| | 2021 | 2020 |
| Lease expense | | |
| Operating lease cost ⁽¹⁾ | \$ 10,162 | \$ 10,875 |
| Variable lease cost | 2,710 | 2,792 |
| Total lease expense | \$ 12,872 | \$ 13,667 |

⁽¹⁾ During the years ended December 31, 2021 and 2020, the Company recognized sublease income of \$19.1 million and \$17.7 million, respectively, included in rental revenue on the consolidated statements 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.

Supplemental balance sheet information related to leases as of December 31, 2021 and December 31, 2020 was as follows:

| Supplemental noncash information | December 31, 2021 | | December 31, 2020 | |
|---------------------------------------|-------------------|---------------|-------------------|---------------|
| | Operating leases | Finance lease | Operating leases | Finance lease |
| Weighted-average remaining lease term | 14.8 years | 34.2 years | 15.7 years | 35.2 years |
| Weighted-average discount rates | 3.98 % | 4.01 % | 3.99 % | 4.01 % |

Supplemental cash information related to leases for the years ended December 31, 2021 and 2020 was as follows:

| (Amounts in thousands) | Year Ended December 31, | |
|--|-------------------------|-----------|
| | 2021 | 2020 |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | \$ 9,584 | \$ 10,033 |
| Operating cash flows from finance lease | 120 | 120 |
| Financing cash flows from finance lease | 11 | 11 |
| Right-of-use assets obtained in exchange for lease liabilities: | | |
| Operating leases | \$ 772 | \$ 1,740 |

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, | | |
| 2022 | \$ 9,089 | \$ 109 |
| 2023 | 8,212 | 109 |
| 2024 | 8,225 | 109 |
| 2025 | 6,324 | 109 |
| 2026 | 6,092 | 124 |
| Thereafter | 51,409 | 6,299 |
| Total undiscounted cash flows | 89,351 | 6,859 |
| Present value discount | (24,773) | (3,855) |
| Discounted cash flows | <u>\$ 64,578</u> | <u>\$ 3,004</u> |

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, 2021 and December 31, 2020.

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, which is provided by a third-party specialist. The fair value of cash and cash equivalents are 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, 2021 and December 31, 2020.

| (Amounts in thousands) | As of December 31, 2021 | | As of December 31, 2020 | |
|----------------------------------|-------------------------|--------------|-------------------------|--------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Liabilities: | | | | |
| Mortgages payable ⁽¹⁾ | \$ 1,695,408 | \$ 1,692,674 | \$ 1,597,397 | \$ 1,611,868 |

⁽¹⁾ Carrying amounts exclude unamortized debt issuance costs of \$8.2 million and \$9.9 million as of December 31, 2021 and December 31, 2020, 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. Such events and changes include macroeconomic conditions, including those caused by global pandemics, such as COVID-19, which may result in property operational disruption and indicate that the carrying amount may not be recoverable.

During the year ended December 31, 2021, the Company recognized impairment charges on two retail properties that the Company was actively marketing. The Company recognized an impairment charge of \$0.4 million on its property in Westfield, NJ which was sold on July 22, 2021. Additionally, the Company recognized an impairment charge of \$0.1 million on its ground lease in Vallejo, CA which was sold on December 21, 2021. Prior to these dispositions, the carrying value of these assets exceeded the estimated fair value less costs to sell. The aggregated fair values of \$7.9 million were based on sale agreements under negotiation with third-party buyers.

During the year ended December 31, 2020, the Company recognized an impairment charge of \$3.1 million on a parcel of our property in Lodi, NJ, which was sold on January 8, 2021. Prior to the sale of the parcel, the carrying value of this property exceeded its estimated fair value less costs to sell of \$7.2 million. The fair value of the parcel was based on a sale agreement under negotiation with a third-party buyer.

During the year ended December 31, 2019, the Company recognized impairment charges of \$26.3 million on four retail properties that the Company was 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.

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 \$0.5 million, \$3.1 million and \$26.3 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, 2021, 2020 and 2019.

10. COMMITMENTS AND CONTINGENCIES

Legal Matters

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 and Anchor Repositioning

The Company has 21 active development, redevelopment or anchor repositioning projects with total estimated costs of \$218.7 million, of which \$72.1 million has been incurred and \$146.6 million remains to be funded as of December 31, 2021. We continue to monitor the stabilization dates of these projects as a result of the impact of the COVID-19 pandemic on our tenants, vendors and supply chains. We have identified future projects in our development pipeline, but we are under no obligation to execute and fund any of these projects and each of these projects is being further evaluated based on market conditions.

Insurance

The Company maintains numerous insurance policies including for general liability, property, pollution, acts of terrorism, trustees' and officers', cyber, workers' compensation and automobile-related liabilities. However, all such policies are subject to terms, conditions, exclusions, deductibles and sub-limits, amount other limiting factors. For example, the Company's terrorism insurance excludes coverage for nuclear, biological, chemical or radiological terrorism events as defined by the Terrorism Risk Insurance Program Reauthorization Act.

The Company's primary and excess insurance policies providing coverage for pollution related losses have an aggregate limit of \$75 million and provide remediation and business interruption coverage for pollution incidents, which pursuant to our policies expressly include the presence and dispersal of viruses. On December 23, 2020, the Company initiated litigation in New Jersey state court, Bergen County, under these policies to recover uncollected rents and other amounts resulting from the COVID-19 virus.

Insurance premiums are typically charged directly to each of the properties 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

In June 2019, the Company finalized its insurance recovery related to Hurricane Maria with its carrier in the amount of \$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 \$1.7 million and \$1.8 million on our consolidated balance sheets as of December 31, 2021 and December 31, 2020, respectively, for remediation costs for environmental contamination at certain properties. While this accrual reflects our best 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, the Company recognized \$1.4 million 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. Given the economic environment brought upon by COVID-19, certain tenants experienced liquidity or financial hardships and filed for Chapter 11 bankruptcy protection since the pandemic was declared. Although some of these tenants intend to exit the Chapter 11 bankruptcy process and resume operations, the outcomes of such proceedings are unknown and the Company is currently exploring leasing alternatives for these spaces.

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, 2021 | December 31, 2020 |
| Other assets | \$ 19,712 | \$ 5,953 |
| Deferred tax asset, net | 37,420 | 39,677 |
| Real estate held for sale | — | 7,056 |
| Finance lease right-of-use asset | 2,724 | 2,724 |
| Deferred financing costs, net of accumulated amortization of \$5,932 and \$4,819, respectively | 2,234 | 3,347 |
| Prepaid expenses: | | |
| Real estate taxes | 9,982 | 8,093 |
| Insurance | 1,088 | 1,583 |
| Rent, licenses/fees | 951 | 1,878 |
| Total Prepaid expenses and other assets | \$ 74,111 | \$ 70,311 |

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, 2021 | December 31, 2020 |
| Dividend payable | \$ — | \$ 55,905 |
| Deferred tenant revenue | 28,898 | 26,594 |
| Accrued capital expenditures and leasing costs | 19,164 | 7,797 |
| Finance lease liability | 3,004 | 2,993 |
| Accrued interest payable | 9,879 | 11,095 |
| Security deposits | 6,693 | 5,884 |
| Accrued payroll expenses | 9,134 | 5,797 |
| Other liabilities and accrued expenses | 8,057 | 16,915 |
| Total accounts payable, accrued expenses and other liabilities | \$ 84,829 | \$ 132,980 |

13. INTEREST AND DEBT EXPENSE

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

| (Amounts in thousands) | Year Ended December 31, | | |
|--|-------------------------|------------------|------------------|
| | 2021 | 2020 | 2019 |
| Interest expense | \$ 54,946 | \$ 68,184 | \$ 63,783 |
| Amortization of deferred financing costs | 2,992 | 2,831 | 2,856 |
| Total Interest and debt expense | \$ 57,938 | \$ 71,015 | \$ 66,639 |

14. EQUITY AND NONCONTROLLING INTEREST

At-The-Market Program

On May 5, 2021 the Company established an at-the-market equity program (the “ATM Program”), pursuant to which the Company may offer and sell common shares, par value \$0.01 per share, with an aggregate gross sales price of up to \$250 million. Sales under the ATM Program may be made from time to time, as needed, by means of ordinary brokers’ transactions or other transactions that are deemed to be “at the market” offerings, in privately negotiated transactions, which may include block trades, or as otherwise agreed with the sales agents.

As of December 31, 2021, the Company has not issued any common shares under the ATM Program. Future sales will depend on a variety of factors including, but not limited to, market conditions, the trading price of our common shares, and our capital needs. The Company has no obligation to sell any shares under the ATM Program.

Share Repurchase Program

In March 2020, the Company’s Board of Trustees authorized a share repurchase program for up to \$200 million of the Company’s common shares. Under the program, the Company may repurchase its shares from time to time in the open market or in privately negotiated transactions in compliance with Securities and Exchange Commission Rule 10b-18. The amount and timing of the purchases will depend on a number of factors including the price and availability of the Company’s shares, trading volume and general market conditions. The share repurchase program does not obligate the Company to acquire any particular amount of common shares and may be suspended or discontinued at any time at the Company’s discretion.

During the year ended December 31, 2021, no shares were repurchased by the Company. During the year ended December 31, 2020, the Company repurchased 5.9 million shares at a weighted average share price of \$9.22 amounting to \$54.1 million.

Units of the Operating Partnership

The Operating Partnership's capital includes general and common limited partnership interests in the operating partnership ("OP Units"). As of December 31, 2021, Urban Edge owned approximately 96.2% 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 year ended December 31, 2021 the Company declared distributions on our common shares and OP units of \$0.60 per share/unit which comprised a regular quarterly dividend of \$0.15 per common share and OP unit declared for each quarter of 2021.

During the year ended December 31, 2020 the Company declared distributions on our common shares and OP units of \$0.68 per share/unit in the aggregate, which comprised a regular quarterly dividend of \$0.22 per common share and OP unit declared for the first quarter of 2020 and a special cash dividend of \$0.46 per common share and OP unit declared in December 2020 and paid on January 19, 2021. As a result of COVID-19 and the uncertainties it generated, the Company temporarily suspended quarterly dividend distributions for the second and third quarters of 2020.

During the year ended December 31, 2019, the Company declared distributions on our common shares and OP units 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, 2021, 2020 and 2019, 4,442, 3,445 and 6,920 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 4.1% weighted-average interest in the Operating Partnership for the year ended December 31, 2021. 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. During the years ended December 31, 2021, 2020 and 2019, 100,000, 1,355,836 and 6,995,941 units, respectively, were redeemed for an equivalent amount of common shares of the Company.

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 Interests in Consolidated Subsidiaries

The Company's noncontrolling interests relate to the 5% interest held by others in our property in Walnut Creek, CA (Mount Diablo) and 17.5% held by others in our property in Massapequa, NY. The net income attributable to noncontrolling interests 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 and Long-Term Incentive 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 (the "Performance 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 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.

On February 22, 2018, the Compensation Committee of the Board of Trustees 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.

The fair values of the 2015 OPP, the 2017 OPP and the 2018 LTI Plan on the dates of grant were \$3.9 million, \$4.1 million and \$3.6 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 the 2018 LTI Plan, assumptions include historical volatility, risk-free interest rates, and historical daily return as compared to our Peer Group. For the 2015 OPP and 2017 OPP, and the performance-based portion of the 2018 LTI Plan 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.

The 2015 OPP was fully vested as of November 5, 2020 and there is no compensation cost remaining as of December 31, 2021. In the years ending December 31, 2021, 2020, and 2019 we recognized \$0.7 million, \$1.6 million and \$2.3 million of compensation expense related to the 2015 OPP, 2017 OPP and 2018 LTI Plan, respectively. As of December 31, 2021, there was \$0.2 million of total unrecognized compensation cost related to the 2017 OPP and 2018 LTI Plan, which will be recognized over a weighted-average period of less than one year.

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.

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 TSR during the three-year performance period following their grant (two-thirds of the program).

Performance-based awards

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 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 12 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.

Time-based awards

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. 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 years ended December 31, 2021, 2020 and 2019, respectively, we recognized \$1.4 million, \$1.9 million and \$1.4 million of compensation expense related to the 2019 LTI Plan.

2020 Long-Term Incentive Plan

On February 20, 2020, the Compensation Committee of the Board of Trustees of the Company approved the Company's 2020 Long-Term Incentive Plan ("2020 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 (i) the passage of time (one-third of the fair value of the program) and (ii) performance goals tied to our relative and absolute TSR during the three-year performance period following their grant (two-thirds of the fair value of the program). The total grant date fair value under the 2020 LTI Plan was \$8.8 million comprising performance-based and time-based awards as described further below:

Performance-based awards

For the performance-based awards under the 2020 LTI Plan, participants, have the opportunity to earn awards in the form of LTIP Units if Urban Edge's absolute and/or relative TSR meets certain criteria over the three-year Performance Period beginning on February 20, 2020 and ending on February 19, 2023. The Company granted performance-based awards under the 2020 LTI Plan that represent 630,774 LTIP Units. The fair value of the performance-based award portion of the 2020 LTI Plan on the date of grant was \$5.9 million using a Monte Carlo simulation to estimate the fair value through a risk-neutral premise.

