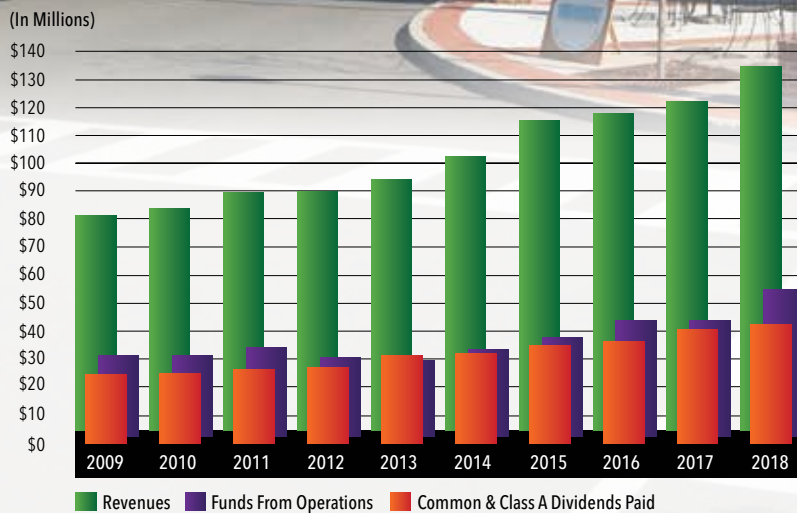


2018 ANNUAL REPORT

STOCK PRICES ARE OPINIONS.
BUT DIVIDENDS ARE FACTS.



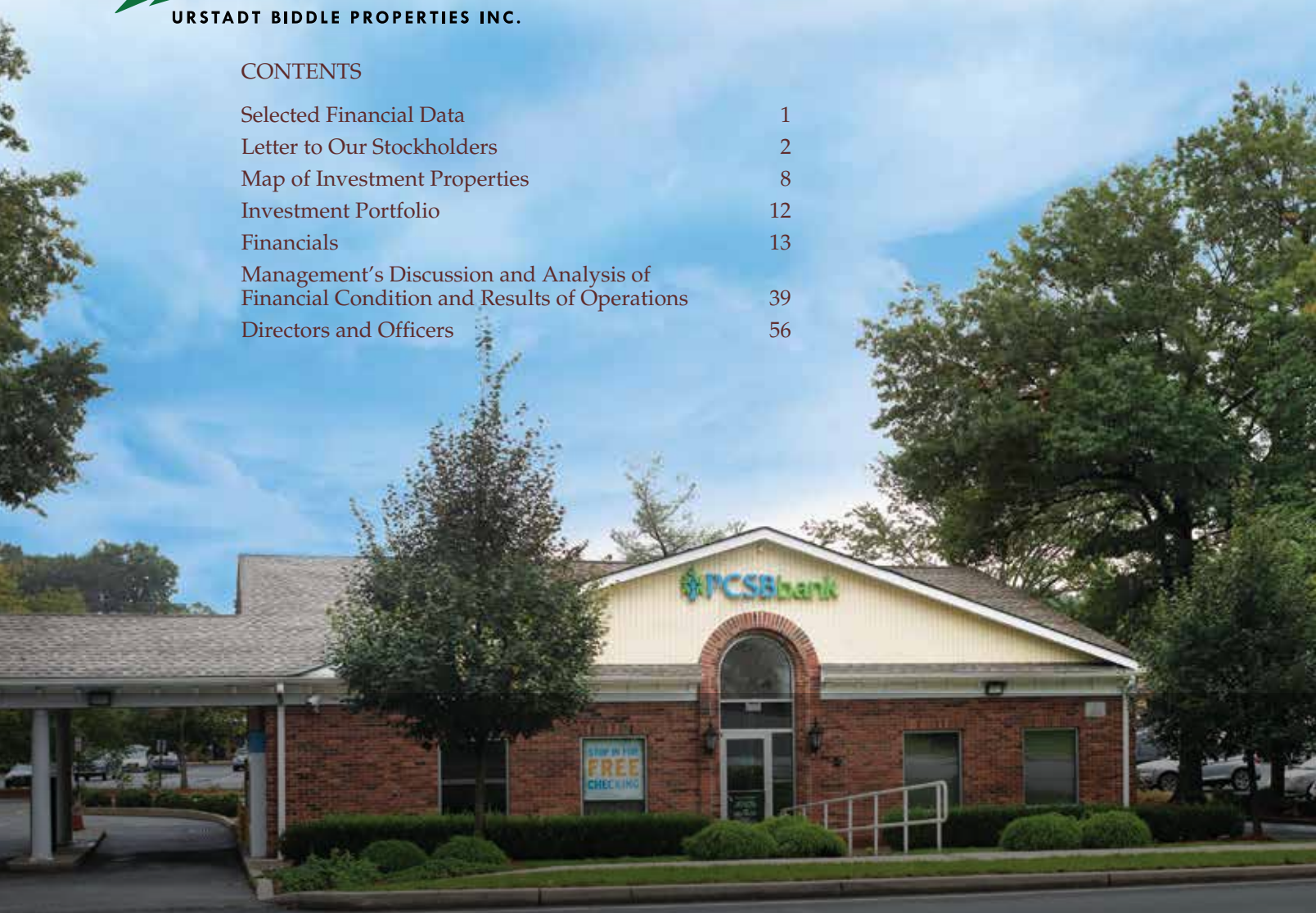
49 CONSECUTIVE
YEARS OF UNINTERRUPTED
DIVIDENDS.

25 CONSECUTIVE YEARS
OF INCREASED DIVIDENDS.



CONTENTS

Selected Financial Data	1
Letter to Our Stockholders	2
Map of Investment Properties	8
Investment Portfolio	12
Financials	13
Management's Discussion and Analysis of Financial Condition and Results of Operations	39
Directors and Officers	56



URSTADT BIDDLE PROPERTIES INC. is a self-administered publicly held real estate investment trust providing investors with a means of participating in the ownership of income-producing properties. Our investment properties consist primarily of neighborhood and community shopping centers in the northeastern part of the United States with a concentration in the Metropolitan New York tri-state area outside of the City of New York.

Class A Common Shares, Common Shares, Series G Preferred Shares and Series H Preferred Shares of the Company trade on the New York Stock Exchange under the symbols "UBA," "UBP," "UBPPRG" and "UBPPRH."

SELECTED FINANCIAL DATA

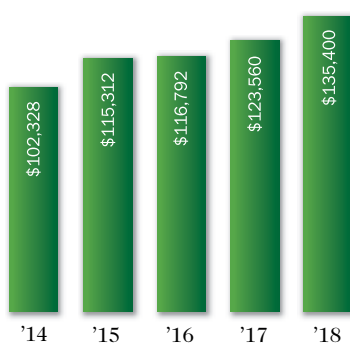
(Amounts in thousands, except share data)

Year Ended October 31,	2018	2017	2016	2015	2014
Balance Sheet Data:					
Total Assets	\$1,008,233	\$996,713	\$931,324	\$ 861,075	\$819,005
Revolving Credit Lines and Unsecured Term Loan	\$ 28,595	\$ 4,000	\$ 8,000	\$ 22,750	\$ 40,550
Mortgage Notes Payable and Other Loans	\$ 293,801	\$297,071	\$273,016	\$ 260,457	\$205,147
Preferred Stock Called for Redemption	—	\$ —	\$ —	\$ —	\$ 61,250
Operating Data:					
Total Revenues	\$ 135,352	\$123,560	\$116,792	\$ 115,312	\$102,328
Total Expenses and Payments to Noncontrolling Interests	\$ 100,320	\$ 91,774	\$ 85,337	\$ 88,594	\$ 75,927
Income from Continuing Operations before Discontinued Operations	\$ 42,183	\$ 55,432	\$ 34,605	\$ 50,212	\$ 53,091
Per Share Data:					
Net Income from Continuing Operations – Basic:					
Class A Common Stock	\$.68	\$.92	\$.57	\$1.04	\$1.22
Common Stock	\$.61	\$.82	\$.50	\$.92	\$1.09
Net Income from Continuing Operations – Diluted:					
Class A Common Stock	\$.67	\$.90	\$.56	\$1.02	\$1.19
Common Stock	\$.60	\$.80	\$.49	\$.90	\$1.06
Cash Dividends Paid on:					
Class A Common Stock	\$1.08	\$1.06	\$1.04	\$1.02	\$1.01
Common Stock	\$.96	\$.94	\$.92	\$.90	\$.90
Other Data:					
Net Cash Flow Provided by (Used in):					
Operating Activities	\$ 71,584	\$ 62,995	\$ 62,081	\$ 53,041	\$ 52,519
Investing Activities	\$(26,476)	\$ (16,262)	\$ (82,072)	\$(106,975)	\$(56,228)
Financing Activities	\$ 43,497	\$ (77,854)	\$ 20,639	\$ (12,472)	\$ 73,793
Funds from Operations (Note)	\$ 55,171	\$ 43,203	\$ 43,603	\$ 38,056	\$ 33,032

Note: The Company has adopted the definition of Funds from Operations (FFO) suggested by the National Association of Real Estate Investment Trusts (NAREIT) and defines FFO as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of properties plus real estate related depreciation and amortization and after adjustments for unconsolidated joint ventures. For a reconciliation of net income and FFO, see Management's Discussion and Analysis of Financial Condition and Results of Operations on page 39. FFO does not represent cash flows from operating activities in accordance with generally accepted accounting principles and should not be considered an alternative to net income as an indicator of the Company's operating performance. The Company considers FFO a meaningful, additional measure of operating performance because it primarily excludes the assumption that the value of its real estate assets diminishes predictably over time and industry analysts have accepted it as a performance measure. FFO is presented to assist investors in analyzing the performance of the Company. It is helpful as it excludes various items included in net income that are not indicative of the Company's operating performance. However, comparison of the Company's presentation of FFO, using the NAREIT definition, to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs. For a further discussion of FFO, see Management's Discussion and Analysis of Financial Condition and Results of Operations on page 39.

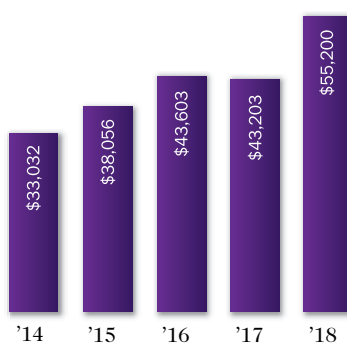
TOTAL REVENUES

(In thousands)



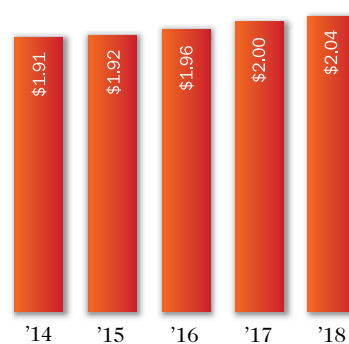
FUNDS FROM OPERATIONS

(In thousands)



COMBINED DIVIDENDS PAID ON COMMON AND CLASS A COMMON SHARES

(Per Share)



Letter To Our Stockholders

As we enter our 50th year, Urstadt Biddle Properties can look back on another outstanding year in 2018.



From left to right: Willing L. Biddle, President and Chief Executive Officer, Charles D. Urstadt, Chairman and Charles J. Urstadt, Chairman Emeritus

Revenues grew 9.5% to \$135 million, our highest ever. This increase was driven largely by last year's reinvestment of cash from the 2017 sale of the Pavilion development site in White Plains into newly acquired properties. Our Funds from Operations ("FFO"), which is an operating performance metric commonly used by commercial real estate companies, grew by 16% to \$1.47 per diluted Class A Common share¹, exclusive of stock redemption costs incurred in fiscal 2017. Rising revenues were the main driver of this FFO increase, but we also lowered our preferred stock costs (by replacing a higher coupon series with a lower coupon series), as well as our interest expense (primarily by refinancing the mortgage on our Ridgway property at a lower rate). The combination of the lower preferred stock costs and interest expense is now saving the Company approximately \$3 million per year.

General and administrative expenses also remained at less than 1% of total assets, essentially flat compared to 2017. It is also worth noting that we are well-insulated in the near-term from the risk of rising interest rates because our debt comprises only 32% of total assets, and we have

no significant debt maturing prior to 2022 that has not already been refinanced or forward rate-locked.

Our strong results were achieved against the backdrop of an uneven year for retail real estate companies and capital markets. Real estate markets go through cycles, including cycles marked by a disconnect between the private market and the public market. In other words, real estate is sometimes more expensive on Main Street than it is on Wall Street. This is one of those times. For example, a quality shopping center in our market sold in early December at a capitalization rate (i.e., the yield to a buyer of the unleveraged annual return on equity for a given property at a given price) that we estimate to have been between 4% and 5%. The implied capitalization rate of our own portfolio is approximately 6.9%, assuming a UBA stock price of \$20 per share. A dislocation between the private and public markets can occur when REIT stock prices over-correct in response to general fears of rising interest rates and/or other non-REIT-specific factors that spook the public market. Such a dislocation occurred in 2008 and again in 2011, and we believe that another one is occurring now. As a result, nearly all publicly-traded

Revenues grew 9.5% to \$135 million, our highest ever. Funds from operations grew 16% in fiscal 2018 when compared with fiscal 2017 on the strength of new revenues generated by investing the fiscal 2017 sales proceeds of our Pavilion property and replacing our 7.125% Series F preferred stock with a new 6.25% Series H preferred stock.

¹ Funds from Operations ("FFO") is a supplemental non-GAAP financial measure of operating performance for real estate companies—see discussion of the calculation and reconciliation to Net Income Applicable to Common and Class A Common Stockholders in "Management's Discussion and Analysis of Financial Condition and Results of Operations" later in this Annual Report.



Lakeview Shopping Center, located in Brewster, New York, anchored by a 45,000 square foot Acme Supermarket

Our strong results were achieved against the backdrop of an uneven year for retail real estate companies and capital markets.

shopping center REITs have been trading at a discount, although we believe our stock has been much less impacted than most of our peers.

As a company with nearly 50 years of experience in real estate, we are veterans of multiple real estate cycles and confident that we can navigate these bumps by focusing on our long-term growth strategy. As a REIT that is required to distribute most of its earnings to shareholders as dividends, we have historically relied on issuing new equity to grow. Until the private and public real estate markets re-align it will likely be wiser for us to raise capital by disposing of properties that do not meet our investment objectives than it would be to issue equity at a discount. Also, given current market conditions, we will intensely focus on the management of our existing portfolio. We will prune and weed, we will chop dead wood, and we will fertilize our portfolio like farmers would their fields, looking to the long-term harvest.

In addition to celebrating our 50th year in 2019, we also note another milestone in the history

of the Company. Charles J. Urstadt (CJU) stepped down as Chairman of the Company, a position he had held since 1989, and Charles D. Urstadt (CDU), an active board member since 1993, became the new Chairman.

When CJU became Chairman in 1989, the Company was still named HRE Properties (HRE) and externally advised by Merrill Lynch. HRE was a very different company than UBP is today, with 24 properties of varying types (i.e., office, industrial, retail) located in 15 states.

Almost all of HRE's properties were either single tenant, net leased properties or investments in partnerships run by operating partners who managed and leased the properties for large fees, with the Company being a passive equity partner. When the REIT Modernization Act took effect in the late 1980's, a new team of directors and managers assumed management of the Company. Led by CJU, the new management understood that broad diversification, without an in-depth understanding of geographic



Tanglewood Shopping Center, located on Central Park Avenue, in Yonkers, New York, anchored by a 8,300 square foot AutoZone

submarkets and property types, is not necessarily a winning formula in real estate investing. A new, more focused strategy was implemented based on the following five simple guidelines:

1. Invest in one property type and develop an expertise in that property type. Management chose open-air retail.
2. Invest in one geographic area with strong demographics and a stable, long-term future. Management chose the New York City suburbs.
3. Self-manage the properties because no one will care about them as much as we care.
4. Keep mortgage leverage low.
5. Limit the use of joint ventures and control decision-making for your properties.

Consistent with these principles, the Company's 1989 growth strategy included and continues to include a receptiveness to acquiring properties that are smaller than those typically sought by other shopping center investors. Our narrow focus on the NYC suburbs allows us to efficiently manage a portfolio that includes smaller properties, and we believe

we have a lower cost of capital than many competing local buyers.

Following this strategy, all but one of HRE's original 24 properties has been sold since 1989, and the proceeds have been reinvested along with new equity in order to create our current 85-property portfolio. The portfolio has been transformed from a motley collection of properties cobbled together by an outside manager to a cohesive group of complementary assets that, for the most part, an investor can tour without leaving a 60-minute driving radius from New York City.

As one of the participants in the post-1989 transformation of the Company, CDU's assumption of the chairmanship will not result in any changes to the Company's strategy. Our stable and forward-thinking management will continue to execute and build on the growth strategy we have been following for years. We will continue to focus on acquiring and managing grocery-anchored, open-air shopping centers in dense, affluent areas within the New York City suburbs.

With all the news stories these days about the struggles of retail real estate,

we constantly and proactively re-assess our strategy and ask ourselves: is our current strategy still sound?



*Stephan A. Rapaglia
Senior Vice President,
Chief Operating Officer,
Real Estate Counsel and
Assistant Secretary*

We believe the answer is yes, and here's why:

1. We believe that savvy retailers who focus on food, basic necessities and services, (including supermarkets, warehouse clubs, drugstores, fitness centers, medical facilities and restaurants) are less susceptible to Internet encroachment and will not only survive but thrive in the years to come. Approximately 82% of the square footage in our portfolio is anchored by supermarkets and warehouse clubs selling a high percentage of food and drugstores selling prescription drugs and convenience items.
2. Our portfolio is concentrated in the strong demographic suburbs around New York City, one of the best suburban retail markets in the country. The median

household income within a 3-mile radius of our properties averages approximately \$106,000, close to 73% higher than the national average. This metric is one of the highest of all shopping center REITs.

3. Most of our shopping centers are geographically well-insulated from potential future competition. Not only is there a scarcity of nearby suitable land zoned to permit a shopping center, but the high cost of land and construction would make it very difficult to build a competing shopping center at an adequate return on investment.
4. While the challenges of Internet retail to traditional brick-and-mortar retail are real, those who focus only on the challenges miss the opportunities in this changing landscape. More and more, all-Internet retailers like Bonobos, Warby Parker and Amazon are now opening physical locations. They realize that having a physical presence is essential to growing a brand and an integral part of an “omni-channel” sales strategy. In addition, the majority of brick-and-mortar retailers have learned to harness the power of Internet advertising to increase or supplement their sales.
5. Lastly, real estate is local, and we are confident that no one knows our submarkets like we do.

Leasing Update

We made good progress during 2018 on the leasing front. Our former A&P supermarket in our Valley Ridge Shopping Center in Wayne, NJ has been leased to Whole Foods, which is owned by Amazon. We are in the process of completing the work needed to deliver the 40,000 square foot space to the tenant. Our former Pathmark supermarket in our Ferry Plaza Shopping Center in the Ironbound section of Newark, NJ has been leased to Seabra Foods, the preeminent Portuguese and Spanish supermarket operator. Seabra is currently renovating the 63,000 square foot space into a combination supermarket and



Linda Lacey
Senior Vice President
Leasing



Nicholas Capuano
Vice President and
Real Estate Counsel



Joseph Allegretti
Vice President Leasing



Suzanne Moore
Vice President and Director
of Accounts Receivable

warehouse club. Seabra has a large wholesale food import business specializing in Portuguese and Spanish products. The combination supermarket and warehouse club will offer a unique product selection with tremendous prices. We are very excited for the business to open this spring.

The percentage leased rate of our total portfolio rose 0.3% to 93.7%, and in our consolidated portfolio, we renewed 155 leases totaling 480,000 square feet at an average rent increase of 6.5% and signed 60 new leases totaling 210,000 square feet at an average rent decrease of 11.7%. A large portion of the decrease on new lease rents was caused by the lease with Seabra. Seabra’s rent is significantly lower than that of the prior tenant because the prior tenant bought out of its lease for a substantial payment, and Seabra agreed to take the space in “as-is” condition without any landlord work or tenant improvement allowance. Excluding the unique Seabra deal, the average rent decrease for new leases was 4.6%.

Capital Market Events

We continued this year to take full advantage of historically low interest rates to lower the Company’s cost of capital. Three mortgage loans were

coming due in fiscal 2019. Given our concerns about the possibility of a rising interest rate environment, we did not want to wait and see where interest rates would be when these mortgages matured. In October 2018, we refinanced one of these mortgages and forward rate-locked the other two. When we complete the refinancings of the two forward rate-locked mortgages this spring, the only mortgage debt coming due before 2022 will be a small mortgage that we intend to re-pay with available cash. We feel these refinancing transactions, which are detailed below, strengthen our already fortress-like balance sheet.

- Goodwives Shopping Center, Darien, CT—We entered into a forward commitment to refinance our \$15 million mortgage when it comes due in March 2019. The new mortgage will increase the outstanding principal to \$25 million and have a term of ten years. The interest rate on the new mortgage will be fixed at 4.815%, which is a reduction from the current interest rate of 6.55%. This rate reduction will save us \$260,000 per annum in interest expense on the existing \$15 million mortgage balance. We intend on using the additional \$10 million in capital to repay a portion of the outstanding balance on our revolving credit facility.



John T. Hayes
Senior Vice President,
Chief Financial Officer
and Treasurer



Miyun Sung
Senior Vice President,
Chief Legal Officer and
Secretary



Diane Midollo
Vice President and
Controller

- Ferry Plaza Shopping Center, Newark, NJ—We entered into a forward commitment to refinance our \$10 million mortgage when it comes due in March 2019. The new mortgage will have a term of ten years. The interest rate on the new mortgage will be fixed at 4.63%, which is a reduction from the current interest rate of 6.15%. This rate reduction will save us \$152,000 per annum in interest expense.
- Putnam Plaza Shopping Center, Carmel, NY (66.7% ownership interest)—Although this mortgage was not scheduled to mature until October 2019, we had an opportunity to pre-pay without penalty, and we took advantage of this opportunity by refinancing the existing balance. The new \$18.9 million mortgage has a term of ten years, and the interest rate increased from 4.17% to 4.81%.