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 12 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 in between such relative and absolute TSR thresholds. During the years ended December 31, 2021

and 2020 we recognized \$1.3 million and \$1.1 million, respectively, of compensation expense related to the performance-based awards under the 2020 LTI Plan.

Time-based awards

The time-based awards granted under the 2020 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 2020 LTI Plan that represent 169,004 LTIP units with a grant date fair value of \$2.9 million. During the years ended December 31, 2021 and 2020 we recognized \$0.7 million and \$1.1 million, respectively, of compensation expense related to the time-based awards under the 2020 LTI Plan.

2021 Long-Term Incentive Plan

On February 10, 2021, the Compensation Committee of the Board of Trustees of the Company approved the Company's 2021 Long-Term Incentive Plan ("2021 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-half of the program) and performance goals tied to our relative and absolute TSR during the three-year Performance Period following their grant (one-half of the program). The total grant date fair value under the 2021 LTI Plan was \$7.8 million, comprising both performance-based and time-based awards.

Performance-based awards

For the performance-based awards under the 2021 LTI Plan, participants have the opportunity to earn awards in the form of LTIP Units if Urban Edge's absolute and/or relative TSR meets certain criteria over the three-year Performance Period beginning on February 10, 2021 and ending on February 9, 2024. The Company granted performance-based awards under the 2021 LTI Plan that represent 398,977 LTIP Units. The fair value of the performance-based award portion of the 2021 LTI Plan on the date of grant was \$3.9 million using a Monte Carlo simulation to estimate the fair value through a risk-neutral premise.

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 15 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 in between such relative and absolute TSR thresholds. During the year ended December 31, 2021, we recognized \$1.0 million of compensation expense related to the performance-based awards under the 2021 LTI Plan.

Time-based awards

The time-based awards granted under the 2021 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, 2021, the Company granted time-based awards under the 2021 LTI Plan that represent 273,615 LTIP units with a grant date fair value of \$3.9 million. During the year ended December 31, 2021, we recognized \$1.0 million of compensation expense related to the time-based awards under the 2021 LTI Plan.

Units and Deferred Share Units Granted to Trustees

On May 6, 2020, certain trustees elected to receive a portion of their compensation in deferred share units and an aggregate of 12,121 shares were granted to those trustees based on the weighted average grant date fair value of \$8.25. In addition, certain trustees elected to receive a portion of their compensation in LTIP units and an aggregate of 87,117 LTIP units, were granted to those trustees based on the weighted average grant date fair value of \$8.03.

On May 5, 2021, a certain trustee elected to receive a portion of their compensation in deferred share units and an aggregate of 6,476 shares were granted to this trustee based on the weighted average grant date fair value of \$15.44. In addition, certain trustees elected to receive a portion of their compensation in LTIP units and an aggregate of 39,756 LTIP units were granted to those trustees based on the weighted average grant date fair value of \$15.09.

On July 1, 2021 a certain trustee elected to receive a portion of their compensation in LTIP units and an aggregate of 12,254 LTIP units were granted to this trustee based on the weighted average grant date fair value of \$15.02.

On November 22, 2021, a certain trustee elected to receive a portion of their compensation in LTIP units and an aggregate of 10,208 LTIP units were granted to this trustee based on the weighted average grant date fair value of \$14.17.

2022 Long-Term Incentive Plan

On February 11, 2022, the Compensation Committee of the Board of Trustees of the Company (the “Compensation Committee”) approved the Company’s 2022 Long-Term Incentive Plan (“2022 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 (i) the passage of time (one-half of the program) and (ii) performance goals tied to our relative total shareholder return (“TSR”), absolute TSR and FFO as Adjusted growth over a three year performance period (one-half of the program). The total grant date fair value under the 2022 LTI Plan was \$8.6 million, comprising both performance-based and time-based awards.

Shares Under Option

All stock options granted have ten-year contractual lives, containing vesting terms of three to five years. The following table presents stock option activity for the year ended December 31, 2021:

| | <u>Shares Under Options</u> | <u>Weighted Average Exercise Price per Share</u> | <u>Weighted Average Remaining Contractual Term</u> (in years) |
|----------------------------------|-----------------------------|--|--|
| Outstanding at January 1, 2021 | 4,930,762 | \$22.89 | — |
| Granted | — | — | — |
| Exercised | — | — | — |
| Forfeited or expired | (1,000,000) | 21.72 | — |
| Outstanding at December 31, 2021 | 3,930,762 | \$23.19 | 3.56 |
| Exercisable at December 31, 2021 | 3,156,449 | \$23.61 | — |

No options were granted or exercised during the year ended December 31, 2021. As of December 31, 2021, there was no intrinsic value for the outstanding and exercisable shares under option.

Restricted Shares

The following table presents information regarding restricted share activity during the years ended December 31, 2021, 2020, and 2019:

| | <u>Shares</u> | <u>Weighted Average Grant Date Fair Value per Share</u> |
|-------------------------------|---------------|---|
| Unvested at January 1, 2021 | 72,393 | 19.03 |
| Granted | 17,933 | 15.58 |
| Vested | (35,674) | 20.06 |
| Forfeited | (5,305) | 18.03 |
| Unvested at December 31, 2021 | 49,347 | \$ 17.23 |

During the year ended December 31, 2021, we granted 17,933 restricted shares that are subject to forfeiture and vest over periods ranging from one to three years. The total grant date value of the 35,674 restricted shares vested during the year ended December 31, 2021 was \$0.7 million.

Restricted Units

During the years ended December 31, 2021, 2020 and 2019, respectively, there were 335,833, 297,195 and 276,482 additional LTIP units issued. During the years ended December 31, 2021, 2020 and 2019, 271,635, 433,016, and 131,884 units vested, respectively. There were no restricted units converted to common shares during the year ended December 31, 2021. During the year ended December 31, 2020, 223,553 restricted units were converted to common shares. As of December 31, 2021 the remaining 629,931 units vest over a weighted average period of approximately two 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, | | |
|---|-------------------------|------------------|------------------|
| | 2021 | 2020 | 2019 |
| Share-based compensation expense components: | | | |
| Restricted share expense | \$ 461 | \$ 832 | \$ 1,697 |
| Stock option expense | 1,435 | 4,991 | 4,055 |
| LTIP expense ⁽¹⁾ | 4,909 | 7,331 | 4,477 |
| Performance-based LTI expense ⁽²⁾ | 3,865 | 3,792 | 3,164 |
| DSU expense | 149 | 48 | 156 |
| Total Share-based compensation expense | \$ 10,819 | \$ 16,994 | \$ 13,549 |

⁽¹⁾ LTIP expense includes the time-based portion of the 2021, 2020, 2019 and 2018 LTI Plans.

⁽²⁾ Performance-based LTI expense includes the 2017 OPP plan and the performance-based portion of the 2021, 2020, 2019 and 2018 LTI Plans.

As of December 31, 2021, we had a total of \$13.2 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 two 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, 2021, 2020 and 2019 there were options outstanding for 3,930,762 shares that potentially could be exercised for common shares. During the years ended December 31, 2021, 2020 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, 2021 there were 49,347 unvested restricted shares outstanding that potentially could become unrestricted common shares. The computation of diluted EPS for the years ended December 31, 2021, 2020 and 2019 included the 54,988, 77,289, and 100,406 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, | | |
|---|-------------------------|-----------|------------|
| | 2021 | 2020 | 2019 |
| Numerator: | | | |
| Net income attributable to common shareholders | \$ 102,686 | \$ 93,589 | \$ 109,523 |
| Less: Earnings allocated to unvested participating securities | (47) | (62) | (92) |
| Net income available for common shareholders - basic | \$ 102,639 | \$ 93,527 | \$ 109,431 |
| Impact of assumed conversions: | | | |
| OP and LTIP units | 3,675 | 81 | 5 |
| Net income available for common shareholders - dilutive | \$ 106,314 | \$ 93,608 | \$ 109,436 |
| Denominator: | | | |
| Weighted average common shares outstanding - basic | 117,029 | 117,722 | 119,751 |
| Effect of dilutive securities: | | | |
| Restricted share awards | 55 | 77 | 100 |
| Assumed conversion of OP and LTIP units | 4,363 | 103 | 45 |
| Weighted average common shares outstanding - diluted | 121,447 | 117,902 | 119,896 |
| Earnings per share available to common shareholders: | | | |
| Earnings per common share - Basic | \$ 0.88 | \$ 0.79 | \$ 0.91 |
| Earnings per common share - Diluted | \$ 0.88 | \$ 0.79 | \$ 0.91 |

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, | | |
|---|-------------------------|-----------|------------|
| | 2021 | 2020 | 2019 |
| Numerator: | | | |
| Net income attributable to unitholders | \$ 106,982 | \$ 97,749 | \$ 116,222 |
| Less: net income attributable to participating securities | (47) | (62) | (92) |
| Net income available for unitholders | \$ 106,935 | \$ 97,687 | \$ 116,130 |
| Denominator: | | | |
| Weighted average units outstanding - basic | 120,966 | 121,957 | 126,333 |
| Effect of dilutive securities issued by Urban Edge | 55 | 77 | 100 |
| Unvested LTIP units | 1,086 | 777 | 45 |
| Weighted average units outstanding - diluted | 122,107 | 122,811 | 126,478 |
| Earnings per unit available to unitholders: | | | |
| Earnings per unit - Basic | \$ 0.88 | \$ 0.80 | \$ 0.92 |
| Earnings per unit - Diluted | \$ 0.88 | \$ 0.80 | \$ 0.92 |

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, 2021. 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, 2021, 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, 2021 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, 2021 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, 2021. 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, 2021, 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, 2021 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, 2021 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, 2021, 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, 2021, based on 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, 2021, of the Company and our report dated February 16, 2022, 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 16, 2022

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, 2021, 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, 2021, based on 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, 2021, of the Operating Partnership and our report dated February 16, 2022, 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 16, 2022

ITEM 9B. OTHER INFORMATION

On February 11, 2022, the Compensation Committee approved and adopted an Executive Severance and Change in Control Plan (the “Plan”) for the benefit of certain of the Company’s executive officers and other eligible employees that the Compensation Committee may designate from time to time (the “Participants”). Each of the Company’s named executive officers identified in the Company’s proxy statement filed in connection with its 2021 annual meeting of shareholders has been named as Participants in the Plan (other than those executives whose severance benefits are governed by the terms of their existing agreements with the Company).

Under the Plan, in the event that a Participant’s employment is terminated by the Company for any reason other than for cause or death or disability, such Participant shall be entitled to (i) a lump sum payment equal to the product of (A) a severance multiple of either 1.0 (or such lesser multiple as may be agreed for non-executive officers), as specified in the letter agreement provided to each Participant upon qualification for the Plan, and (B) the sum of the Participant’s annual base salary and most recent target annual cash performance bonus, (ii) continuing coverage under the Company’s group medical, dental and vision plans as would have applied if the Participant remained employed for a number of years equal to the applicable severance multiple (at such cost to the Participant as would have applied in the absence of such termination), and (iii) full acceleration of time-base based equity awards held by the Participant and any accelerated vesting of equity awards with performance-based vesting to occur in accordance with the terms of the applicable award agreement. In addition, if such termination occurs within three months prior to, or within 12 months following, a Change in Control (as defined in the Plan), the relevant severance multiple will be 1.5 (or such lesser multiple as may be agreed for non-executive officers), as specified in the letter agreement provided to each Participant upon qualification for the Plan.

In the event that a Participant’s employment is terminated on account of his or her death or disability, such Participant (or the Participant’s estate or beneficiaries) shall be entitled to, among other things, full acceleration of time-base based equity awards held by the Participant and any equity awards with performance-based vesting to remain outstanding and earned in accordance with their terms based on performance but without further vesting based on service. Additionally, in the event that a Participant’s employment is terminated on account of his or her disability, such Participant shall be entitled to receive any compensation and/or benefits as may be due or payable to such Participant in accordance with the terms and provisions of any employee benefit plans or programs of Urban Edge.

As a condition to participation in the Plan, each Participant must enter into a letter agreement with the Company in the form attached as an exhibit to the Plan, which, among other things, contains restrictive covenants in favor of the Company, including confidentiality, intellectual property, non-disparagement, non-competition and non-solicitation covenants. Participants must generally also execute, deliver and not revoke a general release of claims in favor of the Company in order to receive benefits.

The foregoing is a summary of the Plan and should be read in conjunction with the full text of the Plan, which is attached hereto as [Exhibit 10.17](#) and is incorporated herein by reference.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

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’ 2022 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’ 2022 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, 2021, 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 | 2,821,917 ⁽¹⁾ | \$ 20.04 | 4,151,073 ⁽³⁾ |
| Equity compensation plans not approved by security holders | 1,019,557 ⁽⁴⁾ | 21.72 | N/A |
| Total | 3,841,474 | \$ 20.49 | 4,151,073 |

⁽¹⁾ Includes an aggregate of (i) 107,646 common shares issuable upon exercise of outstanding unvested options (excluding 2,831,617 common shares issuable upon exercise of outstanding vested options) and (ii) 2,714,271 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, 2021 include 1,397,695 LTIP Units issued pursuant to our 2019 LTI Plan, 2020 LTI Plan, and 2021 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) 2,137,585 common shares remaining available for issuance under the Urban Edge Properties 2015 Omnibus Incentive Plan (the "Plan") and (ii) 2,013,488 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 4,275,169. 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 1,170,628 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 1,170,628 common shares authorized to be issued under the 2018 Inducement Equity Plan are an aggregate of (i) 666,667 common shares issuable upon exercise of outstanding unvested options (excluding 333,333 common shares issuable upon exercise of outstanding vested options) and (ii) 170,628 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' 2022 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' 2022 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' 2022 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 37](#).