In July 2017, we refinanced the \$44 million, 5.52% mortgage on Ridgeway Shopping Center with a larger \$50 million mortgage at a fixed interest rate of 3.398%, a transaction that will save the Company over \$927,000 in annual interest going forward. Notably, we remain one of the lowest leveraged REITs with aggregate mortgage debt equal to only 26% of total book capitalization at year-end.

At October 31, 2018, the ratio of our debt to earnings before interest, taxes, depreciation and amortization (EBITDA) was approximately 4.01, while the average ratio of debt to EBITDA for our public company shopping center peer group (18 publicly-traded open air shopping center REITs) was 6.64. We believe that a lower multiple is evidence of our strong balance sheet.

Acquisitions Summary

Despite the challenging capital markets, our strong balance sheet allowed us to acquire interests in the following properties in 2018:



James M. Aries
Senior Vice President
Director of Acquisitions



Zach Fox
Vice President Acquisitions
Manager



1 Yankee Ridge Center, Ridgefield CT

Description: A 24,200 square foot building located at 470 Main Street, which is part of the Yankee Ridge Condominium and includes lower-level retail space and upper floor office space.

Key Tenants: Local tenants, including an Asian fusion restaurant. Tenants of other buildings in the condominium complex that are not owned by the company include M&T Bank, a popular local diner and a music store.

Price: \$3,100,000

Location: Located in the heart of downtown Ridgefield, CT just down the block from our other mixed-use properties in downtown Ridgefield.

Closing Date: January 2018

Future Plans: We purchased this property at a below market price by first acquiring the mortgage note on the property from the foreclosing lender. We completed the foreclosure in January 2018 and became the owner. We are currently improving the building systems, which were in disrepair, as well as the common areas and roofs.



2 Tanglewood Shopping Center, Yonkers, NY

Description: A 27,000 square foot shopping center on 2.7 acres of land.

Key Tenants: AutoZone, Dunkin Donuts, T-Mobile and Wing-Stop

Price: \$13,100,000

Location: Located on Central Park Avenue at the prominent intersection with Crisfield Street, there are approximately 135,000 people living within a 3-mile radius of the property with an estimated median household income of \$154,000. Tanglewood is located within four miles of four Metro-North train stations with express service to Manhattan (Crestwood, Tuckahoe, Scarsdale and Bronxville).

Closing Date: March 2018

Future Plans: We plan to renovate the façade and improve the signage to help improve our tenants' business.



3 Putnam County Saving Bank, New City, NY

Description: A 3,000 square foot free-standing, single tenant building, fully-occupied by Putnam County Savings Bank and located on 1 acre

of land, part of which is leased by the adjacent shopping center for parking purposes.

Tenant: Putnam County Savings Bank

Valuation: \$3,100,000

Location: Located directly in front of a grocery-anchored shopping center that also leases parking spaces from our property, a situation which may improve our chances of acquiring the adjacent shopping center in the future.

Closing Date: June 2018

Future Plans: No significant near-term plans.



4 Development Site, Stratford, CT

Description: 3 acres of land adjacent to the Dock Shopping Center, which is owned by the company.

Valuation: \$3,000,000

Location: Located adjacent to our existing shopping center and across the street from a property containing a Walmart, Home Depot and ShopRite Supermarket.

Closing Date: The final parcel was acquired in September 2018.

Future Plans: We have obtained site plan approval to construct a 130,000 square foot self-storage building and two retail pads totaling 8,600 square feet. Construction is expected to commence in the spring of 2019. The self-storage building will be managed by Extra Space Storage, which manages our other self-storage development in Yorktown, NY. The retail pads are approximately 25% pre-leased.



5 Lakeview Plaza, Brewster, NY

Description: A 177,000 square foot, shopping center on 23 acres of land.

Key Tenants: ACME Supermarket, Rite Aid, JPMorgan Chase, M&T Bank, Key Bank, Supercuts and Burger King

Price: \$12,000,000

Location: Located on Route 22, a major north/south road with an average daily traffic count of 30,500 cars, approximately 1 mile north of the intersections of I-684 and I-84. Approximately 52,500 people live within a 5-mile radius of the property having an estimated median household income of \$106,000.

Closing Date: December 2018

Future Plans: Lakeview Plaza was a rare opportunity in our market to purchase a foreclosed shopping center property from a lender. We believe we purchased the property at a significant discount to replacement cost, and we have commenced an approximate \$6-8 million capital improvement program to restore this property to the solid grocery-anchored center that it once was. The property is 73% leased and represents a good opportunity to create value by making improvements and increasing occupancy.



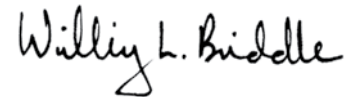
Andrew Albrecht
Vice President Management and Construction

Given the extremely competitive nature of our business, it has always been our policy to keep our acquisition prospects very close to the vest. We are always actively looking to grow the portfolio, even in a challenging capital markets environment, as we take a long-term view of real estate investing.

Outlook

In December 2018, UBP's Board of Directors increased the annualized dividend rate on each of UBP's Class A common stock and common stock by \$.02 per share. This increase represents the 49th consecutive year that UBP has paid a dividend and the 25th consecutive year that UBP has increased the dividend level.

We greatly appreciate the hard work of our dedicated staff and directors, as well as the continued support of our shareholders, tenants and the members of the many communities that our properties are located in. We look forward to celebrating our 50th anniversary with you in fiscal 2019.



Willing L. Biddle
President and
Chief Executive Officer



Charles D. Urstadt
Chairman

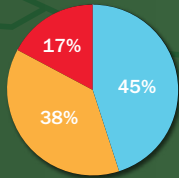


Charles J. Urstadt
Chairman Emeritus

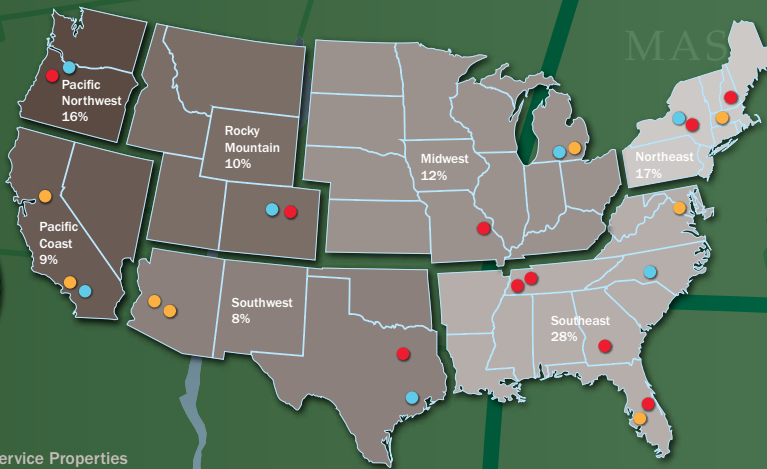
January 2019

Urstadt Biddle Properties has a dramatically different investment portfolio today than it did in the early stages of its existence. A mix of 24 office, warehouse and retail properties located in 15 states has been transformed into 85 properties, consisting primarily of grocery-anchored open air shopping centers concentrated in the high demographic suburbs of New York City.

HRE Properties 1989



- Office Properties
- Retail Properties
- Distribution and Service Properties



URSTADT BIDDLE PROPERTIES INC. TODAY



NEW HAMPSHIRE



1 Corporate Headquarters Greenwich



2 Greenwich Commons Greenwich



2 Cos Cob Plaza Greenwich



2 Kings Shopping Center Greenwich



2 Cos Cob Commons Greenwich



3 Ridgeway Shopping Center Stamford



3 Newfield Green Stamford



3 970 High Ridge Road Stamford



3 High Ridge Shopping Center Stamford



4 Goodwives Shopping Center Darien



5 Fairfield Centre Fairfield



6 Ridgefield Center Ridgefield



6 470 Main Street Ridgefield



7 Airport Plaza Danbury



7 Danbury Square Danbury



8 Veteran's Plaza New Milford



8 New Milford Plaza New Milford



8 Fairfield Plaza New Milford



9 The Hub Center Bethel



10 Starbucks Center Monroe



11 The Dock Stratford



12 Aldi Center Derby



13 Orange Meadows Shopping Center Orange



14 Carmel ShopRite Center Carmel



14 Putnam Plaza Carmel



15 Lakeview Shopping Center Brewster



16 Towne Centre Shopping Center Somers



16 Somers Commons Somers



16 Heritage 202 Center Somers



17 Village Commons Katonah



18 Staples Center Yorktown Heights



19 Arcadian Shopping Center Ossining



20 Chilmark Shopping Center Briarcliff Manor



21 76 N Main Street New City



22 Orangetown Shopping Center Orangeburg



23 Harrison Towne Center Harrison



24 Pelham Manor Plaza Pelham



25 Shoppes at Eastchester Eastchester



25 Eastchester Plaza Eastchester



26 Midway Shopping Center Scarsdale



26 Tanglewood Shopping Center Yonkers



27 McLean Plaza Yonkers



28 H-Mart Plaza Fort Lee



29 Washington Commons Dumont



30 Van Houten Farms Shopping Center Passaic



31 Emerson Shopping Plaza Emerson



32 Waldwick Plaza Waldwick



32 UBP Rite Aid Plaza Waldwick



33 Chestnut Ridge Shopping Center Montvale



34 Cedar Hill Shopping Center Wyckoff



34 Midland Park Shopping Center Midland Park



35 Meadtown Shopping Center Kinnelon



36 Pompton Lakes Town Square Pompton Lakes



37 Boonton A&P Shopping Center Boonton



38 Valley Ridge Shopping Center Wayne



39 Bloomfield Crossing Bloomfield



40 Ferry Plaza Newark



41 Village Shopping Center New Providence



42 Gateway Plaza Riverhead



43 Newington Park Newington

INVESTMENT PORTFOLIO (as of January 10, 2019)

UBP owns or has equity interests in 85 properties which total 5,307,000 square feet.

MAP	LOCATION	SQUARE FEET	PRINCIPAL TENANT	PROPERTY TYPE
CONNECTICUT				
Fairfield County, CT				
3	Stamford	374,000	Stop & Shop Supermarket	Shopping center
11	Stratford	278,000	Stop & Shop Supermarket	Shopping center
7	Danbury	194,000	Christmas Tree Shops	Shopping center
4	Darien	96,000	Stop & Shop Supermarket	Shopping center
3	Stamford	87,000	Trader Joe's	Shopping center
3	Stamford	72,000	Grade A Market	Shopping center
6	Ridgefield	62,000	Keller Williams	Street retail
5	Fairfield	62,000	Marshalls	Shopping center
1	Greenwich	58,000	UBP	Office (5 buildings)
2	Greenwich	48,000	CVS	Retail/Office
2	Greenwich	40,000	Kings Supermarket	Retail/Office
	Westport	39,000	El Matador Restaurant	Shopping center
7	Danbury	33,000	Buffalo Wild Wings	Shopping center
9	Bethel	31,000	Bozzuto's	Shopping center
3	Stamford	27,000	Federal Express	Shopping center
6	Ridgefield	24,000	Asian/Fusion Restaurant	Retail/Office
2	Greenwich	15,000	Jos A. Bank	Retail/Office
10	Monroe	10,000	Starbucks	Shopping center
2	Greenwich	10,000	Wells Fargo Bank	Shopping center
	Greenwich	8,000	CVS	Retail
	Greenwich	4,000	Chase Bank	Bank
		1,572,000		
Litchfield County, CT				
8	New Milford	235,000	Walmart	Shopping center
8	New Milford	81,000	Big Y Supermarket	Shopping center
8	New Milford	72,000	T.J. Maxx	Shopping center
		388,000		
New Haven County, CT				
13	Orange	78,000	Trader Joe's Supermarket	Shopping center
12	Derby	38,000	Aldi Supermarket	Shopping center
		116,000		
NEW YORK				
Westchester County, NY				
26	Scarsdale	250,000	ShopRite Supermarket	Shopping center
19	Ossining	137,000	Stop & Shop Supermarket	Shopping center
16	Somers	135,000	Home Goods	Shopping center
18	Yorktown	121,000	Staples	Shopping center
16	Somers	80,000	CVS	Shopping center
25	Eastchester	70,000	Acme Supermarket	Shopping center
27	Yonkers	58,000	Acme Supermarket	Shopping center
20	Briarcliff Manor	47,000	CVS	Shopping center
	Rye	39,000	Bareburger	Street retail (4 buildings)
	Ossining	29,000	Westchester Community College	Shopping center
17	Katonah	28,000	Katonah Pharmacy	Retail/Office
26	Yonkers	27,000	AutoZone	Shopping center
23	Harrison	26,000	Key Food Supermarket	Shopping center
24	Pelham	25,000	Manor Market	Shopping center
25	Eastchester	24,000	CVS	Shopping center
	Bronxville and Yonkers	19,000	People's United Bank	Retail (4 buildings)
16	Somers	19,000	Putnam County Savings Bank	Shopping center
		1,134,000		

MAP	LOCATION	SQUARE FEET	PRINCIPAL TENANT	PROPERTY TYPE
Putnam County, NY				
14	Carmel	189,000	Tops Supermarket	Shopping center
15	Brewster	177,000	Acme Supermarket	Shopping center
14	Carmel	129,000	ShopRite Supermarket	Shopping center
	Carmel	4,000	Vacant	Net leased property
		499,000		
Suffolk County, NY				
42	Riverhead	211,000	Walmart & Applebee's	Shopping center
Rockland County				
22	Orangeburg	74,000	CVS	Shopping center
	Spring Valley	24,000	Spring Valley Foods	Shopping center
21	New City	3,000	Putnam County Savings Bank	Retail (1 building)
		101,000		
Ulster County, NY				
	Kingston	3,000	Taste of Italy	Net leased property
Orange County, NY				
	Unionville	3,000	Unionville Family Restaurant	Net leased property
Columbia County, NY				
	Hillsdale	2,000	Friendly's Restaurant	Net leased property
NEW JERSEY				
Bergen County, NJ				
34	Midland Park	130,000	Kings Supermarket	Shopping center
31	Emerson	93,000	ShopRite Supermarket	Shopping center
33	Montvale	76,000	The Fresh Market Supermarket	Shopping center
29	Dumont	74,000	Stop and Shop Supermarket	Shopping center
34	Wyckoff	43,000	Walgreens	Shopping center
32	Waldwick	27,000	United States Post Office	Shopping center
32	Waldwick	20,000	Rite Aid	Retail—Single tenant
28	Fort Lee	7,000	H-Mart Supermarket	Retail supermarket—Single tenant
		470,000		
Passaic County, NJ				
36	Pompton Lakes	125,000	Planet Fitness	Shopping center
38	Wayne	102,000	PNC Bank	Shopping center
30	Passaic	37,000	Valley National Bank	Shopping center
		264,000		
Essex County, NJ				
40	Newark	108,000	Seabra Supermarket	Shopping center
39	Bloomfield	59,000	Walgreens	Shopping center
	Bloomfield	3,000	Friendly's Restaurant	Net leased property
		170,000		
Morris County, NJ				
35	Kinnelon	77,000	Marshalls	Shopping center
37	Boonton	63,000	Acme Supermarket	Shopping center
	Chester	9,000	Rainbow Child Care	Retail
		149,000		
Union County, NJ				
41	New Providence	109,000	Acme Supermarket	Shopping center
Somerset County, NJ				
	Bernardsville	14,000	Laboratory Corp.	Office building
NEW HAMPSHIRE				
Rockingham County, NH				
43	Newington	102,000	Savers	Shopping center

FINANCIALS

CONTENTS

Consolidated Balance Sheets at October 31, 2018 and 2017	14
Consolidated Statements of Income for each of the three years in the period ended October 31, 2018	15
Consolidated Statements of Comprehensive Income for each of the three years in the period ended October 31, 2018	16
Consolidated Statements of Cash Flows for each of the three years in the period ended October 31, 2018	17
Consolidated Statements of Stockholders' Equity for each of the three years in the period ended October 31, 2018	18
Notes to Consolidated Financial Statements	20
Report of Independent Registered Public Accounting Firm	38
Management's Discussion and Analysis of Financial Condition and Results of Operations.	39
Management's Report on Internal Control over Financial Reporting	52
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting.	53
Quantitative and Qualitative Disclosures about Market Risk	54
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.	54
Performance Graph	55

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	October 31,	
	<u>2018</u>	<u>2017</u>
ASSETS		
Real Estate Investments:		
Real Estate—at cost	\$1,118,075	\$1,090,402
Less: Accumulated depreciation	(218,653)	(195,020)
	<u>899,422</u>	<u>895,382</u>
Investments in and advances to unconsolidated joint ventures	37,434	38,049
	<u>936,856</u>	<u>933,431</u>
Cash and cash equivalents	10,285	8,674
Restricted cash	2,540	2,306
Marketable securities	5,567	—
Tenant receivables	22,607	19,632
Prepaid expenses and other assets	19,927	20,803
Deferred charges, net of accumulated amortization	10,451	11,867
Total Assets	<u>\$1,008,233</u>	<u>\$ 996,713</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Revolving credit lines	\$ 28,595	\$ 4,000
Mortgage notes payable and other loans	293,801	297,071
Accounts payable and accrued expenses	3,900	4,200
Deferred compensation—officers	72	96
Other liabilities	21,466	22,755
Total Liabilities	<u>347,834</u>	<u>328,122</u>
Redeemable Noncontrolling Interests	<u>78,258</u>	<u>81,361</u>
Commitments and Contingencies		
Stockholders' Equity:		
6.75% Series G Cumulative Preferred Stock (liquidation preference of \$25 per share); 3,000,000 shares issued and outstanding	75,000	75,000
6.25% Series H Cumulative Preferred Stock (liquidation preference of \$25 per share); 4,600,000 shares issued and outstanding	115,000	115,000
Excess Stock, par value \$0.01 per share; 20,000,000 shares authorized; none issued and outstanding	—	—
Common Stock, par value \$0.01 per share; 30,000,000 shares authorized; 9,822,006 and 9,664,778 shares issued and outstanding	99	97
Class A Common Stock, par value \$0.01 per share; 100,000,000 shares authorized; 29,814,814 and 29,728,744 shares issued and outstanding	298	297
Additional paid in capital	518,136	514,217
Cumulative distributions in excess of net income	(133,858)	(120,123)
Accumulated other comprehensive income	7,466	2,742
Total Stockholders' Equity	<u>582,141</u>	<u>587,230</u>
Total Liabilities and Stockholders' Equity	<u>\$1,008,233</u>	<u>\$ 996,713</u>

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

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	Year Ended October 31,		
	2018	2017	2016
Revenues			
Base rents	\$ 95,902	\$ 88,383	\$ 87,172
Recoveries from tenants	31,144	28,676	25,788
Lease termination	3,795	2,432	619
Other	4,511	4,069	3,213
Total Revenues	<u>135,352</u>	<u>123,560</u>	<u>116,792</u>
Expenses			
Property operating	22,009	20,074	18,717
Property taxes	21,167	19,621	18,548
Depreciation and amortization	28,324	26,512	23,025
General and administrative	9,223	9,183	9,284
Provision for tenant credit losses	859	583	1,161
Acquisition costs	—	—	412
Directors' fees and expenses	344	321	318
Total Operating Expenses	<u>81,926</u>	<u>76,294</u>	<u>71,465</u>
Operating Income	53,426	47,266	45,327
Non-Operating Income (Expense):			
Interest expense	(13,678)	(12,981)	(12,983)
Equity in net income from unconsolidated joint ventures	2,085	2,057	2,019
Interest, dividends and other investment income	350	356	242
Gain on sale of properties	—	18,734	—
Net Income	<u>42,183</u>	<u>55,432</u>	<u>34,605</u>
Noncontrolling interests:			
Net income attributable to noncontrolling interests	(4,716)	(2,499)	(889)
Net income attributable to Urstadt Biddle Properties Inc.	37,467	52,933	33,716
Preferred stock dividends	(12,250)	(14,960)	(14,280)
Redemption of preferred stock	—	(4,075)	—
Net Income Applicable to Common and Class A Common Stockholders	<u>\$ 25,217</u>	<u>\$ 33,898</u>	<u>\$ 19,436</u>
Basic Earnings Per Share:			
Per Common Share	\$0.61	\$0.82	\$0.50
Per Class A Common Share	\$0.68	\$0.92	\$0.57
Diluted Earnings Per Share:			
Per Common Share	\$0.60	\$0.80	\$0.49
Per Class A Common Share	\$0.67	\$0.90	\$0.56

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Year Ended October 31,		
	2018	2017	2016
Net Income	\$ 42,183	\$ 55,432	\$ 34,605
Other comprehensive income:			
Change in unrealized gain on marketable equity securities	569	—	—
Change in unrealized gain (loss) on interest rate swaps	4,155	4,045	(73)
Total comprehensive income	46,907	59,477	34,532
Comprehensive income attributable to noncontrolling interests	(4,716)	(2,499)	(889)
Total comprehensive income attributable to Urstadt Biddle Properties Inc.	42,191	56,978	33,643
Preferred stock dividends	(12,250)	(14,960)	(14,280)
Redemption of preferred stock	—	(4,075)	—
Total comprehensive income applicable to Common and Class A Stockholders	\$ 29,941	\$ 37,943	\$ 19,363