(2) Financial Statement Schedules

Our financial statement schedules are included in Item 8 of this Annual Report on Form 10-K commencing on [page 92](#).

(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 88](#) 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> |
|-------------------------|---|
| 2.1 | 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) |
| 3.1 | 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) |
| 3.2 | Amended and Restated Bylaws of Urban Edge Properties (incorporated by reference to Exhibit 3.1 to Form 8-K filed March 24, 2020) |
| 4.1 | Description of Urban Edge Properties' Securities Registered Under Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.1 to Form 10-K filed on February 17, 2021) |
| 10.1 | 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) |
| 10.2 | 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) |
| 10.3 | 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) |
| 10.4 | 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 (incorporated by reference to Exhibit 10.5 to Form 10-K filed on February 12, 2020) |
| 10.5 | Third Amendment, dated as of June 3, 2020, 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 (incorporated by reference to Exhibit 10.1 to Form 8-K filed June 5, 2020) |
| 10.6 | 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) |
| 10.7 | 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) |
| 10.8 | 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) |
| 10.9† | Urban Edge Properties 2015 Employee Share Purchase Plan (incorporated by reference to Exhibit 4.4 to Form S-8 filed February 17, 2015) |
| 10.10† | Urban Edge Properties 2015 Omnibus Share Plan (incorporated by reference to Exhibit 10.5 to Form 8-K filed January 21, 2015) |
| 10.11† | Urban Edge Properties 2018 Inducement Equity Plan (incorporated by reference to Exhibit 99.1 to Form S-8 filed September 26, 2018) |
| 10.12† | 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) |
| 10.13† | Employment Agreement between Urban Edge Properties and Christopher Weilmminster (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on October 31, 2018) |
| 10.14† | 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) |
| 10.15† | Retention Agreement between Urban Edge Properties and Mark Langer (incorporated by reference to Exhibit 10.1 to Form 8-K filed October 24, 2019) |
| 10.16† | 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) |
| 10.17*† | Urban Edge Properties Executive Severance and Change in Control Plan |

| | |
|------------------------|---|
| 21.1* | List of Subsidiaries |
| 23.1* | Consent of Independent Registered Public Accounting Firm for Urban Edge Properties |
| 23.2* | Consent of Independent Registered Public Accounting Firm for Urban Edge Properties LP |
| 24.1* | Power of Attorney (included on signature page) |
| 31.1* | 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 |
| 31.2* | 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 |
| 31.3* | 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 |
| 31.4* | 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 |
| 32.1** | 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 |
| 32.2** | 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 |
| 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 16, 2022

URBAN EDGE PROPERTIES LP

By: Urban Edge Properties, General Partner

/s/ Mark Langer

Mark Langer, Chief Financial Officer

Date: February 16, 2022

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 16, 2022 |
| By: | <u>/s/ Mark Langer</u> Mark Langer | Chief Financial Officer (Principal Financial Officer) | February 16, 2022 |
| By: | <u>/s/ Jennifer Holmes</u> Jennifer Holmes | Chief Accounting Officer (Principal Accounting Officer) | February 16, 2022 |
| By: | <u>/s/ Susan Givens</u> Susan Givens | Trustee | February 16, 2022 |
| By: | <u>/s/ Michael A. Gould</u> Michael A. Gould | Trustee | February 16, 2022 |
| By: | <u>/s/ Steven H. Grapstein</u> Steven H. Grapstein | Trustee | February 16, 2022 |
| By: | <u>/s/ Steven J. Guttman</u> Steven J. Guttman | Trustee | February 16, 2022 |
| By: | <u>/s/ Norman K. Jenkins</u> Norman K. Jenkins | Trustee | February 16, 2022 |
| By: | <u>/s/ Amy B. Lane</u> Amy B. Lane | Trustee | February 16, 2022 |
| By: | <u>/s/ Kevin P. O'Shea</u> Kevin P. O'Shea | Trustee | February 16, 2022 |
| By: | <u>/s/ Steven Roth</u> Steven Roth | Trustee | February 16, 2022 |
| By: | <u>/s/ Douglas W. Sesler</u> Douglas W. Sesler | Trustee | February 16, 2022 |

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 | 19,637 | 581 | 22,864 | 23,445 | (9,516) | 1968 | 1968 | |
| Bensalem, PA | — | 2,727 | 6,698 | 1,610 | 2,727 | 8,308 | 11,035 | (4,656) | 1972/ 1999 | 1972 | |
| Bergen Town Center - East, Paramus, NJ | — | 6,305 | 6,824 | 41,465 | 6,305 | 48,289 | 54,594 | (12,174) | 1957/ 2009 | 2003/ 2019 | |
| Bergen Town Center - West, Paramus, NJ | 300,000 | 22,930 | 89,358 | 384,257 | 32,371 | 464,174 | 496,545 | (137,991) | 1957/ 2009 | 2003/ 2020 | |
| Brick, NJ | 49,554 | 1,391 | 11,179 | 14,579 | 1,391 | 25,758 | 27,149 | (17,867) | 1968 | 1968 | |
| Bronx (Bruckner Boulevard), NY | — | 66,100 | 259,503 | 3,730 | 55,295 | 274,038 | 329,333 | (50,679) | N/A | 2007 | |
| Bronx (Shops at Bruckner), NY | 9,698 | — | 32,979 | 5,112 | — | 38,091 | 38,091 | (2,895) | N/A | 2017 | |
| Bronx (1750-1780 Gun Hill Road), NY | 24,680 | 6,427 | 11,885 | 23,702 | 6,428 | 35,586 | 42,014 | (12,985) | 2009 | 2005 | |
| Brooklyn (Kingswood Center), NY | 70,815 | 15,690 | 76,766 | (2,096) | 15,690 | 74,670 | 90,360 | (4,660) | N/A | 2020 | |
| Brooklyn (Kingswood Crossing), NY | — | 8,150 | 64,159 | 1,509 | 8,150 | 65,668 | 73,818 | (3,741) | N/A | 2020 | |
| Broomall, PA | — | 850 | 2,171 | 8,042 | 321 | 10,742 | 11,063 | (1,849) | 1966 | 1966 | |
| Buffalo (Amherst), NY | — | 5,743 | 4,056 | 16,578 | 5,107 | 21,270 | 26,377 | (11,016) | 1968 | 1968 | |
| Cambridge (leased through 2033) ⁽³⁾ , MA | — | — | — | 97 | — | 97 | 97 | (24) | N/A | 2007 | |
| Carlstadt (leased through 2050) ⁽³⁾ , NJ | — | — | 16,458 | 137 | — | 16,595 | 16,595 | (5,905) | N/A | 2007 | |
| Charleston (leased through 2063) ⁽³⁾ , SC | — | — | 3,634 | 308 | — | 3,942 | 3,942 | (1,442) | N/A | 2006 | |
| Cherry Hill (Plaza at Cherry Hill), NJ | 28,244 | 14,602 | 33,666 | (2,679) | 14,602 | 30,987 | 45,589 | (6,140) | N/A | 2017 | |
| Dewitt (leased through 2041) ⁽³⁾ , NY | — | — | 7,116 | — | — | 7,116 | 7,116 | (2,787) | N/A | 2006 | |
| Rockaway, NJ | 27,800 | 559 | 6,363 | 4,868 | 559 | 11,231 | 11,790 | (7,315) | 1964 | 1964 | |
| East Brunswick, NJ | 63,000 | 2,417 | 17,169 | 7,524 | 2,417 | 24,693 | 27,110 | (19,717) | 1957/ 1972 | 1957/ 1972 | |
| East Hanover (200 - 240 Route 10 West), NJ | 63,000 | 2,232 | 18,241 | 16,690 | 2,671 | 34,492 | 37,163 | (20,946) | 1962 | 1962/ 1998 | |
| East Rutherford, NJ | 23,000 | — | 36,727 | 1,303 | — | 38,030 | 38,030 | (10,431) | 2007 | 2007 | |
| Freeport (Meadowbrook Commons) (leased through 2040) ⁽³⁾ , NY | — | — | — | 927 | — | 927 | 927 | (22) | N/A | 2005 | |
| Freeport (Freeport Commons), NY | 43,100 | 1,231 | 4,747 | 4,631 | 1,593 | 9,016 | 10,609 | (6,839) | 1981 | 1981 | |
| Garfield, NJ | 40,300 | 45 | 8,068 | 46,545 | 44 | 54,614 | 54,658 | (21,052) | 2009 | 1998 | |
| Glenarden, MD (Woodmore Towne Centre) | 117,200 | 28,397 | 144,834 | — | 28,397 | 144,834 | 173,231 | (131) | N/A | 2021 | |
| Glenolden, PA | — | 850 | 1,820 | 824 | 850 | 2,644 | 3,494 | (2,373) | 1975 | 1975 | |
| Hackensack, NJ | 66,400 | 692 | 10,219 | 7,601 | 692 | 17,820 | 18,512 | (12,415) | 1963 | 1963 | |
| Hazlet, NJ | — | 7,400 | 9,413 | (8,028) | 5,211 | 3,574 | 8,785 | (79) | 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⁾ | | | |
| Huntington, NY | — | 21,200 | 33,667 | 17,005 | 11,332 | 60,540 | 71,872 | (8,239) | N/A | 2007 | |
| Inwood, NY | — | 12,419 | 19,097 | 2,829 | 12,419 | 21,926 | 34,345 | (9,786) | N/A | 2004 | |
| Jersey City (Hudson Commons), NJ | 28,034 | 652 | 7,495 | 1,130 | 652 | 8,625 | 9,277 | (4,231) | 1965 | 1965 | |
| Jersey City (Hudson Mall), NJ | 22,154 | 15,824 | 37,593 | (3,267) | 14,289 | 35,861 | 50,150 | (6,951) | N/A | 2017 | |
| Kearny, NJ | — | 309 | 3,376 | 18,287 | 296 | 21,676 | 21,972 | (7,232) | 1938 | 1959 | |
| Lancaster, PA | — | 3,140 | 63 | 2,059 | 3,140 | 2,122 | 5,262 | (1,135) | 1966 | 1966 | |
| Las Catalinas, Puerto Rico | 123,977 | 15,280 | 64,370 | 5,740 | 11,490 | 73,900 | 85,390 | (34,602) | 1996 | 2002 | |
| Lodi (Washington Street), NJ | — | 7,606 | 13,125 | (8,813) | 3,823 | 8,095 | 11,918 | (3,217) | N/A | 2004 | |
| Manalapan, NJ | — | 725 | 7,189 | 7,240 | 1,046 | 14,108 | 15,154 | (10,605) | 1971 | 1971 | |
| Manchester, MO | 12,500 | 4,409 | 13,756 | (6,799) | 2,858 | 8,508 | 11,366 | (708) | N/A | 2017 | |
| Marlton, NJ | 37,400 | 1,611 | 3,464 | 14,759 | 1,454 | 18,380 | 19,834 | (13,006) | 1973 | 1973 | |
| Massapequa, (portion leased through 2069) ⁽³⁾ , NY | — | 44,035 | 3,084 | 29,423 | 30,077 | 46,465 | 76,542 | (56) | N/A | 2020 | |
| Middletown, NJ | 31,400 | 283 | 5,248 | 2,869 | 283 | 8,117 | 8,400 | (6,902) | 1963 | 1963 | |
| Millburn, NJ | 22,944 | 15,783 | 25,837 | (578) | 15,783 | 25,259 | 41,042 | (4,414) | N/A | 2017 | |
| Montclair, NJ | 7,250 | 66 | 419 | 472 | 66 | 891 | 957 | (776) | 1972 | 1972 | |
| Montehiedra, Puerto Rico | 79,381 | 9,182 | 66,751 | 30,012 | 7,951 | 97,994 | 105,945 | (52,018) | 1996/ 2015 | 1997 | |
| Morris Plains, NJ | — | 1,104 | 6,411 | 18,339 | 1,082 | 24,772 | 25,854 | (8,426) | 1961 | 1985 | |
| Mount Kisco, NY | 12,377 | 22,700 | 26,700 | 4,403 | 23,297 | 30,506 | 53,803 | (9,877) | N/A | 2007 | |
| New Hyde Park (leased through 2029) ⁽³⁾ , NY | — | — | 4 | — | — | 4 | 4 | (4) | 1970 | 1976 | |
| Newington, CT | — | 2,421 | 1,200 | 1,658 | 2,421 | 2,858 | 5,279 | (1,460) | 1965 | 1965 | |
| Norfolk (leased through 2069) ⁽³⁾ , VA | — | — | 3,927 | 15 | — | 3,942 | 3,942 | (3,937) | N/A | 2005 | |
| North Bergen (Kennedy Boulevard), NJ | — | 2,308 | 636 | 261 | 2,308 | 897 | 3,205 | (699) | 1993 | 1959 | |
| North Bergen (Tonelle Avenue), NJ | 100,000 | 24,978 | 10,462 | 67,385 | 33,211 | 69,614 | 102,825 | (21,231) | 2009 | 2006 | |
| North Plainfield, NJ | 25,100 | 6,577 | 13,983 | 795 | 6,577 | 14,778 | 21,355 | (5,518) | 1955 | 1989 | |
| Paramus (leased through 2033) ⁽³⁾ , NJ | — | — | — | 12,569 | — | 12,569 | 12,569 | (6,151) | 1957/ 2009 | 2003 | |
| Queens, NY | — | 14,537 | 12,304 | 4,284 | 14,537 | 16,588 | 31,125 | (2,832) | N/A | 2015 | |
| Rochester (Henrietta) (leased through 2056) ⁽³⁾ , NY | — | — | 2,647 | 1,181 | — | 3,828 | 3,828 | (3,634) | 1971 | 1971 | |
| Rockville, MD | — | 3,470 | 20,599 | 3,262 | 3,470 | 23,861 | 27,331 | (10,523) | N/A | 2005 | |
| Revere (Wonderland), MA | — | 6,323 | 17,130 | 28 | 6,323 | 17,158 | 23,481 | (2,396) | N/A | 2019 | |
| Salem (leased through 2102) ⁽³⁾ , NH | — | 6,083 | — | (1,823) | 2,994 | 1,266 | 4,260 | (24) | N/A | 2006 | |
| South Plainfield (leased through 2039) ⁽³⁾ , NJ | — | — | 10,044 | 1,926 | — | 11,970 | 11,970 | (4,409) | N/A | 2007 | |
| Springfield (leased through 2025) ⁽³⁾ , PA | — | — | — | 80 | — | 80 | 80 | (80) | N/A | 2005 | |
| Staten Island, NY | — | 11,446 | 21,262 | 5,072 | 11,446 | 26,334 | 37,780 | (11,973) | N/A | 2004 | |
| Totowa, NJ | 50,800 | 120 | 11,994 | 5,024 | 92 | 17,046 | 17,138 | (15,322) | 1957/ 1999 | 1957 | |