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended October 31,		
	2018	2017	2016
Cash Flows from Operating Activities:			
Net income	\$ 42,183	\$ 55,432	\$ 34,605
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	28,324	26,512	23,025
Straight-line rent adjustment	(957)	(507)	(1,902)
Provisions for tenant credit losses	859	583	1,161
Restricted stock compensation expense and other adjustments	4,085	3,956	4,442
Deferred compensation arrangement	(24)	(35)	(26)
Gain on sale of properties	—	(18,734)	—
Equity in net (income) of unconsolidated joint ventures	(2,085)	(2,057)	(2,019)
Distributions of operating income from unconsolidated joint ventures	2,085	2,057	2,019
Changes in operating assets and liabilities:			
Tenant receivables	(956)	(825)	4,203
Accounts payable and accrued expenses	161	3,635	1,464
Other assets and other liabilities, net	(1,857)	(6,740)	(5,057)
Restricted cash	(234)	(282)	166
Net Cash Flow Provided by Operating Activities	71,584	62,995	62,081
Cash Flows from Investing Activities:			
Acquisitions of real estate investments	(6,910)	(30,599)	(58,737)
Investments in and advances to unconsolidated joint ventures	—	(158)	(700)
Acquisitions of noncontrolling interests	(1,220)	—	—
Investment in mortgage note	—	—	(13,500)
Repayment of mortgage note	—	13,500	—
Deposits on acquisition of real estate investments	(1,000)	(715)	(750)
Returns of deposits on real estate investments	—	500	640
Improvements to properties and deferred charges	(8,184)	(9,676)	(21,462)
Net proceeds from sale of properties	—	45,438	—
Deposits received on sale of property	—	—	11,900
Purchases of securities available for sale	(4,999)	—	—
Distributions to noncontrolling interests	(4,716)	(2,499)	(889)
Return of capital from unconsolidated joint ventures	553	471	1,426
Net Cash Flow Provided by (Used in) Investing Activities	(26,476)	16,262	(82,072)
Cash Flows from Financing Activities:			
Dividends paid—Common and Class A Common Stock	(41,626)	(40,596)	(37,092)
Dividends paid—Preferred Stock	(12,250)	(14,960)	(14,280)
Amortization payments on mortgage notes payable	(6,427)	(6,776)	(20,744)
Proceeds from mortgage note payable and other loans	10,000	50,000	33,663
Repayment of mortgage notes payable and other loans	(17,624)	(43,675)	—
Proceeds from revolving credit line borrowings	33,595	52,000	52,000
Sales of additional shares of Common and Class A Common Stock	196	200	73,842
Repayments on revolving credit line borrowings	(9,000)	(56,000)	(66,750)
Repurchase of shares of Class A Common Stock	(120)	—	—
Shares withheld for employee taxes	(241)	—	—
Net proceeds from issuance of Preferred Stock	—	111,328	—
Redemption of preferred stock including restricted cash	—	(129,375)	—
Net Cash Flow Provided by (Used in) Financing Activities	(43,497)	(77,854)	20,639
Net Increase In Cash and Cash Equivalents	1,611	1,403	648
Cash and Cash Equivalents at Beginning of Year	8,674	7,271	6,623
Cash and Cash Equivalents at End of Year	\$ 10,285	\$ 8,674	\$ 7,271

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except shares and per share data)

	7.125% Series F Preferred Stock		6.75% Series G Preferred Stock		6.25% Series H Preferred Stock	
	Issued	Amount	Issued	Amount	Issued	Amount
Balances—October 31, 2015	5,175,000	\$ 129,375	3,000,000	\$75,000	—	\$ —
Net income applicable to Common and Class A common stockholders	—	—	—	—	—	—
Change in unrealized (loss) on interest rate swap	—	—	—	—	—	—
Cash dividends paid:						
Common stock (\$0.92 per share)	—	—	—	—	—	—
Class A common stock (\$1.04 per share)	—	—	—	—	—	—
Issuance of shares under dividend reinvestment plan	—	—	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—	—	—
Forfeiture of restricted stock	—	—	—	—	—	—
Issuance of Class A Common stock	—	—	—	—	—	—
Restricted stock compensation and other adjustment	—	—	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—	—	—
Balances—October 31, 2016	5,175,000	129,375	3,000,000	75,000	—	—
Net income applicable to Common and Class A common stockholders	—	—	—	—	—	—
Change in unrealized gain (loss) on interest rate swap	—	—	—	—	—	—
Cash dividends paid:						
Common stock (\$0.94 per share)	—	—	—	—	—	—
Class A common stock (\$1.06 per share)	—	—	—	—	—	—
Issuance of shares under dividend reinvestment plan	—	—	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—	—	—
Forfeiture of restricted stock	—	—	—	—	—	—
Issuance of Series H Preferred Stock	—	—	—	—	4,600,000	115,000
Redemption of Series F Preferred Stock	(5,175,000)	(129,375)	—	—	—	—
Restricted stock compensation and other adjustment	—	—	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—	—	—
Balances—October 31, 2017	—	—	3,000,000	75,000	4,600,000	115,000
Net income applicable to Common and Class A common stockholders	—	—	—	—	—	—
Change in unrealized gains on marketable securities	—	—	—	—	—	—
Change in unrealized gains on interest rate swap	—	—	—	—	—	—
Cash dividends paid:						
Common stock (\$0.96 per share)	—	—	—	—	—	—
Class A common stock (\$1.08 per share)	—	—	—	—	—	—
Issuance of shares under dividend reinvestment plan	—	—	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—	—	—
Shares withheld for employee taxes	—	—	—	—	—	—
Forfeiture of restricted stock	—	—	—	—	—	—
Restricted stock compensation and other adjustments	—	—	—	—	—	—
Repurchase of Class A Common stock	—	—	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—	—	—
Balances—October 31, 2018	—	\$ —	3,000,000	\$75,000	4,600,000	\$115,000

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

Common Stock		Class A Common Stock		Additional Paid In Capital	Cumulative Distributions In Excess of Net Income	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Issued	Amount	Issued	Amount				
9,350,885	\$94	26,370,216	\$264	\$431,411	\$ (94,136)	\$(1,230)	\$ 540,778
—	—	—	—	—	19,436	—	19,436
—	—	—	—	—	—	(73)	(73)
—	—	—	—	—	(8,745)	—	(8,745)
—	—	—	—	—	(28,348)	—	(28,348)
4,988	—	5,854	—	219	—	—	219
152,100	2	95,600	1	(3)	—	—	—
—	—	(650)	—	—	—	—	—
—	—	3,162,500	31	73,623	—	—	73,654
—	—	—	—	4,410	—	—	4,410
—	—	—	—	—	(2,298)	—	(2,298)
9,507,973	96	29,633,520	296	509,660	(114,091)	(1,303)	599,033
—	—	—	—	—	33,898	—	33,898
—	—	—	—	—	—	4,045	4,045
—	—	—	—	—	(9,082)	—	(9,082)
—	—	—	—	—	(31,514)	—	(31,514)
4,705	—	5,399	—	200	—	—	200
152,100	1	96,225	1	(2)	—	—	—
—	—	(6,400)	—	—	—	—	—
—	—	—	—	(3,672)	—	—	111,328
—	—	—	—	4,075	—	—	(125,300)
—	—	—	—	3,956	—	—	3,956
—	—	—	—	—	666	—	666
9,664,778	97	29,728,744	297	514,217	(120,123)	2,742	587,230
—	—	—	—	—	25,217	—	25,217
—	—	—	—	—	—	569	569
—	—	—	—	—	—	4,155	4,155
—	—	—	—	—	(9,426)	—	(9,426)
—	—	—	—	—	(32,200)	—	(32,200)
4,528	—	5,766	—	197	—	—	197
152,700	2	102,800	1	(3)	—	—	—
—	—	(10,886)	—	(240)	—	—	(240)
—	—	(4,950)	—	—	—	—	—
—	—	—	—	4,085	—	—	4,085
—	—	(6,660)	—	(120)	—	—	(120)
—	—	—	—	—	2,674	—	2,674
9,822,006	\$99	29,814,814	\$298	\$518,136	\$(133,858)	\$ 7,466	\$ 582,141

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) ORGANIZATION, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Urstadt Biddle Properties Inc. (“Company”), a Maryland Corporation, is a real estate investment trust (REIT), engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the northeastern part of the United States with a concentration in the metropolitan New York tri-state area outside of the City of New York. The Company’s major tenants include supermarket chains and other retailers who sell basic necessities. At October 31, 2018, the Company owned or had equity interests in 84 properties containing a total of 5.1 million square feet of gross leasable area (“GLA”).

Principles of Consolidation and Use of Estimates

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and joint ventures in which the Company meets certain criteria of a sole general partner in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 810, “Consolidation.” The Company has determined that such joint ventures should be consolidated into the consolidated financial statements of the Company. In accordance with ASC Topic 970-323 “Real Estate-General-Equity Method and Joint Ventures;” joint ventures that the Company does not control but otherwise exercises significant influence in, are accounted for under the equity method of accounting. See Note 6 for further discussion of the unconsolidated joint ventures. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities, the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods covered by the financial statements. The most significant assumptions and estimates relate to the valuation of real estate, depreciable lives, revenue recognition, fair value measurements and the collectability of tenant receivables. Actual results could differ from these estimates.

Federal Income Taxes

The Company has elected to be treated as a real estate investment trust under Sections 856-860 of the Internal Revenue Code (“Code”). Under those sections, a REIT that, among other things, distributes at least 90% of real estate trust taxable income and meets certain other qualifications prescribed by the Code will not be taxed on that portion of its taxable income that is distributed. The Company believes it qualifies as a REIT and intends to distribute all of its taxable income for fiscal 2018 in accordance with the provisions of the Code. Accordingly, no provision has been made for Federal income taxes in the accompanying consolidated financial statements.

The Company follows the provisions of ASC Topic 740, “Income Taxes,” that, among other things, defines a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Based on its evaluation, the Company determined that it has no uncertain tax positions and no unrecognized tax benefits as of October 31, 2018. As of October 31, 2018, the fiscal tax years 2014 through and including 2017 remain open to examination by the Internal Revenue Service. There are currently no federal tax examinations in progress.

Acquisitions of Real Estate Investments and Capitalization Policy

Acquisition of Real Estate Investments:

The Company evaluates each acquisition of real estate or in-substance real estate (including equity interests in entities that predominantly hold real estate assets) to determine if the integrated set of assets and activities acquired meet the definition of a business and need to be accounted as a business combination. If either of the following criteria is met, the integrated set of assets and activities acquired would not qualify as a business:

- Substantially all of the fair value of the gross assets acquired is concentrated in either a single identifiable asset or a group of similar identifiable assets; or
- The integrated set of assets and activities is lacking, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs (i.e. revenue generated before and after the transaction).

An acquired process is considered substantive if:

- The process includes an organized workforce (or includes an acquired contract that provides access to an organized workforce), that is skilled, knowledgeable, and experienced in performing the process;
- The process cannot be replaced without significant cost, effort, or delay; or
- The process is considered unique or scarce.

Generally, the Company expects that acquisitions of real estate or in-substance real estate will not meet the definition of a business because substantially all of the fair value is concentrated in a single identifiable asset or group of similar identifiable assets (i.e. land, buildings, and related intangible assets) or because the acquisition does not include a substantive process in the form of an acquired workforce or an acquired contract that cannot be replaced without significant cost, effort or delay.

Acquisitions of real estate and in-substance real estate which do not meet the definition of a business are accounted for as asset acquisitions. The accounting model for asset acquisitions is similar to the accounting model for business combinations except that the acquisition consideration (including acquisition costs) is allocated to the individual assets acquired and liabilities assumed on a relative fair value basis. As a result, asset acquisitions do not result in the recognition of goodwill or a bargain purchase gain. The relative fair values used to allocate the cost of an asset acquisition are determined using the same methodologies and assumptions as the Company utilizes to determine fair value in a business combination.

The value of tangible assets acquired is based upon our estimation of value on an “as if vacant” basis. The value of acquired in-place leases includes the estimated costs during the hypothetical lease-up period and other costs that would have been incurred in the execution of similar leases under the market conditions at the acquisition date of the acquired in-place lease. We assess the fair value of tangible and intangible assets based on numerous factors, including estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information. Estimates of future cash flows are based on a number of factors, including the historical operating results, known trends, and market/economic conditions that may affect the property.

The values of acquired above and below-market leases, which are included in prepaid expenses and other assets and other liabilities, respectively, are amortized over the terms of the related leases and recognized as either

an increase (for below-market leases) or a decrease (for above-market leases) to rental revenue. The values of acquired in-place leases are classified in other assets in the accompanying consolidated balance sheets and amortized over the remaining terms of the related leases.

Capitalization Policy:

Land, buildings, property improvements, furniture/ fixtures and tenant improvements are recorded at cost. Expenditures for maintenance and repairs are charged to operations as incurred. Renovations and/or replacements, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

Depreciation and Amortization

The Company uses the straight-line method for depreciation and amortization. Real estate investment properties are depreciated over the estimated useful lives of the properties, which range from 30 to 40 years. Property improvements are depreciated over the estimated useful lives that range from 10 to 20 years. Furniture and fixtures are depreciated over the estimated useful lives that range from 3 to 10 years. Tenant improvements are amortized over the shorter of the life of the related leases or their useful life.

Sale of Investment Property and Property Held for Sale

The Company reports properties that are either disposed of or are classified as held for sale in continuing operations in the consolidated statement of income if the removal, or anticipated removal, of the asset(s) from the reporting entity does not represent a strategic shift that has or will have a major effect on an entity’s operations and financial results when disposed of.

In March 2017, the Company sold for \$56.6 million its property located in White Plains, NY, as that property no longer met the Company’s investment objectives. In conjunction with the sale, the Company realized a gain on sale of property in the amount of \$19.5 million, which is included in continuing operations in the consolidated statement of income for the year ended October 31, 2017.

In July 2017, the Company sold for \$1.2 million its property located in Fairfield, CT (the “Fairfield Property”), which it purchased in the second quarter of fiscal 2017. In conjunction with the sale the Company realized a loss on sale of property in the amount of \$729,000, which is included in continuing operations in the consolidated statement of income for the year ended October 31, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The combined operating results of the White Plains Property and Fairfield Property, which are included in continuing operations, were as follows (amounts in thousands):

	Year Ended October 31,		
	2018	2017	2016
Revenues	\$—	\$2,279	\$ 5,604
Property operating expense	—	(331)	(1,330)
Depreciation and amortization	—	(90)	(476)
Net Income (loss)	<u>\$—</u>	<u>\$1,858</u>	<u>\$ 3,798</u>

Deferred Charges

Deferred charges consist principally of leasing commissions (which are amortized ratably over the life of the tenant leases). Deferred charges in the accompanying consolidated balance sheets are shown at cost, net of accumulated amortization of \$4,901,000 and \$4,279,000 as of October 31, 2018 and 2017, respectively.

Asset Impairment

On a periodic basis, management assesses whether there are any indicators that the value of its real estate investments may be impaired. A property value is considered impaired when management's estimate of current and projected operating cash flows (undiscounted and without interest) of the property over its remaining useful life is less than the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss is measured as the excess of the net carrying amount of the property over the fair value of the asset. Changes in estimated future cash flows due to changes in the Company's plans or market and economic conditions could result in recognition of impairment losses which could be substantial. Management does not believe that the value of any of its real estate investments is impaired at October 31, 2018.

Revenue Recognition

Our leases with tenants are classified as operating leases. Rental income is generally recognized based on the terms of leases entered into with tenants. In those instances in which the Company funds tenant improvements and the improvements are deemed to be owned by the Company, revenue recognition will

commence when the improvements are substantially completed and possession or control of the space is turned over to the tenant. When the Company determines that the tenant allowances are lease incentives, the Company commences revenue recognition when possession or control of the space is turned over to the tenant for tenant work to begin. Minimum rental income from leases with scheduled rent increases is recognized on a straight-line basis over the lease term. At October 31, 2018 and 2017, approximately \$18,375,000 and \$17,349,000, respectively, has been recognized as straight-line rents receivable (representing the current net cumulative rents recognized prior to when billed and collectible as provided by the terms of the leases), all of which is included in tenant receivables in the accompanying consolidated financial statements. Percentage rent is recognized when a specific tenant's sales breakpoint is achieved. Property operating expense recoveries from tenants of common area maintenance, real estate taxes and other recoverable costs are recognized in the period the related expenses are incurred. Lease incentives are amortized as a reduction of rental revenue over the respective tenant lease terms. Lease termination amounts are recognized in operating revenues when there is a signed termination agreement, all of the conditions of the agreement have been met, the tenant is no longer occupying the property and the termination consideration is probable of collection. Lease termination amounts are paid by tenants who want to terminate their lease obligations before the end of the contractual term of the lease by agreement with the Company. There is no way of predicting or forecasting the timing or amounts of future lease termination fees. Interest income is recognized as it is earned. Gains or losses on disposition of properties are recorded when the criteria for recognizing such gains or losses under GAAP have been met.

In April 2018, the Company entered into a lease termination agreement with a tenant at its Ferry Plaza property located in Newark, NJ. The agreement provided that the tenant pay the Company \$3.7 million in exchange for the tenant to be released from all future obligations under its lease. The Company received payment in April 2018 and has recorded the payment received as lease termination income in its consolidated statements of income for the fiscal year ended October 31, 2018, as the payment met all of the revenue recognition conditions under U.S. GAAP.

In July 2017, the Company entered into a lease termination agreement with the single tenant of its property located in Fairfield, CT, which was purchased in the second quarter of

fiscal 2017, so the Company could sell the property vacant. The agreement provided that the tenant pay the Company \$3.2 million in exchange for the tenant to be released from all future obligations under its lease. The Company received payment in July 2017 and has recorded the payment received as lease termination income in its consolidated statements of income for the year ended October 31, 2017, as the payment met all of the revenue recognition conditions under U.S. GAAP. In addition, when the aforementioned property was acquired, the Company allocated \$1.2 million of the consideration paid to acquire the asset to this over-market lease (see note 3). As a result of this termination, the Company wrote-off the remaining \$1.2 million asset as a reduction of lease termination income for the year ended October 31, 2017.

The Company provides an allowance for doubtful accounts against the portion of tenant receivables (including an allowance for future tenant credit losses of approximately 10% of the deferred straight-line rents receivable) which is estimated to be uncollectible. Such allowances are reviewed periodically. At October 31, 2018 and 2017, tenant receivables in the accompanying consolidated balance sheets are shown net of allowances for doubtful accounts of \$4,800,000 and \$4,543,000, respectively.

Cash Equivalents

Cash and cash equivalents consist of cash in banks and short-term investments with original maturities of less than three months.

Restricted Cash

Restricted cash consists of those tenant security deposits and replacement and other reserves required by agreement

with certain of the Company's mortgage lenders for property level capital requirements that are required to be held in separate bank accounts.

Marketable Securities

Marketable equity securities are carried at fair value based upon quoted market prices in active markets. The Company has classified its marketable securities as available for sale. Unrealized holding gains and losses are excluded from earnings and reported as a separate component of stockholders' equity until realized. The change in the unrealized net holding gains (losses) is reflected as comprehensive income (loss).

In February and March 2018, the Company purchased approximately \$5.0 million of REIT securities with available cash.

The Company individually reviews and evaluates its marketable securities for impairment on a quarterly basis or when events or circumstances occur. The Company considers, among other things, credit aspects of the issuer, amount of decline in fair value over cost and length of time in a continuous loss position. The Company normally holds REIT securities on a long-term basis and has the ability and intent to hold securities to recovery. If a decline in fair value is determined to be other than temporary, an impairment charge is recognized in earnings and the cost basis of the individual security is written down to fair value as the new cost basis. As of October 31, 2018, the Company's investment in REIT securities consists of an investment in one issuer and the aggregate fair value of the Company's investment is above the Company's cost.

The unrealized gain at October 31, 2018 and October 31, 2017 is detailed below (in thousands):

	<u>Fair Market Value</u>	<u>Cost Basis</u>	<u>Unrealized Gain/(Loss)</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized (Loss)</u>
October 31, 2018					
REIT Securities	<u>\$5,567</u>	<u>\$4,998</u>	<u>\$569</u>	<u>\$569</u>	<u>\$—</u>
October 31, 2017					
REIT Securities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$—</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Derivative Financial Instruments

The Company occasionally utilizes derivative financial instruments, such as interest rate swaps, to manage its exposure to fluctuations in interest rates. The Company has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instruments. Derivative financial instruments must be effective in reducing the Company's interest rate risk exposure in order to qualify for hedge accounting. When the terms of an underlying transaction are modified, or when the underlying hedged item ceases to exist, all changes in the fair value of the instrument are marked-to-market with changes in value included in net income for each period until the derivative instrument matures or is settled. Any derivative instrument used for risk management that does not meet the hedging criteria is marked-to-market with the changes in value included in net income. The Company has not entered into, and does not plan to enter into, derivative financial instruments for trading or speculative purposes. Additionally, the Company has a policy of entering into derivative contracts only with major financial institutions.

As of October 31, 2018, the Company believes it has no significant risk associated with non-performance of the financial institutions that are the counterparty to its derivative contracts. At October 31, 2018, the Company had approximately \$97.7 million in secured mortgage financings subject to interest rate swaps. Such interest rate swaps converted the LIBOR-based variable rates on the mortgage financings to a fixed annual rate of 3.74% per annum. As of October 31, 2018 and 2017, the Company had a deferred liability of \$114,000 and \$574,000, respectively (included in accounts payable and accrued expenses on the consolidated balance sheets) and a deferred asset of \$7,011,000 and \$3,316,000, respectively (included in prepaid expenses and other assets on the consolidated balance sheets) relating to the fair value of the Company's interest rate swaps applicable to secured mortgages.

Charges and/or credits relating to the changes in fair values of such interest rate swap are made to other comprehensive (loss) as the swap is deemed effective and is classified as a cash flow hedge.

Comprehensive Income

Comprehensive income is comprised of net income applicable to Common and Class A Common stockholders and other comprehensive income (loss). Other comprehensive income (loss) includes items that are otherwise recorded directly in stockholders' equity, such as unrealized gains/(losses) on marketable securities classified as available-for-sale and unrealized gains and losses on interest rate swaps designated as cash flow hedges. At October 31, 2018, accumulated other comprehensive income consisted of net unrealized gains on marketable securities classified as available for sale of \$569,000 and net unrealized gains on interest rate swap agreements of \$6.9 million. At October 31, 2017, accumulated other comprehensive income consisted of net unrealized gains on interest rate swap agreements of approximately \$2.7 million. Unrealized gains and losses included in other comprehensive income/(loss) will be reclassified into earnings as gains and losses are realized.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, and tenant receivables. The Company places its cash and cash equivalents in excess of insured amounts with high quality financial institutions. The Company performs ongoing credit evaluations of its tenants and may require certain tenants to provide security deposits or letters of credit. Though these security deposits and letters of credit are insufficient to meet the terminal value of a tenant's lease obligation, they are a measure of good faith and a source of funds to offset the economic costs associated with lost rent and the costs associated with re-tenanting the space. There is no dependence upon any single tenant.