| 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⁾ | | | |
| Union (2445 Springfield Avenue), NJ | 45,600 | 19,700 | 45,090 | — | 19,700 | 45,090 | 64,790 | (16,439) | N/A | 2007 | |
| Union (Route 22 and Morris Avenue), NJ | — | 3,025 | 7,470 | 7,192 | 3,025 | 14,662 | 17,687 | (6,561) | 1962 | 1962 | |
| Walnut Creek (1149 South Main Street), CA | — | 2,699 | 19,930 | (1,003) | 2,699 | 18,927 | 21,626 | (3,559) | N/A | 2006 | |
| Walnut Creek (Mt. Diablo), CA | — | 5,909 | — | 1,784 | — | 7,693 | 7,693 | — | N/A | 2007 | |
| Watchung, NJ | 26,097 | 4,178 | 5,463 | 2,929 | 4,441 | 8,129 | 12,570 | (6,638) | 1994 | 1959 | |
| Wheaton (leased through 2060) ⁽³⁾ , MD | — | — | 5,367 | — | — | 5,367 | 5,367 | (2,046) | N/A | 2006 | |
| Wilkes-Barre (461 - 499 Mundy Street), PA | — | 6,053 | 26,646 | (15,463) | 2,823 | 14,413 | 17,236 | (264) | N/A | 2007 | |
| Woodbridge (Woodbridge Commons), NJ | 22,100 | 1,509 | 2,675 | 5,637 | 1,539 | 8,282 | 9,821 | (4,013) | 1959 | 1959 | |
| Woodbridge (Plaza at Woodbridge), NJ | 54,029 | 21,547 | 75,017 | 8,498 | 21,547 | 83,515 | 105,062 | (10,870) | N/A | 2017 | |
| Wyomissing (leased through 2065) ⁽³⁾ , PA | — | — | 2,646 | 403 | — | 3,049 | 3,049 | (2,655) | N/A | 2005 | |
| Yonkers, NY | 26,774 | 63,341 | 110,635 | 14,596 | 65,940 | 122,632 | 188,572 | (16,782) | N/A | 2017 | |
| INDUSTRIAL: | | | | | | | | | | | |
| East Hanover, NJ ⁽⁴⁾ | 40,700 | 5,589 | 57,485 | 30,750 | 5,756 | 88,068 | 93,824 | (22,177) | 1972 | 1972 / 2021 | |
| Lodi (Route 17 North), NJ | — | 238 | 9,446 | 4,212 | 238 | 13,658 | 13,896 | (127) | 1999 | 1975 | |
| TOTAL UE PROPERTIES | 1,695,408 | 583,698 | 1,718,987 | 895,235 | 543,827 | 2,654,093 | 3,197,920 | (752,152) | | | |
| Leasehold Improvements, Equipment and Other | — | — | — | 7,530 | — | 7,530 | 7,530 | (1,795) | | | |
| TOTAL | \$ 1,695,408 | \$ 583,698 | \$ 1,718,987 | \$ 902,765 | \$ 543,827 | \$ 2,661,623 | \$ 3,205,450 | \$ (753,947) | | | |

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

⁽²⁾ Adjusted tax basis for federal income tax purposes was \$1.8 billion as of December 31, 2021.

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

⁽⁴⁾ The increase in initial cost to the Company is due to the acquisitions of 151 Ridgedale Avenue and 601 Murray Road.

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, | | |
|---|-------------------------|--------------|--------------|
| | 2021 | 2020 | 2019 |
| Real Estate | | | |
| Balance at beginning of period | \$ 2,946,817 | \$ 2,748,785 | \$ 2,768,992 |
| Additions during the period: | | | |
| Land | 33,473 | 68,536 | 13,441 |
| Buildings & improvements | 200,289 | 145,800 | 31,806 |
| Construction in progress | 97,401 | 27,550 | 61,641 |
| | 3,277,980 | 2,990,671 | 2,875,880 |
| Less: Impairments, assets sold, written-off or reclassified as held for sale | (72,530) | (43,854) | (127,095) |
| Balance at end of period | \$ 3,205,450 | \$ 2,946,817 | \$ 2,748,785 |
| Accumulated Depreciation | | | |
| Balance at beginning of period | \$ 730,366 | \$ 671,946 | \$ 645,872 |
| Additions charged to operating expenses | 80,288 | 81,691 | 80,774 |
| | 810,654 | 753,637 | 726,646 |
| Less: Accumulated depreciation on assets sold, written-off or reclassified as held for sale | (56,707) | (23,271) | (54,700) |
| Balance at end of period | \$ 753,947 | \$ 730,366 | \$ 671,946 |

URBAN EDGE PROPERTIES
EXECUTIVE SEVERANCE AND CHANGE IN CONTROL PLAN

1. **Adoption; Purpose.** The Compensation Committee of the Board of Trustees of Urban Edge Properties (the “**Company**”) has adopted this Executive Severance and Change of Control Plan (this “**Plan**”) for the purpose of providing severance and change of control protections to certain key employees of the Company and its Subsidiaries.

2. **Participation.** This Plan is only for the benefit of Participants, and no other employees, personnel, consultants or independent contractors shall be eligible to participate in this Plan or to receive any rights or benefits hereunder. Participants are those employees (including new hires) designated by the Compensation Committee as Participants from time to time, subject to, and upon, such employee executing and delivering to the Company a Letter Agreement. Nothing in this Plan shall be construed as creating an express or implied contract of employment and nothing herein shall confer upon any Participant any right with respect to continued employment with the Company or any Subsidiary or limit the right of the Company or any Subsidiary to terminate such Participant at any time.

3. **Certain Definitions.** As used in this Plan, the following terms shall have the respective meanings set forth below:

“**Accrued Bonus**” shall mean an annual cash bonus awarded under the Company’s applicable incentive plan for a calendar year ended prior to the year which includes the Termination Date: (a) with respect to which the Compensation Committee determines, in its reasonable discretion, that the performance goals, conditions or metrics related thereto have been achieved by a Participant; and (b) which has not been paid to such Participant on or before such Participant’s Termination Date.

“**Accrued Rights**” shall mean, with respect to a Participant, the sum of the following: (a) any accrued but unpaid Base Salary of such Participant through the Termination Date; (b) reimbursement for any unreimbursed business expenses properly incurred by such Participant in accordance with Company policy through such Participant’s Termination Date; (c) independent rights under any award granted to such Participant pursuant to the Incentive Plan (including any vested Long-Term Incentive Awards) and other written compensation arrangements between such Participant and the Company; and (d) benefits due under any indemnification, insurance or other plan or arrangement to which such Participant may be entitled according to the documents governing such plans or arrangements.

“**Base Salary**” means the Participant’s highest annual rate of base salary during the twelve (12)-month period immediately prior to the Participant’s Date of Termination.

“**Benefits Continuation**” shall mean that the Company shall reimburse a Participant for the difference between the monthly COBRA premium paid by such Participant for Participant and Participant’s dependents and the monthly premium amount for such group health plan coverage paid by similarly situated active employees of the Company.

“**Board**” means the Board of Trustees of the Company and, after a Change in Control, the “board of directors” or similar constituent body of the parent corporation or surviving corporation, as the case may be.

“Cause” means: (i) the Participant’s willful and continued failure (other than as result of Participant’s incapacity due to physical or mental illness) to substantially perform the Participant’s duties with the Company after receipt of notice requesting such performance; (ii) willful and gross misconduct by the Participant in connection with the performance of services for the Company that is or may reasonably be expected to have a material adverse effect on the reputation or interests of the Company; or (iii) the Participant’s conviction of, or entry of a plea of guilty or nolo contendere with respect to, a felony crime (excluding any vehicular offense) or a crime involving fraud, forgery, embezzlement or similar conduct. The actions in (i) above will not be considered Cause unless the Participant has failed to cure such actions (if curable) within thirty (30) days of receiving written notice specifying with particularity the events allegedly giving rise to Cause. Further, no act or failure to act by the Participant will be deemed “willful” if taken or omitted in the good faith belief that the act or omission was in, or not opposed to, the best interests of the Company.

“Change in Control” means the occurrence of any one of the following events:

(i) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (a “Person”) becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (1) the then-outstanding common shares of the Company (the “Outstanding Company Common Shares”) or (2) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of trustees (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this clause (i), the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its affiliates or (4) any acquisition by any entity pursuant to a transaction described below in clauses (iii)(1), (iii)(2) or (iii)(3) of this definition;

(ii) any time at which individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a trustee subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the trustees then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of trustees or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or equity interests of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case unless, following such Business Combination, (1) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Shares and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding common shares (or other common equity securities) and the combined voting power of the then-

outstanding voting securities entitled to vote generally in the election of trustees or directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Shares and the Outstanding Company Voting Securities, as the case may be, (2) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding common shares (or other common equity securities) resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (3) at least a majority of the members of the board of trustees or board of directors (or equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

"Change of Control Termination Payment" shall mean an amount equal to: (a) a Participant's Change of Control Termination Payment Multiple; multiplied by (b) the sum of: (i) a Participant's Base Salary; plus (ii) a Participant's Target Cash Bonus.

"Change of Control Termination Payment Multiple" shall mean a number determined by the Company and set forth in a Participant's Letter Agreement used for purposes of calculating such Participant's Change of Control Termination Payment.

"COBRA" shall mean the Consolidated Omnibus Reconciliation Act of 1985, as amended.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Committee" means the Compensation Committee of the Board.

"Disability" means, with respect to a Participant, a physical or mental incapacity whereby such Participant is unable for a period of six (6) consecutive months to perform the essential functions of such Participant's duties.

"Effective Date" means February 11, 2022.

"Incentive Plan" shall mean any long-term incentive plan of the Company in effect from time to time, as approved by the shareholders of the Company.

"Long-Term Incentive Award" shall mean all long-term incentive awards granted to a Participant by the Board or the Compensation Committee under the Incentive Plan.

“**Letter Agreement**” means the letter agreement provided to an executive by the Company substantially in the form attached hereto as Exhibit A stating, among other things, that such executive will be a Participant under this Policy and comply with certain confidentiality, non-competition, non-solicitation, non-disparagement and other covenants set forth in such letter agreement.

“**Net After-Tax Receipt**” shall mean the present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a Payment net of all taxes imposed on a Participant with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to a Participant’s taxable income for the immediately preceding taxable year, or such other rate(s) as the Accounting Firm determined to be likely to apply to a Participant in the relevant taxable year(s).

“**Participants**” shall mean those employees of the Company or any Subsidiary who both: (a) the Compensation Committee from time to time designates as Participants in the Plan, and (b) have entered into a Letter Agreement with the Company.

“**Performance Period**” shall mean the period of performance based on which a Long-Term Incentive Award may be granted or may vest, subject to the satisfaction of performance goals, conditions or metrics for such period determined by the Compensation Committee or the Board.

“**Reduced Amount**” shall mean the greatest amount of Plan Payments that can be paid that would not result in the imposition of the excise tax under Section 4999 of the Code.

“**Restrictive Covenants**” shall mean, with respect to a Participant, those non-competition, non-solicitation, non-disclosure, non-disparagement and other similar restrictive covenants set forth in the Letter Agreement executed and delivered by such Participant pursuant to this Plan.

“**Subsidiary**” means any subsidiary, affiliate or joint venture of the Company.

“**Target Cash Bonus**” shall mean a Participant’s most recent target annual cash performance bonus determined by the Company and applicable to the year which includes the Termination Date.

“**Termination Date**” shall mean, with respect to a Participant: (a) in the case of such Participant’s death, his date of death; (b) in the case of such Participant’s voluntary termination, the last day of such Participant’s employment; and (c) in all other cases, the date specified in the applicable Termination Notice.

“**Termination Event**” shall mean the termination of the employee-employer relationship between a Participant and the Company or any Subsidiary by reason of: (a) the resignation of such Participant; (b) the Company’s termination of such Participant; or (c) the death or Disability of such Participant.

“**Termination Payment**” shall mean an amount equal to: (a) a Participant’s Termination Payment Multiple; multiplied by (b) the sum of: (i) such Participant’s Base Salary; plus (ii) such Participant’s Target Cash Bonus.

“**Termination Payment Multiple**” shall mean a number determined by the Company and set forth in a Participant’s Letter Agreement used for purposes of calculating such Participant’s Termination Payment.

4. **Interpretation.** In this Plan, unless a clear contrary intention appears: (a) the words “herein,” “hereof” and “hereunder” refer to this Plan as a whole and not to any particular Section, clause or other subdivision; (b) reference to any Section or clause, means such Section or clause hereof; and (c) the words “including” (and with correlative meaning “include”) means including, without limiting the generality of any description preceding such term. The Section and clause headings herein are for convenience only and shall not affect the construction hereof.

5. **Termination Without Cause.** Except as otherwise set forth in Section 6 and Section 11 and subject to Section 9, in the event a Termination Event occurs with respect to a Participant by reason of a termination of employment by the Company or any Subsidiary without Cause (other than by reason of the death or Disability of such Participant), such Participant shall be entitled to receive from the Company the Accrued Rights, the Accrued Bonus and each of the following:

(a) a severance payment in an amount equal to such Participant’s Termination Payment, which amount the Company shall pay to Participant in a lump sum (subject to Section 13) as soon as practicable (but not later than thirty (30) days) following the Release Effective Date;

(b) if such Participant timely and properly elects continuation coverage under COBRA, then such Participant shall be entitled to receive Benefits Continuation until the earliest of: (i) the date which is the number of years following the Termination Date equal to such Participant’s Termination Payment Multiple; (ii) the date such Participant is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which such Participant becomes eligible to receive substantially similar coverage from another employer; and

(c) any unvested Long-Term Incentive Award: (i) that is subject solely to a time-based vesting condition will become vested immediately; and (ii) that is subject to subsequent performance-based vesting conditions will vest, if at all, in accordance with the terms of the applicable grant or award agreement; provided, that a Participant shall have ninety (90) days or the period specified in the applicable grant or award agreement, whichever is greater, to exercise any rights contained in any such grant or award agreement that are subject to exercise by such Participant (the “**Equity Award Acceleration**”).

6. **Termination Without Cause Following a Change of Control.** Subject to Section 9, in the event that a Termination Event with respect to a Participant occurs within three (3) months prior to or in connection with (and in each case subject to the consummation of), or within twelve (12) months following, the date of a Change of Control, by reason of a termination of employment by the Company or any Subsidiary without Cause (other than by reason of the death or Disability of such Participant), such Participant shall be entitled to receive from the Company the Accrued Rights, the Accrued Bonus and each of the following:

(a) a severance payment in an amount equal to such Participant's Change of Control Termination Payment, which amount the Company shall pay to Participant in a lump sum (subject to Section 13) as soon as practicable (but no later than thirty (30) days) following the Release Effective Date; and

(b) if such Participant timely and properly elects continuation coverage under COBRA, then such Participant shall be entitled to receive Benefits Continuation until the earliest of: (i) the date which is the number of years following the Termination Date equal to such Participant's Change of Control Termination Payment Multiple; (ii) the date such Participant is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which such Participant becomes eligible to receive substantially similar coverage from another employer.

(c) any unvested Long-Term Incentive Award: (i) that is subject solely to a time-based vesting condition will become vested immediately; and (ii) that is subject to subsequent performance-based vesting conditions will vest, if at all, in accordance with the terms of the applicable grant or award agreement; provided, that a Participant shall have ninety (90) days or the period specified in the applicable grant or award agreement, whichever is greater, to exercise any rights contained in any such grant or award agreement that are subject to exercise by such Participant.

To the extent a Participant is entitled to any payments of benefits set forth in this Section 6, such Participant shall not be entitled to any payments or benefits set forth in Section 5.

7. **Termination by Reason of Death or Disability.** In the event that a Termination Event occurs with respect to a Participant by reason of the death or Disability of such Participant (provided, that a termination by Disability shall mean a termination of such Participant's employment by the Company pursuant to a Termination Notice specifying the basis of such termination as of such Participant's Disability), such Participant shall be entitled to receive from the Company the Accrued Rights, the Accrued Bonus and the Equity Award Acceleration. In the event of a termination by Disability, such Participant shall be entitled to receive from the Company any compensation and/or benefits as may be due or payable to such Participant in accordance with the terms and provisions of any employee benefit plans or programs of the Company. Amounts payable by the Company pursuant to this Section 7 shall be paid to such Participant in a lump sum no later than thirty (30) days following such Participant's Termination Date.

8. **Termination for Cause.** In the event that a Termination Event occurs with respect to a Participant by reason of a termination of employment by the Company or any Subsidiary for Cause: (a) such Participant shall be entitled to receive the Accrued Rights; and (b) any unvested Long-Term Incentive Awards shall be forfeited upon such termination.

9. **General Release.** Notwithstanding anything herein to the contrary, a Participant shall not be entitled to receive any payments or benefits, other than the Accrued Rights, pursuant to Section 5 or Section 6 hereof (and such Participant shall forfeit all rights to such payments) unless such Participant has executed and delivered to the Company a general release in form and substance as attached hereto as Exhibit B (the "**General Release**") within thirty (30) days after Participant's Termination Date (the "**Release Execution Period**"), and such General Release remains in full force and effect, has not been revoked and is no longer subject to revocation, and a Participant shall be

entitled to receive such payments and benefits only so long as such Participant has not materially breached any of the provisions of the General Release (as specified in, and subject to, the limitations set forth in Paragraph 3(c) of the General Release) or the Restrictive Covenants without cure of any such breach within ten (10) business days after a notice from the Company specifying the breach. If the General Release is executed and delivered and no longer subject to revocation as provided in the preceding sentence, then any cash payments due to a Participant shall be paid (subject to Section 13) in accordance with the provisions of Section 5 or Section 6, as applicable. For purposes of this Plan, “**Release Effective Date**” means the date as of which the General Release, executed by a Participant and delivered to the Company, is no longer subject to revocation, which, if a Participant executes and delivers the General Release within the Release Execution Period, shall be no later than sixty (60) days following such Participant’s Termination Date. The first such cash payment shall include payment of all amounts that otherwise would have been due prior to the Release Effective Date under the terms of this Plan applied as though such payments commenced immediately upon the termination of such Participant’s employment, and any payments scheduled to be made after the Release Effective Date shall continue as provided herein. Notwithstanding the foregoing, if the Release Execution Period begins in one calendar year and ends in another calendar year and all or any portion of such payments constitute non-exempt deferred compensation for purposes of Section 409A of the Code, then none of such payments shall begin until such second calendar year.

10. **Termination Notices from Company**. For purposes of this Plan, any purported termination of employment of a Participant by the Company or any Subsidiary or by such Participant (other than due to such Participant’s death) shall be communicated by written notice to the other party, which notice shall specify the Termination Date (if applicable), the basis for such termination and the reasonably detailed facts and circumstances claimed to provide a basis for such termination (each, a “**Termination Notice**”).

11. **Accelerated Vesting upon a Change of Control**. Upon the occurrence of a Change of Control, with respect to each Participant any unvested Long-Term Incentive Award of such Participant, if at all, in accordance with the applicable grant or award agreement.

12. **Excess Parachute Payments**.

(a) Anything in this Plan to the contrary notwithstanding, in the event a nationally recognized independent accounting firm designated by the Company (the “**Accounting Firm**”) shall determine that receipt of all payments or distributions by the Company and any Subsidiary and each of their respective affiliates in the nature of compensation to or for a Participant’s benefit, whether paid or payable pursuant to this Plan or otherwise (a “**Payment**”), would subject such Participant to the excise tax under Code Section 4999, the Accounting Firm shall determine as required below in this Section 12(a) whether to reduce any of the Payments paid or payable pursuant to this Plan (the “**Plan Payments**”) to the Reduced Amount. The Plan Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that such Participant would have a greater Net After-Tax Receipt of aggregate Payments if Participant’s Plan Payments were so reduced. If the Accounting Firm determines that such Participant would not have a greater Net After-Tax Receipt of aggregate Payments if Participant’s Plan Payments were so reduced, then such Participant shall receive all Plan Payments to which such Participant is entitled.

(b) If the Accounting Firm determines that aggregate Plan Payments should be reduced to the Reduced Amount, then the Company shall promptly give Participant notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 12 shall be binding upon the Company and Participant (absent manifest error) and shall be made as soon as reasonably practicable and in no event later than fifteen (15) days following such Participant's Termination Date. For purposes of reducing the Plan Payments to the Reduced Amount, only amounts payable under this Plan (and no other Payments) shall be reduced. The reduction of the amounts payable hereunder, if applicable, shall first be made by first reducing or eliminating those payments or benefits which are payable in cash and then by reducing or eliminating payments which are not payable in cash, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from Participant's Termination Date. For this purpose, where multiple payments or benefits are to be paid at the same time, they shall be reduced or eliminated on a pro-rata basis.

(c) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of a Participant pursuant to this Plan which should not have been so paid or distributed (an "**Overpayment**") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of a Participant pursuant to this Plan which should have been so paid or distributed (an "**Underpayment**"), in each case consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or a Participant which the Accounting Firm believes has a high probability of success determines that an Overpayment has been made, such Participant shall pay any such Overpayment to the Company, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no amount shall be payable by a Participant to the Company if and to the extent such payment would not either reduce the amount on which such Participant is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be paid promptly (and in no event later than sixty (60) days following the date on which the Underpayment is determined) by the Company to, or for the benefit of, such Participant, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(d) All fees and expenses of the Accounting Firm shall be paid solely by the Company.

13. **Compliance with Code Section 409A.**

(a) This Plan is intended to comply with Section 409A of the Code ("**Section 409A**") or an exemption thereunder. This Plan shall be construed, interpreted and administered to the extent possible in a manner that does not result in the imposition on any Participant of any additional tax, penalty or interest under Section 409A. Any payments under this Plan that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. If any payment or benefit cannot be provided or made at the time specified herein without the imposition on

a Participant of any additional tax, penalty or interest under Section 409A, then such benefit or payment shall be provided in full at the earliest time thereafter when such additional tax, penalty or interest will not be imposed. For purposes of Section 409A: (i) any payments to be made under this Plan upon a termination of employment that constitute “nonqualified deferred compensation” within the meaning of Section 409A shall only be made if such termination of employment constitutes a “separation from service” under Section 409A; (ii) each payment made under this Plan shall be treated as a separate payment; and (iii) the right to a series of installment payments under this Plan is to be treated as a right to a series of separate payments. In no event shall any Participant, directly or indirectly, designate the calendar year of payment.

(b) All reimbursements and in-kind benefits provided under this Plan shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirements that: (i) any reimbursement is for expenses incurred during a Participant’s lifetime (or during a shorter period of time specified in this Plan); (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) Notwithstanding any provision in this Plan to the contrary, if, at the time of a Participant’s separation from service with the Company, the Company has securities which are publicly traded on an established securities market, such Participant is a “specified employee” (as defined in Section 409A) and it is necessary to postpone the commencement of any severance payments otherwise payable pursuant to this Plan as a result of such separation from service to prevent any accelerated or additional tax under Section 409A, then the Company will postpone the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to Participant) that are not otherwise exempt from Section 409A until the first payroll date that occurs after the date that is six (6) months following Participant’s separation from service with the Company (as determined under Section 409A). If any payments are postponed pursuant to this Section 13(c), then such postponed amounts will be paid in a lump sum, without interest, to a Participant on the first payroll date that occurs after the date that is six (6) months following such Participant’s separation from service with the Company. If a Participant dies during the postponement period prior to the payment of any postponed amount, such amount shall be paid to the personal representative of such Participant’s estate within sixty (60) days after the date of Participant’s death.

(d) Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Plan comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by a Participant on account of non-compliance with Section 409A.

14. Miscellaneous Provisions

(a) **Cumulative Benefits; Effect on Other Plans.** Except as otherwise set forth herein or otherwise agreed to between the Company and a Participant, the rights and benefits provided to any Participant under this Plan are cumulative of, and are in addition to, all of the other rights and benefits provided to such Participant under any benefit plan of the Company or any agreement between such Participant and the Company or any Subsidiary. Notwithstanding anything to the contrary in this Plan, in the event that a Participant is entitled to severance benefits under any other employment agreement, severance agreement or similar agreement between a Participant and the Company: (a) the Plan Payments shall be reduced (but not below \$0.00) by the aggregate amount of all similar severance payments and benefits due to such Participant under such other agreement; and (b) the Benefits Continuation under this Plan shall be provided only during the period beginning on the last day that such Participant is entitled to similar benefits under such other agreement and ending on the date specified in Section 5(b) or Section 6(b) hereof, as applicable.