Earnings Per Share

The Company calculates basic and diluted earnings per share in accordance with the provisions of ASC Topic 260, "Earnings Per Share." Basic earnings per share ("EPS") excludes the impact of dilutive shares and is computed by dividing net income applicable to Common and Class A Common stockholders by the weighted average number of Common shares and Class A Common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue Common shares or Class A Common shares were exercised or converted into Common shares or Class A Common shares and then shared in the earnings of the Company. Since the cash dividends declared on the Company's Class A Common stock are higher than the dividends

declared on the Common Stock, basic and diluted EPS have been calculated using the “two-class” method. The two-class method is an earnings allocation formula that determines earnings per share for each class of common stock according to the weighted average of the dividends declared, outstanding shares per class and participation rights in undistributed earnings.

The following table sets forth the reconciliation between basic and diluted EPS (in thousands):

	Year Ended October 31,		
	2018	2017	2016
Numerator			
Net income applicable to common stockholders—basic	\$ 5,173	\$ 6,857	\$ 4,142
Effect of dilutive securities:			
Restricted stock awards	259	376	236
Net income applicable to common stockholders—diluted	<u>\$ 5,432</u>	<u>\$ 7,233</u>	<u>\$ 4,378</u>
Denominator			
Denominator for basic EPS—weighted average common shares	8,517	8,383	8,241
Effect of dilutive securities:			
Restricted stock awards	597	643	669
Denominator for diluted EPS—weighted average common equivalent shares	<u>9,114</u>	<u>9,026</u>	<u>8,910</u>
Numerator			
Net income applicable to Class A common stockholders—basic	\$20,044	\$27,041	\$15,294
Effect of dilutive securities:			
Restricted stock awards	(259)	(376)	(236)
Net income applicable to Class A common stockholders—diluted	<u>\$19,785</u>	<u>\$26,665</u>	<u>\$15,058</u>
Denominator			
Denominator for basic EPS—weighted average Class A common shares	29,335	29,317	26,921
Effect of dilutive securities:			
Restricted stock awards	178	186	191
Denominator for diluted EPS—weighted average Class A common equivalent shares	<u>29,513</u>	<u>29,503</u>	<u>27,112</u>

Stock-Based Compensation

The Company accounts for its stock-based compensation plans under the provisions of ASC Topic 718, “Stock Compensation”, which requires that compensation expense be recognized, based on the fair value of the stock awards less estimated forfeitures. The fair value of stock awards is equal to the fair value of the Company’s stock on the grant date. The Company recognizes compensation expense for its stock awards by amortizing the fair value of stock awards over the requisite service periods of such awards.

Segment Reporting

The Company’s primary business is the ownership, management, and redevelopment of retail properties. The Company reviews operating and financial information for each property on an individual basis and therefore, each property represents an individual operating segment. The Company evaluates financial performance using property operating income, which consists of base rental income and tenant reimbursement income, less rental expenses and real estate taxes. Only one of the Company’s properties, located in Stamford, CT (“Ridgeway”), is considered significant as its revenue is in excess of 10% of the Company’s consolidated total revenues and accordingly is a reportable segment. The Company has aggregated the remainder of our properties as they share similar long-term economic characteristics and have other similarities including the fact that they are operated using consistent business strategies, are typically located in the same major metropolitan area, and have similar tenant mixes.

Ridgeway is located in Stamford, Connecticut and was developed in the 1950’s and redeveloped in the mid 1990’s. The property contains approximately 374,000 square feet of GLA. It is the dominant grocery-anchored center and the largest non-mall shopping center located in the City of Stamford, Fairfield County, Connecticut.

Segment information about Ridgeway as required by ASC Topic 280 is included below:

	Year Ended October 31,		
	2018	2017	2016
Ridgeway Revenues	10.4%	11.2%	11.3%
All Other Property Revenues	89.6%	88.8%	88.7%
Consolidated Revenue	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
		Year Ended	
		October 31,	
		2018	2017
Ridgeway Assets		7.0%	7.2%
All Other Property Assets		93.0%	92.8%
Consolidated Assets (Note 1)		<u>100.0%</u>	<u>100.0%</u>

Note 1—Ridgeway did not have any significant expenditures for additions to long lived assets in any of the fiscal years ended October 31, 2018, 2017 and 2016.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Year Ended October 31,		
	2018	2017	2016
	Ridgeway Percent Leased	96%	96%
Ridgeway Significant Tenants (by base rent):	Year Ended October 31,		
	2018	2017	2016
The Stop & Shop Supermarket Company	20%	19%	19%
Bed, Bath & Beyond	14%	14%	14%
Marshall's Inc., a division of the TJX Companies	10%	11%	11%
All Other Tenants at Ridgeway (Note 2)	56%	56%	56%
Total	100%	100%	100%

Note 2—No other tenant accounts for more than 10% of Ridgeway's annual base rents in any of the three years presented. Percentages are calculated as a ratio of the tenants' base rent divided by total base rent of Ridgeway.

Income Statement (In thousands):

	Year Ended October 31, 2018		
	Ridgeway	All Other Operating Segments	Total Consolidated
Revenues	\$14,015	\$121,337	\$135,352
Operating Expenses	\$ 4,094	\$ 39,082	\$ 43,176
Interest Expense	\$ 1,869	\$ 11,809	\$ 13,678
Depreciation and Amortization	\$ 2,616	\$ 25,708	\$ 28,324
Income from Continuing Operations	\$ 5,436	\$ 36,747	\$ 42,183
	Year Ended October 31, 2017		
	Ridgeway	All Other Operating Segments	Total Consolidated
Revenues	\$13,832	\$109,728	\$123,560
Operating Expenses	\$ 3,809	\$ 35,886	\$ 39,695
Interest Expense	\$ 2,034	\$ 10,947	\$ 12,981
Depreciation and Amortization	\$ 3,016	\$ 23,496	\$ 26,512
Income from Continuing Operations	\$ 4,973	\$ 31,725	\$ 36,698

	Year Ended October 31, 2016		
	Ridgeway	All Other Operating Segments	Total Consolidated
Revenues	\$13,192	\$103,600	\$116,792
Operating Expenses	\$ 3,649	\$ 33,616	\$ 37,265
Interest Expense	\$ 2,487	\$ 10,496	\$ 12,983
Depreciation and Amortization	\$ 2,468	\$ 20,557	\$ 23,025
Income from Continuing Operations	\$ 4,588	\$ 30,017	\$ 34,605

Reclassification

Certain fiscal 2016 and 2017 amounts have been reclassified to conform to current period presentation.

New Accounting Standards

In May 2014, the FASB issued Accounting Standards Update ("ASU") ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"). The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying ASU 2014-09, companies will perform a five-step analysis of transactions to determine when and how revenue is recognized. ASU 2014-09 applies to all contracts with customers except those that are within the scope of other topics in the FASB's ASC. ASU 2014-09 is effective for annual reporting periods (including interim periods within that reporting period) beginning after December 15, 2016 and shall be applied using either a full retrospective or modified retrospective approach. Early application is not permitted. In August 2015, FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 for all public companies for all annual periods beginning after December 15, 2017 with early adoption permitted only as of annual reporting periods beginning after December 31, 2016, including interim periods within the reporting period. In March 2016, the FASB issued ASU 2016-08 as an amendment to ASU

2014-09, the amendment clarifies how to identify the unit of accounting for the principal versus agent evaluation, how to apply the control principle to certain types of arrangements, such as service transaction, and reframed the indicators in the guidance to focus on evidence that an entity is acting as a principal rather than as an agent. The Company completed its assessment on the potential impact that the adoption of ASU 2014-09 and ASU 2016-08 will have on its consolidated financial statements and has determined that no adjustment is needed upon adoption of the new accounting standard. The majority of our revenue falls outside of the scope of this guidance.

In February 2016, the FASB issued ASU 2016-02, "Leases." ASU 2016-02 significantly changes the accounting for leases by requiring lessees to recognize assets and liabilities for leases greater than 12 months on their balance sheet. The lessor model stays substantially the same; however, there were modifications to conform lessor accounting with the lessee model, eliminate real estate specific guidance, further define certain lease and non-lease components, and change the definition of initial direct costs of leases requiring significantly more leasing related costs to be expensed upfront. ASU 2016-02 is effective for the Company in the first quarter of fiscal 2020, and we are currently assessing the impact this standard will have on the Company's consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments—Overall: Recognition and Measurement of Financial Assets and Financial Liabilities". ASU 2016-01 requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income, requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes, requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset, and eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost. These changes become effective for the Company's fiscal year beginning November 1, 2018. The most significant change for the Company will be the accounting for the Company's investments in marketable

securities classified as available for sale, which are currently carried at fair value with unrealized gains and losses being excluded from earnings and reported as a separate component of stockholders' equity until realized with the change in net unrealized gains and losses being reflected as comprehensive income (loss). Under ASU 2016-01, beginning November 1, 2018, these marketable securities will continue to be measured at fair value, however, the changes in net unrealized holding gains and losses will be recognized through net income. The adjustment to the opening balance of distributions in excess of net income in Stockholder's equity on November 1, 2018, using the modified retrospective approach, will be a decrease in the amount of \$569,000.

The Company has evaluated all other new ASU's issued by FASB, and has concluded that these updates do not have a material effect on the Company's consolidated financial statements as of October 31, 2018.

(2) REAL ESTATE INVESTMENTS

The Company's investments in real estate, net of depreciation, were composed of the following at October 31, 2018 and 2017 (in thousands):

	Consolidated Investment Properties	Unconsolidated Joint Ventures	2018 Totals	2017 Totals
Retail	\$889,243	\$37,434	\$926,677	\$923,118
Office	10,179	—	10,179	10,313
	<u>\$899,422</u>	<u>\$37,434</u>	<u>\$936,856</u>	<u>\$933,431</u>

The Company's investments at October 31, 2018 consisted of equity interests in 84 properties. The 84 properties are located in various regions throughout the northeastern part of the United States with a concentration in the metropolitan New York tri-state area outside of the City of New York. The Company's primary investment focus is neighborhood and community shopping centers located in the region just described. Since a significant concentration of the Company's properties are in the northeast, market changes in this region could have an effect on the Company's leasing efforts and ultimately its overall results of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(3) INVESTMENT PROPERTIES

The components of the properties consolidated in the financial statements are as follows (in thousands):

	October 31,	
	2018	2017
Land	\$ 231,660	\$ 218,501
Buildings and improvements	886,415	871,901
	<u>1,118,075</u>	<u>1,090,402</u>
Accumulated depreciation	(218,653)	(195,020)
	<u>\$ 899,422</u>	<u>\$ 895,382</u>

Space at the Company's properties is generally leased to various individual tenants under short and intermediate-term leases which are accounted for as operating leases.

Minimum rental payments on non-cancelable operating leases for the Company's consolidated properties totaling \$550.9 million become due as follows (in millions): 2019—\$91.0; 2020—\$82.3; 2021—\$73.1; 2022—\$62.5; 2023—\$46.5; and thereafter—\$195.5.

Certain of the Company's leases provide for the payment of additional rent based on a percentage of the tenant's revenues. Such additional percentage rents are included in operating lease income and were less than 1.00% of consolidated revenues in each of the three years ended October 31, 2018.

Significant Investment Property Transactions

In October 2017, the Company purchased a promissory note secured by a mortgage on 470 Main Street in Ridgefield, CT ("470 Main"), which comprises part of the Yankee Ridge retail and office mixed-use property. The note was purchased from the existing lender. In January 2018, the Company completed foreclosure of the mortgage and became the owner of 470 Main. Total consideration paid for the note, including costs, totaled \$3.1 million. 470 Main is a 24,200 square foot building with ground and first floor retail and second floor office space. The Company funded the note purchase with available cash.