(b) **Plan Unfunded; Participant's Rights Unsecured.** The Company shall not be required to establish any special or separate fund or make any other segregation of funds or assets to assure the payment of any benefit hereunder. The right of any Participant to receive the benefits provided for herein shall be an unsecured claim against the general assets of the Company.

(c) **Clawback.** Notwithstanding any other provisions in this Plan to the contrary, any bonus, incentive-based, equity-based or other similar compensation paid to a Participant pursuant to this Plan which is required to be recovered under any law, government regulation or stock exchange listing requirement will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement).

(d) **Waiver.** No waiver of any provision of this Plan or any Letter Agreement shall be effective unless made in writing and signed by the waiving person or entity. The failure of any person or entity to require the performance of any term or obligation of this Plan or any Letter Agreement, or the waiver by any person or entity of any breach of this Plan or any Letter Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

(e) **Amendment; Termination.** The Company may amend or terminate this Plan at any time or from time to time for any reason, provided, that Sections 14(l) and 14(m) of this Plan and the Restrictive Covenants set forth in each Letter Agreement shall survive the termination of this Plan. The Company shall provide notice to Participants within fifteen (15) days of any amendment or termination of the Plan. For purposes hereof, an amendment or termination of this Plan shall not materially and adversely affect the rights of any Participant whose employment was terminated for any reason or no reason prior to the date of such amendment or termination. Notwithstanding the foregoing: (a) a Participant's right to receive payments and benefits pursuant to the Plan upon a Termination Event shall not be adversely affected without such Participant's consent by an amendment or termination of the Plan made within twelve (12) months prior to such Termination Event; and (b) a Participant's right to receive payments and benefits pursuant to this Plan in connection with a Termination Event occurring in connection with, or within twelve (12)

months following, a Change of Control, shall not be adversely affected without such Participant's consent by an amendment or termination of this Plan occurring within twelve (12) months before or after such Change of Control. Notwithstanding the foregoing, this Plan shall terminate without further action when all of the obligations to Participants hereunder have been satisfied in full.

(f) ***Administration.***

(i) The Compensation Committee shall have full and final authority to make determinations with respect to the administration of this Plan, to construe and interpret its provisions and to take all other actions deemed necessary or advisable for the proper administration of this Plan, but such authority shall be subject to the provisions of this Plan; provided, however, that, to the extent permitted by applicable law, the Compensation Committee may from time to time delegate such administrative authority to a committee of one or more members of the Board or one or more officers of the Company, except that in no event shall any such administrative authority be delegated to an officer with respect to such officer's status as a Participant. No discretionary action by the Compensation Committee shall amend or supersede the express provisions of this Plan.

(ii) The Company shall indemnify and hold harmless each member of the Compensation Committee against any and all expenses and liabilities arising out of his or her administrative functions or fiduciary responsibilities, including any expenses and liabilities that are caused by or result from an act or omission constituting the negligence of such member in the performance of such functions or responsibilities to the fullest extent permitted by applicable law. Expenses against which such member shall be indemnified hereunder shall include, without limitation, the amounts of any settlement or judgment, costs, counsel fees and related charges reasonably incurred in connection with a claim asserted or a proceeding brought or settlement thereof.

(g) ***Certain Corporate Transactions.*** In the event of a merger, consolidation or similar transaction, nothing herein shall relieve the Company from any of the obligations set forth in this Plan; provided, however, that nothing in this clause (g) shall prevent an acquirer of or successor to the Company from assuming the Company's obligations hereunder (or any portion thereof) pursuant to the terms of this Plan.

(h) ***Successors and Assigns.*** This Plan shall be binding upon, and inure to the benefit of, the Company and its successors and assigns. This Plan and all rights of each Participant shall inure to the benefit of, and be enforceable by, each such Participant and such Participant's personal or legal representatives, executors, administrators and heirs. If any Participant should die following a Termination Event but prior to all amounts due and payable to such Participant hereunder being paid, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to such Participant's beneficiary designated in writing to the Company prior to such Participant's death (or to such Participant's estate, if a Participant fails to make such designation). No payments, benefits or rights arising under this Plan may be assigned or pledged by any Participant, except under the laws of descent and distribution.

(i) ***Notices.*** Any notice or other communication required or permitted under this Plan shall be in writing and shall be delivered personally, by nationally-recognized overnight courier service or sent by certified, registered or express mail, postage prepaid. Any such notice

shall be deemed given when so delivered personally, when delivered by nationally-recognized overnight courier service or, if mailed, five (5) days after the date of deposit in the United States mails, as follows:

(A) if to the Company, to:

Urban Edge Properties
210 Route 4 East
Paramus, NJ 07652
Attention: _____

(B) if to any Participant, to such Participant's residence address on the records of the Company or to such other address as such Participant may have designated to the Company in writing for purposes hereof.

Each of the Company and a Participant, by notice given to the other in accordance with this Section 14(i), may designate another address or person for receipt of notices delivered pursuant to this Section 14(i).

(j) **Withholding.** The Company shall have the right to deduct from any payment or benefit provided pursuant to this Plan all federal, state and local taxes and any other amounts which are required by applicable law to be withheld therefrom.

(k) **Severability.** The provisions of this Plan and each Letter Agreement (including, for the avoidance of doubt, the Restrictive Covenants) shall be regarded as divisible and separate, and if any provision of this Plan or any Letter Agreement is, becomes or is deemed to be invalid, illegal or unenforceable in any respect, then the validity, legality and enforceability of the remaining provisions of this Plan and applicable Letter Agreement shall not be affected thereby.

(l) **Dispute Resolution.** Except as necessary for the Company and the Subsidiaries and their respective successors or assigns to specifically enforce or enjoin a breach of the Restrictive Covenants (to the extent such remedies are otherwise available), any controversy, claim, dispute or question arising out of, in connection with or in relation to this Plan or any Letter Agreement (including, for the avoidance of doubt, the Restrictive Covenants), at the election and upon written demand of the Company or any Participant, shall be submitted to binding arbitration in New York, New York according to New York law and the rules and procedures of the American Arbitration Association. The decision of the arbitrators shall be final and binding as to any matter submitted hereunder, and judgment on any award rendered by the arbitrators may be entered in any court having jurisdiction thereof. With respect to each such arbitration, each party thereto shall share equally the administrative expenses (filing and arbitrator costs) associated with the arbitration and the prevailing party shall be entitled to reimbursement of such party's reasonably attorneys' fees incurred in connection with any such dispute. For the avoidance of doubt, no counsel for any party to any such arbitration shall be disqualified from representing such counsel's clients in connection therewith as a result of such counsel's role in negotiating or drafting this Plan. Notwithstanding the foregoing, the dispute resolution procedures set forth in this Section 14(l) shall not apply to any matter which, by the express provisions of this Plan, is to be finally determined by the Compensation Committee.

(m) **Governing Law.** This Plan and each Letter Agreement (including, for the avoidance of doubt, the Restrictive Covenants) shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to conflict of laws provisions thereof, and applicable federal law.

[Severance Plan End]

EXHIBIT A

Form of Letter Agreement

LETTER AGREEMENT

[Date]

Dear **[Participant Name]**:

We are pleased to inform you that the Board of Directors of Urban Edge Properties, a Maryland real estate investment trust (the "Company"), has determined that, effective as of **[Date]** (the "Participation Date"), you are eligible to participate in the Company's Executive Severance and Change of Control Plan (the "Plan") as a Participant thereunder, subject to your execution and delivery of this Letter Agreement to the Company and subject to the terms and conditions of the Plan and this Letter Agreement. Capitalized terms used herein and not defined herein shall have the meanings given to such terms in the Plan.

The terms of the Plan are detailed in the copy of the Plan that is attached as Exhibit A to this Letter Agreement, and those terms of the Plan are incorporated in and made a part of this Letter Agreement. As described in more detail in the Plan, the Plan entitles you to certain severance benefits in the event that your employment with the Company or any Subsidiary terminates under certain circumstances. By signing this Letter Agreement, and as a condition of your eligibility for the payments and benefits set forth in the Plan, you agree to comply with the provisions of the Plan and you agree to comply with the provisions of this Letter Agreement (including, without limitation, the Restrictive Covenants set forth herein) during your employment and, to the extent required by the Restrictive Covenants, after the termination of your employment regardless of the reason for such termination. Your Termination Payment Multiple shall be [1]x and your Change in Control Termination Payment Multiple shall be [1.5]x.

This Letter Agreement and the Plan constitute the entire agreement between you and the Company with respect to the subject matter hereof and, as of the Participation Date, shall supersede in all respects any and all prior agreements between you and the Company concerning such subject matter.

Restrictive Covenants

By signing below, you hereby acknowledge and agree that:

(a) During the term of your employment with the Company or any Subsidiary and thereafter, you will not use, disclose or disseminate any Trade Secrets (as defined below) or other Confidential Information (as defined below) of, or relating to, the Company or any Subsidiary, except: (i) as may be required to perform your Duties during the term of your employment or as required by applicable law or legal process; or (ii) with the prior written consent of the Company.

The obligations in this clause (a) shall: (A) with respect to Trade Secrets, remain in effect as long as the information constitutes a Trade Secret under applicable law; and (B) with respect to Confidential Information, remain in effect so long as such information constitutes Confidential Information. “Confidential Information” means data and information: (i) relating to the Company’s business, regardless of whether the data or information constitutes a Trade Secret; (ii) disclosed to you or of which you became aware of as a consequence of your relationship with the Company or any Subsidiary; (iii) having value to the Company or any Subsidiary; (iv) not generally known to competitors of the Company; and (v) which includes, without limitation, Trade Secrets, methods of operation, information regarding acquisitions and dispositions, tenant (including prospective tenant) and lease information, shareholder information, financial information and projections, personnel data, information of any third party provided to the Company or any Subsidiary which the Company or Subsidiary is obligated to treat as confidential, and similar information; *provided, however*, that such term shall not mean data or information: (A) which has been voluntarily disclosed to the public by the Company, except where such public disclosure has been made without authorization from the Company; (B) which has been independently developed and disclosed by others; or (C) which has otherwise entered the public domain through lawful means. “Trade Secrets” means the then current definition of trade secrets under New York law.

(b) For the **[twelve (12)]**-month period following your termination or resignation of employment with the Company or any Subsidiary, unless you have obtained the prior written approval of the Board, you will not, unless such solicitation is made on behalf of the Company or any Subsidiary or such solicitation is made with the Company’s prior written consent, directly or indirectly, solicit, recruit, induce or otherwise encourage any employee of the Company or any Subsidiary to: (i) terminate or resign his or her employment relationship with the Company or such Subsidiary (except during your employment in connection with the termination of an employee in a manner consistent with the performance of your Duties and in compliance with the Company’s and its Subsidiaries’ policies); or (ii) be employed by, or otherwise provide consulting or other similar services to, any other person or entity engaged in the Company’s business.

(c) For the **[twelve (12)]**-month period following your termination or resignation of employment with the Company or any Subsidiary, you will not, whether for your own account or for the account of any other person or entity: (i) intentionally interfere with the Company’s or any Subsidiary’s relationship with; or (ii) endeavor to entice away from the Company or any Subsidiary, any tenant, co-developer or joint venturer of the Company or any Subsidiary.

(d) For the **[twelve (12)]**-month period following your termination or resignation of employment with the Company or any Subsidiary, unless you have obtained the prior written approval of the Board, or unless such termination or resignation occurs during the twelve (12)-month period following the date of a Change of Control, you will not: (i) in the geographic territory of the United States of America, either: (A) directly or indirectly, as an employee, consultant or otherwise, perform, for or on behalf of a Competing Business (as defined below), services that are the same as, or substantially similar to, the services that you performed for the Company or any Subsidiary; or (B) become employed as the Chief Executive Officer, Chief Financial Officer, President, Vice President, or in any other real estate executive position of a Competing Business; or (ii) have a financial interest in a Competing Business, including, without limitation, as a shareholder, officer, director or

principal; *provided, however*, you may own, directly or indirectly, solely as a passive investment, one percent (1%) or less of any class of securities of any entity traded on any national securities exchange. “Competing Business” means any business the primary business of which is being engaged in by the Company as a principal business as of the Termination Date (including, without limitation, the development, owning and operating of commercial real estate in the principal geographical markets in which the Company operates on the date of termination and the acquisition and disposition of commercial real estate in those markets for the purpose of development, owning and operating such real estate).

(e) During your employment with the Company or any Subsidiary and for the twenty- four (24)-month period following your termination or resignation of employment with the Company or any Subsidiary, you will not to take any action or say anything to any person that disparages the Company or any Subsidiary.

(f) During your employment with the Company or any Subsidiary, you will be subject to, and abide by, all written policies and procedures of the Company provided to you (as the same may be amended from time to time by the Company), including, without limitation, policies regarding the protection of confidential or proprietary information and intellectual property and potential conflicts of interest, except to the extent that such policies and procedures conflict with the other provisions of this Letter Agreement, in which case this Letter Agreement shall control.

(g) As between you and the Company, the Company shall be the sole owner of all the products and proceeds of your services and performance of your Duties including, without limitation, all materials, ideas, concepts, formats, suggestions, developments and other intellectual properties that you may acquire, obtain, develop or create during your employment with the Company or any Subsidiary in connection with your services and performance of your Duties, free and clear of any claims by you (or on your behalf) of any kind or character whatsoever (other than your rights and benefits under this Letter Agreement). You will, at the request of the Company, execute such assignments, certificates or other instruments as the Company may from time to time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend the Company’s right, title and interest in and to any such products and proceeds of your services and performance of your Duties (*provided*, that any such assignment, certificate or instrument shall not require you to assign or transfer any rights in such intellectual property owned by any third party, if any).

(h) You and the Company declare and intend that: (i) the immediately preceding clauses (a) through (g) shall be construed as a series of separate covenants; (ii) if any portion of the restrictions set forth in this section titled “Restrictive Covenants” should, for any reason whatsoever, be declared invalid by an arbitrator or a court of competent jurisdiction, then the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected; and (iii) the territorial and time limitations set forth in this section titled “Restrictive Covenants” are reasonable and properly required for the adequate protection of the business of the Company and its Subsidiaries. In the event that any such territorial or time limitation is deemed to be unenforceable by an arbitrator or a court of competent jurisdiction under applicable law, you

agree to the reduction of the subject territorial or time limitation to the area or period which such arbitrator or court shall have deemed enforceable. All of the provisions of this section titled "Restrictive Covenants" are in addition to any other written agreements on the subjects covered herein that you may have with the Company or any of its Subsidiaries and are not meant to, and do not, excuse any additional obligations that you may have under such agreements. You acknowledge that: (i) the Company has separately bargained and paid additional consideration for the restrictive covenants set forth in this section titled "Restrictive Covenants;" and (ii) the Company will provide certain benefits to you hereunder and under the Plan in reliance on such covenants in view of the unique and essential nature of the services and Duties you will perform on behalf of the Company and the irreparable injury that would befall the Company should you breach such restrictive covenants.

(i) The confidentiality, non-solicitation, non-competition, non-disparagement, intellectual property rights and other rights of the Company referred to in this section titled "Restrictive Covenants" of this Letter Agreement are each of substantial value to the Company or its Subsidiaries and that any breach of this section titled "Restrictive Covenants" by you could cause irreparable harm to the Company or its Subsidiaries, for which the Company or its Subsidiaries would have no adequate remedy at law. Therefore, in addition to any other remedies that may be available to the Company or any of its Subsidiaries under this Letter Agreement, the Plan or otherwise, the Company or its Subsidiaries shall be entitled to obtain temporary restraining orders, preliminary and permanent injunctions and other equitable relief to specifically enforce your duties and obligations under this Letter Agreement, or to enjoin any breach of this Letter Agreement, without the need to post a bond or other security and without the need to demonstrate special damages.

During your employment and for a period of three (3) years thereafter, at the request of the Company, you agree to cooperate with the Company and its Subsidiaries and each of their respective attorneys or other legal representatives in connection with any claim, litigation, or judicial or arbitral proceeding against the Company or any of its Subsidiaries or affiliates by any third party. Your duty of cooperation shall include, but shall not be limited to: (a) meeting with the Company's or its Subsidiaries' attorneys or other legal representatives by telephone or in person at mutually convenient times and places in order to state truthfully your knowledge of the matters at issue and recollection of events; (b) appearing at the Company's or its Subsidiaries' or their respective attorneys' request (and, to the extent possible, at a time convenient to you that does not conflict with the needs or requirements of your then-current employer or personal commitments) as a witness at depositions, trials or other proceedings, without the necessity of a subpoena, in order to state truthfully your knowledge of the matters at issue; and (c) signing at the Company's request declarations or affidavits that truthfully state the matters of which you have knowledge. Such cooperation will be without additional compensation if you are then employed by the Company or any Subsidiary and for reasonable compensation and subject to his reasonable availability if you are not so employed. The Company shall promptly reimburse you for your actual and reasonable travel or other out-of-pocket expenses (including reasonable attorneys' fees) that you may incur in cooperating with the Company and its Subsidiaries.

[Remainder of page intentionally left blank]

By signing below, you agree to the terms and conditions set forth herein, including without limitation, the Restrictive Covenants, and acknowledge: (a) your participation in the Plan as of the Participation Date; (b) that you have received and read a copy of the Plan; (c) that you agree that any termination benefits provided for in the Plan are subject to all of the terms and conditions of the Plan and you agree to such terms, conditions; (d) that the Company may amend or terminate the Plan at any time subject to the limitations set forth in the Plan; and (e) that the Restrictive Covenants shall survive and continue to apply in accordance with their terms notwithstanding any amendment or termination of the Plan (or the benefits to be provided thereunder) in the future.

This Letter Agreement and the Plan constitute the entire agreement between you and the Company with respect to the subject matter hereof and supersede in all respects any and all prior agreements between you and the Company concerning such subject matter.

Congratulations on your eligibility to participate in the Policy.

Urban Edge Properties

By: _____
Name:
Title:

AGREED TO AND ACCEPTED

[Participant Name]

EXHIBIT B
FORM OF
GENERAL RELEASE

This General Release (this "Release") is entered into on _____, 20__ by _____ (the "Participant") and Urban Edge Properties (the "Company") in consideration of the payments made pursuant to that certain Executive Severance and Change in Control Plan of Urban Edge Properties ("Plan").

WHEREAS, the Participant's employment with the Company terminated as of _____, 20__; and

WHEREAS, pursuant to the Plan, the Participant is eligible to receive certain post-termination severance payments and related termination benefits, the receipt of which is expressly conditioned upon the Participant's execution of this Release Agreement.

NOW THEREFORE, in consideration of the payments set forth in the Plan, the Participant hereby agrees as follows:

1. REPRESENTATIONS. The Participant represents and agrees that he has had a full and adequate opportunity to discuss and consider the Participant's claims. Further, the Participant represents and agrees that:

a. This Release is written in a manner that the Participant understands;

b. This Release and the promises made herein by the Participant are granted in exchange for consideration which is in addition to anything of value to which the Participant is already entitled;

c. The Participant has been advised to, by virtue of the receipt of this Release, and has had an opportunity to, consult with an attorney prior to deciding whether to enter into this Release;

d. The Participant has been given at least twenty-one (21) days within which to consider this Release. In the event the Participant executes this Release prior to the end of the twenty-one (21)-day period, the Participant certifies by that execution that the Participant knowingly and voluntarily waived the right to the full twenty-one (21)-day consideration period, for reasons personal to the Participant, with no pressure by the Company or its representatives to do so; and

e. The Participant is being provided with seven (7) days following the Participant's execution of this Release to revoke the Participant's release of any claim under the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621 et seq. ("ADEA"). Should the Participant elect to revoke the Participant's release of claims under the ADEA, the Participant shall provide notice to the Company as set forth in Section 5.09 of the Plan. Should the Participant revoke his release of claims under the ADEA, the Participant shall not be entitled to any post-termination severance payments pursuant to Section 3.01 or Section 3.02 of the Plan, as applicable.

2. NO ADMISSION OF LIABILITY. The Participant agrees and acknowledges that this Release shall never at any time or for any purpose be construed as an admission by the Company of any liability. The Company specifically disclaims any liability to the Participant or to any other person or entity.

3. GENERAL RELEASE.

a. In exchange for the post-termination payments provided by the Company, as set forth the Plan (as applicable), the Participant, on behalf of the Participant and the Participant's agents, attorneys, assigns, heirs, executors, administrators, beneficiaries, and personal and legal representatives, hereby releases and forever discharges the Company and any of its affiliates, subsidiaries, and related, parent or successor corporations, its benefit plans and programs, and all of its present and former agents, directors, officers, shareholders, employees, owners, representatives, insurers, administrators, trustees, and attorneys (hereinafter referred to as the "Released Parties"), or any of them, to the full extent permitted by law, from any and all losses, costs, expenses, liabilities, claims, causes of action (in law or in equity), suits, judgments, debts, damages, rights and entitlements of every kind and description (hereinafter collectively referred to as "Released Claims"), whether known or unknown, fixed or contingent, directly or indirectly, personally or in a representative capacity, that the Participant has now or may later claim to have had against the Company or any other Released Party by reason of any act, omission, matter, cause or thing whatsoever, from the beginning of time up to and including the date of execution of this Release, including, without limitation, Released Claims arising out of the Participant's employment or the termination of the Participant's employment with the Company or any of its affiliates or subsidiaries.

b. This general release includes, but is not limited to, all claims, manner of actions, causes of action (in law or in equity), suits or requests for attorneys' fees and/or costs under the Employee Retirement Income Security Act of 1974; Title VII of the Civil Rights Act of 1964 as amended; the Age Discrimination in Employment Act of 1967 ("ADEA"); the Older Worker's Benefits Protection Act ("OWBPA"); the Americans with Disabilities Act; the Rehabilitation Act of 1973; the Family and Medical Leave Act; the anti-retaliation provisions of the Fair Labor Standards Act; the Equal Pay Act; the Pregnancy Discrimination Act; the Consolidated Omnibus Budget Reconciliation Act ("COBRA"); the Occupational Safety and Health Act; the National Labor Relations Act; the Genetic Information Nondiscrimination Act of 2008; 42 U.S.C. §§ 1981 through 1988; any federal, state or local law regarding retaliation for protected activity or interference with protected rights; and any state or local law, including, but not limited to, common law claims of outrageous conduct, intentional or negligent infliction of emotional distress, negligent hiring, breach of contract, breach of the covenant of good faith and fair dealing, promissory estoppel, negligence, wrongful termination of employment, interference with employment relationship, civil rights, fraud and deceit and all other claims of any type or nature, including, without limitation, all claims for damages, wages, compensation, vacation, reinstatement, medical expenses, punitive damages, and claims for attorneys' fees. The Participant and the Company intend that this release shall discharge all Released Claims against the Company and all other Released Parties to the full and maximum extent permitted by law. The Participant and the Company further agree that to the extent that the waiving of certain claims is prohibited as a matter of law, this Release is not intended to waive any such claims.

c. Except as necessary to enforce the Participant's rights to any payments due to the Participant pursuant to the terms of the Plan, the Participant covenants and agrees not to bring any claim against the Company or any other Released Party concerning any of the matters covered by this Release. In the event that the Participant breaches this promise, and brings any claim against the Company or any other Released Party concerning any of the matters covered by this Release, except as necessary to enforce the Participant's rights to any payments due to the Participant pursuant to the terms of the Plan, the Participant shall: (i) forfeit and tender back to the Company all of the post-termination payments provided to the Participant pursuant to the Plan within ten (10) days except for \$100.00, unless the Participant's action is based on the ADEA and/or OWBPA; (ii) provide the Company at least ten (10) days prior to filing any action written notice of any action or proceeding and a copy of the complaint or other document by which such action is to be initiated; and (iii) hold the Company and any other Released Party harmless from any claim asserted in such action and indemnify the Company from all costs and expenses, including attorneys' fees, arising from the defense of such claim, unless his action is based on the ADEA and/or OWBPA in which case costs and expenses, including attorneys' fees, are governed by federal law.

d. The dispute resolution provisions set forth in Section 14(1) of the Plan are incorporated herein and apply with equal force to this Release.

IN WITNESS WHEREOF, the Employee has executed this Agreement on the date set forth below.

[PARTICIPANT]

Date of Execution: _____

SUBSIDIARIES OF THE REGISTRANT
URBAN EDGE PROPERTIES
as of December 31, 2021

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 | 151 Ridgedale Holdings LLC | Delaware |
| 2 | 601 Murray Holdings LLC | Delaware |
| 3 | Amherst II UE LLC | New York |
| 4 | Bethlehem UE LLC | Delaware |
| 5 | Bricktown UE LLC | New Jersey |
| 6 | Bricktown UE Member LLC | Delaware |
| 7 | Cherry Hill UE LLC | New Jersey |
| 8 | Dover UE LLC | New Jersey |
| 9 | Dover UE Member LLC | Delaware |
| 10 | East Brunswick UE II LLC | Delaware |
| 11 | East Brunswick UE Owner LLC | Delaware |
| 12 | Freeport UE LLC | New York |
| 13 | Freeport UE Member LLC | Delaware |
| 14 | Glen Burnie UE LLC | Maryland |
| 15 | Hackensack UE LLC | New Jersey |
| 16 | Hackensack UE Member LLC | Delaware |
| 17 | Hanover UE LLC | New Jersey |
| 18 | Hanover UE Member LLC | Delaware |
| 19 | Jersey City UE LLC | New Jersey |
| 20 | Jersey City UE Member LLC | Delaware |
| 21 | Kearny Holding UE LLC | New Jersey |
| 22 | Kearny Leasing UE LLC | New Jersey |
| 23 | Lawnside UE LLC | New Jersey |
| 24 | Lodi II UE LLC | New Jersey |
| 25 | Lodi UE LLC | New Jersey |
| 26 | Manalapan UE LLC | New Jersey |
| 27 | Marlton UE LLC | New Jersey |
| 28 | Marlton UE Member LLC | Delaware |
| 29 | Middletown UE LLC | New Jersey |
| 30 | Middletown UE Member LLC | Delaware |
| 31 | Montclair UE II LLC | Delaware |
| 32 | Montclair UE LLC | New Jersey |
| 33 | Morris Plains Holding UE LLC | New Jersey |
| 34 | Morris Plains Leasing UE LLC | New Jersey |

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| 35 | New Hyde Park UE LLC | New York |
| 36 | Newington UE LLC | Connecticut |
| 37 | North Bergen UE LLC | New Jersey |
| 38 | North Plainfield UE LLC | New Jersey |
| 39 | North Plainfield UE Member LLC | Delaware |
| 40 | Paramus UE II LLC | Delaware |
| 41 | Paramus UE LLC | Delaware |
| 42 | Patson UE Holdings LLC | Delaware |
| 43 | Patson Urban Edge GP LLC | Delaware |
| 44 | Patson Urban Edge LLC | Delaware |
| 45 | Springfield UE LLC | Massachusetts |
| 46 | Sunrise Leasehold LLC | Delaware |
| 47 | Sunrise Mall Holdings LLC | Delaware |
| 48 | Totowa UE LLC | New Jersey |
| 49 | Totowa UE Member LLC | Delaware |
| 50 | Towson UE LLC | Maryland |
| 51 | Turnersville UE LLC | New Jersey |
| 52 | UE 1105 State Highway 36 LLC | Delaware |
| 53 | UE 151 Ridgedale LLC | Delaware |
| 54 | UE 195 North Bedford Road LLC | Delaware |
| 55 | UE 197 Spring Valley LLC | Delaware |
| 56 | UE 2100 Route 38 LLC | Delaware |
| 57 | UE 2445 Springfield Avenue LLC | Delaware |
| 58 | UE 25 Spring Valley LLC | Delaware |
| 59 | UE 3098 Long Beach Road LLC | Delaware |
| 60 | UE 447 South Broadway LLC | Delaware |
| 61 | UE 51 Spring Valley LLC | Delaware |
| 62 | UE 601 Murray LLC | Delaware |
| 63 | UE 675 Paterson Avenue LLC | Delaware |
| 64 | UE 675 Route 1 LLC | Delaware |
| 65 | UE 7000 Hadley Road LLC | Delaware |
| 66 | UE 713-715 Sunrise LLC | Delaware |
| 67 | UE 839 New York Avenue LLC | Delaware |
| 68 | UE 938 Spring Valley LLC | Delaware |
| 69 | UE AP 195 N. Bedford Road LLC | Delaware |
| 70 | UE AR Building LLC | Delaware |
| 71 | UE Bensalem Holding Company LLC | Delaware |
| 72 | UE Bergen East LLC | Delaware |
| 73 | UE Bergen Mall 2017 License LLC | Delaware |
| 74 | UE Bergen Mall License II LLC | Delaware |
| 75 | UE Bergen Mall LLC | New Jersey |
| 76 | UE Bergen Mall Owner LLC | Delaware |
| 77 | UE Bethlehem Holding LP | Pennsylvania |
| 78 | UE Bethlehem Properties Holding Company LLC | Delaware |
| 79 | UE Bethlehem Property LP | Pennsylvania |

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|-----|-----------------------------------|---------------|
| 80 | UE Brick LLC | New Jersey |
| 81 | UE Bridgeland Warehouses LLC | New Jersey |
| 82 | UE Bruckner Plaza LLC | Delaware |
| 83 | UE Bruckner Shops LLC | Delaware |
| 84 | UE Burnside Plaza LLC | Delaware |
| 85 | UE Caguas/Catalinas Holding LLC | Delaware |
| 86 | UE Caguas/Catalinas Holding LP | Delaware |
| 87 | UE Camden Holding LLC | New Jersey |
| 88 | UE Chicopee Holding LLC | Massachusetts |
| 89 | UE CHLL LLC | Delaware |
| 90 | UE Cross Bay LLC | Delaware |
| 91 | UE Diablo Management LLC | Delaware |
| 92 | UE Forest Plaza LLC | Delaware |
| 93 | UE Freeport II LLC | Delaware |
| 94 | UE Gun Hill Road LLC | Delaware |
| 95 | UE Hanover Public Warehousing LLC | New Jersey |
| 96 | UE Harrison Holding Company LLC | Delaware |
| 97 | UE Henrietta Holding LLC | New York |
| 98 | UE Holding LP | Delaware |
| 99 | UE Hudson Mall LLC | Delaware |
| 100 | UE IT Management LLC | Delaware |
| 101 | UE Kingswood One LLC | Delaware |
| 102 | UE Kingswood Two LLC | Delaware |
| 103 | UE Lancaster Leasing Company LLC | Delaware |
| 104 | UE Las Catalinas LLC | Delaware |
| 105 | UE Lodi Delaware LLC | Delaware |
| 106 | UE Management LLC | Delaware |
| 107 | UE Management TRS LLC | Delaware |
| 108 | UE Manchester LLC | Delaware |
| 109 | UE Marple Holding Company LLC | Delaware |
| 110 | UE Massachusetts Holding LLC | Delaware |
| 111 | UE Maywood License II LLC | Delaware |
| 112 | UE Maywood License LLC | Delaware |
| 113 | UE Millburn LLC | Delaware |
| 114 | UE Montehiedra Holding II LLC | Delaware |
| 115 | UE Montehiedra Holding LLC | Delaware |
| 116 | UE Montehiedra Holding LP | Delaware |
| 117 | UE Montehiedra Lender LLC | Delaware |
| 118 | UE Montehiedra Management LLC | Delaware |
| 119 | UE Montehiedra OP LLC | Delaware |
| 120 | UE Montehiedra OPQOF LLC | Delaware |
| 121 | UE Montehiedra OPQOZB II LLC | Delaware |
| 122 | UE Montehiedra OPQOZB LLC | Delaware |
| 123 | UE Montehiedra Out Parcel LLC | Delaware |

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|-----|---------------------------------------|------------|
| 124 | UE Mundy Street LP | Delaware |
| 125 | UE New Bridgeland Warehouses LLC | Delaware |
| 126 | UE New Hanover LLC | New Jersey |
| 127 | UE New Hanover Public Warehousing LLC | Delaware |
| 128 | UE Norfolk Property LLC | Delaware |
| 129 | UE One Lincoln Plaza LLC | Delaware |
| 130 | UE PA 1 LP | Delaware |
| 131 | UE PA 10 LP | Delaware |
| 132 | UE PA 11 LP | Delaware |
| 133 | UE PA 12 LP | Delaware |
| 134 | UE PA 13 LP | Delaware |
| 135 | UE PA 14 LP | Delaware |
| 136 | UE PA 15 LP | Delaware |
| 137 | UE PA 16 LP | Delaware |
| 138 | UE PA 17 LP | Delaware |
| 139 | UE PA 18 LP | Delaware |
| 140 | UE PA 19 LP | Delaware |
| 141 | UE PA 2 LP | Delaware |
| 142 | UE PA 20 LP | Delaware |
| 143 | UE PA 21 LP | Delaware |
| 144 | UE PA 22 LP | Delaware |
| 145 | UE PA 23 LP | Delaware |
| 146 | UE PA 24 LP | Delaware |
| 147 | UE PA 25 LP | Delaware |
| 148 | UE PA 26 LP | Delaware |
| 149 | UE PA 27 LP | Delaware |
| 150 | UE PA 28 LP | Delaware |
| 151 | UE PA 29 LP | Delaware |
| 152 | UE PA 3 LP | Delaware |
| 153 | UE PA 30 LP | Delaware |
| 154 | UE PA 31 LP | Delaware |
| 155 | UE PA 32 LP | Delaware |
| 156 | UE PA 33 LP | Delaware |
| 157 | UE PA 34 LP | Delaware |
| 158 | UE PA 35 LP | Delaware |
| 159 | UE PA 36 LP | Delaware |
| 160 | UE PA 37 LP | Delaware |
| 161 | UE PA 38 LP | Delaware |
| 162 | UE PA 39 LP | Delaware |
| 163 | UE PA 4 LP | Delaware |
| 164 | UE PA 40 LP | Delaware |
| 165 | UE PA 5 LP | Delaware |
| 166 | UE PA 6 LP | Delaware |

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|-----|-------------------------------------|--------------|
| 167 | UE PA 7 LP | Delaware |
| 168 | UE PA 8 LP | Delaware |
| 169 | UE PA 9 LP | Delaware |
| 170 | UE PA GP LLC | Delaware |
| 171 | UE Paramus License LLC | Delaware |
| 172 | UE Paterson Plank Road LLC | Delaware |
| 173 | UE Patson LLC | Delaware |
| 174 | UE Patson Mt. Diablo A LP | Delaware |
| 175 | UE Patson Walnut Creek LP | Delaware |
| 176 | UE Pennsylvania Holding LLC | Pennsylvania |
| 177 | UE Philadelphia Holding Company LLC | Delaware |
| 178 | UE PP License 2021 LLC | Delaware |
| 179 | UE Property Management LLC | Delaware |
| 180 | UE Retail Management LLC | Delaware |
| 181 | UE Retail Manager LLC | Delaware |
| 182 | UE Revere LLC | Delaware |
| 183 | UE Rochester Holding LLC | New York |
| 184 | UE Rockaway LLC | New Jersey |
| 185 | UE Rockville LLC | Delaware |
| 186 | UE Second Rochester Holding LLC | New York |
| 187 | UE Sunrise LLC | Delaware |
| 188 | UE Sunrise Property Management LLC | Delaware |
| 189 | UE Tonnelle 8701 LLC | Delaware |
| 190 | UE Tonnelle Commons LLC | Delaware |
| 191 | UE Tonnelle Storage II LLC | Delaware |
| 192 | UE Tonnelle Storage LLC | Delaware |
| 193 | UE TRU Alewife Brook Pkwy LLC | Delaware |
| 194 | UE TRU Baltimore Park LP | Delaware |
| 195 | UE TRU CA LLC | Delaware |
| 196 | UE TRU Callahan Drive LP | Delaware |
| 197 | UE TRU Cherry Avenue LP | Delaware |
| 198 | UE TRU Erie Blvd LLC | Delaware |
| 199 | UE TRU Georgia Avenue LLC | Delaware |
| 200 | UE TRU Jericho Turnpike LLC | Delaware |
| 201 | UE TRU Leesburg Pike LLC | Delaware |
| 202 | UE TRU PA LLC | Delaware |
| 203 | UE TRU Sam Rittenburg Blvd LLC | Delaware |
| 204 | UE TRU West Sunrise Hwy LLC | Delaware |
| 205 | UE West Babylon LLC | Delaware |
| 206 | UE Woodbridge King George LLC | Delaware |
| 207 | UE Woodbridge Storage II LLC | Delaware |
| 208 | UE Woodmore Outlot D LLC | Delaware |
| 209 | UE Woodmore TC Holdings LLC | Delaware |

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|-----|---------------------------------------|---------------|
| 210 | UE Woodmore TC II LLC | Delaware |
| 211 | UE Woodmore TC LLC | Delaware |
| 212 | UE Wyomissing Properties LP | Delaware |
| 213 | UE Yonkers II LLC | Delaware |
| 214 | UE Yonkers LLC | Delaware |
| 215 | UE York Holding Company LLC | Delaware |
| 216 | Union UE LLC | New Jersey |
| 217 | Urban Edge Acquisitions LLC | Delaware |
| 218 | Urban Edge Bensalem LP | Pennsylvania |
| 219 | Urban Edge Bethlehem LP | Pennsylvania |
| 220 | Urban Edge Bethlehem Owner LLC | Pennsylvania |
| 221 | Urban Edge DP LLC | Delaware |
| 222 | Urban Edge EF Borrower LLC | Delaware |
| 223 | Urban Edge Lancaster LP | Pennsylvania |
| 224 | Urban Edge Marple LP | Pennsylvania |
| 225 | Urban Edge Mass LLC | Massachusetts |
| 226 | Urban Edge Massachusetts Holdings LLC | Delaware |
| 227 | Urban Edge Montehiedra Mezz Loan LLC | Delaware |
| 228 | Urban Edge Montehiedra OP LP | Delaware |
| 229 | Urban Edge Pennsylvania LP | Pennsylvania |
| 230 | Urban Edge Philadelphia LP | Pennsylvania |
| 231 | Urban Edge Properties | Maryland |
| 232 | Urban Edge Properties Auto LLC | Delaware |
| 233 | Urban Edge Properties LP | Delaware |
| 234 | Urban Edge York LP | Pennsylvania |
| 235 | Watchung UE LLC | New Jersey |
| 236 | Watchung UE Member LLC | Delaware |
| 237 | Wayne UE LLC | New Jersey |
| 238 | Woodbridge UE LLC | New Jersey |
| 239 | Woodbridge UE Member LLC | Delaware |

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 16, 2022, 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, 2021.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 16, 2022

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 16, 2022, 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 Properties LP for the year ended December 31, 2021.

/s/ DELOITTE & TOUCHE LLP

New York, New York
February 16, 2022

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 16, 2022

/s/ Jeffrey S. Olson

Jeffrey S. Olson

Chairman of the Board of Trustees and Chief Executive Officer

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 16, 2022

/s/ Mark Langer

Mark Langer
Chief Financial Officer

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 16, 2022

/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

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 16, 2022

/s/ Mark Langer

Mark Langer

Chief Financial Officer of Urban Edge Properties, general partner of registrant

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, 2021 (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 16, 2022

/s/ Jeffrey S. Olson
Name: Jeffrey S. Olson
Title: Chairman of the Board of Trustees and Chief Executive Officer

February 16, 2022

/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).

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, 2021 (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 16, 2022

/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 16, 2022

/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).