In March 2018, the Company, through a wholly-owned subsidiary, purchased for \$13.1 million a 27,000 square foot shopping center located in Yonkers, NY ("Tanglewood"). The Company funded the purchase with available cash, borrowings on its unsecured revolving credit facility and the issuance of \$11.0 million in unsecured promissory notes to the seller (see note 4).

The Company accounted for the purchase of 470 Main, Tanglewood and a property acquired through a joint venture, which the Company consolidates (see note 5), as asset acquisitions and allocated the total consideration transferred for the acquisitions, including transaction costs, to the individual assets and liabilities acquired on a relative fair value basis.

The financial information set forth below summarizes the Company's purchase price allocation for the properties acquired during the fiscal year ended October 31, 2018 (in thousands).

	470 Main	Tanglewood	New City
Assets:			
Land	\$ 293	\$7,525	\$2,498
Building and improvements	\$2,786	\$5,920	\$ 632
In-place leases	\$ 68	\$ 147	\$ 38
Above market leases	\$ 25	\$ 81	\$ —
Liabilities:			
In-place leases	\$ —	\$ —	\$ —
Below Market Leases	\$ 43	\$ 396	\$ —

The value of above and below market leases are amortized as a reduction/increase to base rental revenue over the term of the respective leases. The value of in-place leases described above are amortized as an expense over the terms of the respective leases.

For the fiscal year ended October 31, 2018, 2017 and 2016, the net amortization of above-market and below-market leases was approximately \$1,209,000, \$223,000 and \$157,000, respectively, which is included in base rents in the accompanying consolidated statements of income.

In Fiscal 2018, the Company incurred costs of approximately \$8.2 million related to capital improvements and leasing costs to its properties.

(4) MORTGAGE NOTES PAYABLE, BANK LINES OF CREDIT AND OTHER LOANS

At October 31, 2018, the Company has mortgage notes payable and other loans that are due in installments over various periods to fiscal 2031. The mortgage loans bear interest at rates ranging from 3.5% to 6.6% and are collateralized by real estate investments having a net carrying value of approximately \$558.2 million.

Combined aggregate principal maturities of mortgage notes payable during the next five years and thereafter are as follows (in thousands):

	Principal Repayments	Scheduled Amortization	Total
2019	\$ 26,880	\$ 6,362	\$ 33,242
2020	—	6,031	6,031
2021	—	6,391	6,391
2022	49,486	5,581	55,067
2023	—	5,269	5,269
Thereafter	181,579	6,222	187,801
	<u>\$257,945</u>	<u>\$35,856</u>	<u>\$293,801</u>

The Company has a \$100 million unsecured revolving credit facility with a syndicate of three banks led by The Bank of New York Mellon, as administrative agent. The syndicate also includes Wells Fargo Bank N.A. and Bank of Montreal (co-syndication agent). The Facility gives the Company the option, under certain conditions, to increase the Facility's borrowing capacity up to \$150 million (subject to lender approval). The maturity date of the Facility is August 23, 2020 with a one-year extension at the Company's option. Borrowings under the Facility can be used for general corporate purposes and the issuance of letters of credit (up to \$10 million). Borrowings will bear interest at the Company's option of Eurodollar rate plus 1.35% to 1.95% or The Bank of New York Mellon's prime lending rate plus 0.35% to 0.95% based on consolidated indebtedness, as defined. The Company pays a quarterly fee on the unused commitment amount of 0.15% to 0.25% per annum based on outstanding borrowings during the year. The Facility contains certain representations, financial and other covenants typical for this type of facility. The Company's ability to borrow under the Facility is subject to its compliance with the covenants and other restrictions on an ongoing basis. The principal financial covenants limit the Company's level of secured and unsecured

indebtedness and additionally require the Company to maintain certain debt coverage ratios. The Company was in compliance with such covenants at October 31, 2018.

As of October 31, 2018, \$71 million was available to be drawn on the Facility.

During the fiscal years ended October 31, 2018 and 2017, the Company borrowed \$33.6 million and \$52 million, respectively, on its Facility to fund capital improvements to our properties, property acquisitions and for general corporate purposes. During the fiscal years ended October 31, 2018 and 2017, the Company re-paid \$9.0 million and \$56.0 million, respectively, on its Facility with available cash.

In March 2018, the Company through a wholly-owned subsidiary, purchased Tanglewood for \$13.1 million (see note 3). A portion of the purchase price was funded by issuing \$11 million of unsecured promissory notes payable to the seller of the property, consisting of three tranches. In May 2018, the short-term notes tranche in the amount of \$7.8 million was repaid with borrowings on the Company's Facility. The remaining balance of the notes is included in mortgage notes payable and other loans on the Company's consolidated balance sheet at \$3.2 million. Each tranche requires payments of interest only.

The terms of the remaining notes are detailed below:

	Principal Amount (in thousands)	Interest Rate	Interest Payment Terms	Maturity Date
Long Term A	\$1,650	4.91% (a)	Quarterly	March 29, 2030
Long Term B	1,513	5.05% (b)	Quarterly	March 29, 2030
	<u>\$3,163</u>			

(a) Interest rate is variable and based on the level of the Company's dividend declared on the Company's Class A Common stock, divided by \$22 per Class A Share.

(b) Interest rate is fixed.

In October 2018, we entered into a commitment to refinance our existing \$15.0 million mortgage secured by our Darien, CT shopping center on March 18, 2019, the first day the current Darien mortgage can be repaid without penalty. The new mortgage will be in the amount of \$25.0 million and will have a term of ten years and will require payment of principal and interest at the rate of LIBOR plus 1.65%. Concurrent with entering into the commitment, we also entered into an interest rate swap contract with the new lender, which will convert the variable interest rate (based on LIBOR) to a fixed rate of 4.815% per annum. The fixed interest rate on the existing mortgage is currently 6.55%.

Also in October 2018, we entered into a commitment to refinance our existing \$9.2 million mortgage secured by our Newark, NJ shopping center. We anticipate the refinancing will take place in March 2019, the first month the current mortgage can be repaid without penalty. The new mortgage will be in the amount of \$10.0 million and will have a term of ten years and will require payment of principal and interest at the fixed rate of 4.63%. The fixed interest rate on the existing mortgage is currently 6.15%.

Interest paid in the years ended October 31, 2018, 2017, and 2016 was approximately \$13.4 million, \$12.9 million and \$13.1 million, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(5) CONSOLIDATED JOINT VENTURES AND REDEEMABLE NONCONTROLLING INTERESTS

The Company has an investment in six joint ventures, UB Ironbound, LP (“Ironbound”), UB Orangeburg, LLC (“Orangeburg”), McLean Plaza Associates, LLC (“McLean”), UB Dumont I, LLC (“Dumont”) and UB New City, LLC, each of which owns a commercial retail property, and UB High Ridge, LLC (“UB High Ridge”), which owns three commercial real estate properties. The Company has evaluated its investment in these six joint ventures and has concluded that these joint ventures are fully controlled by the Company and that the presumption of control is not offset by any rights of any of the limited partners or non-controlling members in these ventures and that the joint ventures should be consolidated into the consolidated financial statements of the Company in accordance with ASC Topic 810 “Consolidation”. The Company’s investment in these consolidated joint ventures is more fully described below:

Ironbound (Ferry Plaza)

The Company, through a wholly-owned subsidiary, is the general partner and owns 84% of one consolidated limited partnership, Ironbound, which owns a grocery-anchored shopping center.

The Ironbound limited partnership has a defined termination date of December 31, 2097. The partners in Ironbound are entitled to receive an annual cash preference payable from available cash of the partnership. Any unpaid preferences accumulate and are paid from future cash, if any. The balance of available cash, if any, is distributed in accordance with the respective partner’s interests. Upon liquidation of Ironbound, proceeds from the sale of partnership assets are to be distributed in accordance with the respective partnership interests. The limited partners are not obligated to make any additional capital contributions to the partnership.

Orangeburg

The Company, through a wholly-owned subsidiary, is the managing member and owns a 44.1% interest in Orangeburg, which owns a drug store-anchored shopping center. The other member (non-managing) of Orangeburg is the prior owner of the contributed property who, in exchange for contributing the net assets of the property, received units of Orangeburg equal to the value of the contributed property less the value of the assigned first mortgage payable. The Orangeburg operating agreement

provides for the non-managing member to receive an annual cash distribution equal to the regular quarterly cash distribution declared by the Company for one share of the Company’s Class A Common stock, which amount is attributable to each unit of Orangeburg ownership. The annual cash distribution is paid from available cash, as defined, of Orangeburg. The balance of available cash, if any, is fully distributable to the Company. Upon liquidation, proceeds from the sale of Orangeburg assets are to be distributed in accordance with the operating agreement. The non-managing member is not obligated to make any additional capital contributions to the partnership. Orangeburg has a defined termination date of December 31, 2097. Since purchasing this property, the Company has made additional investments in the amount of \$6.6 million in Orangeburg and as a result as of October 31, 2018 its ownership percentage has increased to 44.1% from approximately 2.92% at inception.

McLean Plaza

The Company, through a wholly-owned subsidiary, is the managing member and owns a 53% interest in McLean Plaza Associates, LLC, a limited liability company (“McLean”), which owns a grocery-anchored shopping center. The McLean operating agreement provides for the non-managing members to receive a fixed annual cash distribution equal to 5.05% of their invested capital. The annual cash distribution is paid from available cash, as defined, of McLean. The balance of available cash, if any, is fully distributable to the Company. Upon liquidation, proceeds from the sale of McLean assets are to be distributed in accordance with the operating agreement. The non-managing members are not obligated to make any additional capital contributions to the entity.

UB High Ridge

The Company acquired an 8.80% interest in UB High Ridge, LLC (“UB High Ridge”) for a net investment of \$5.5 million. UB High Ridge owns three commercial real estate properties, High Ridge Shopping Center, a grocery-anchored shopping center, (“High Ridge”) and two single tenant commercial retail properties, one leased to JP Morgan Chase (“Chase Property”) and one leased to CVS (“CVS Property”). Two of the properties are located in Stamford, CT and one in Greenwich, CT. High Ridge is a grocery-anchored shopping center anchored by a Trader Joes grocery store. The properties were contributed to the new entities by the former owners who received units of ownership of UB High Ridge equal to the value of properties contributed less liabilities assumed. The UB High Ridge operating agreement provides for the non-managing members to receive an annual cash distribution,

currently equal to 5.46% of their invested capital. During the fiscal year ended October 31, 2018, the Company redeemed 51,914 units of non-managing members for a total amount of \$1.2 million. The Company's ownership percentage increased to 10.9% from 8.8% at inception.

UB Dumont I, LLC

In August 2017, the Company acquired a 31.4% interest in UB Dumont I, LLC ("Dumont") for a net investment of \$3.9 million. Dumont owns a retail and residential real estate property, which retail portion is anchored by a Stop and Shop grocery store. The property is located in Dumont, NJ. The property was contributed to the new entity by the former owners who received units of ownership of Dumont equal to the value of contributed property less liabilities assumed. The Dumont operating agreement provides for the non-managing members to receive an annual cash distribution, currently equal to 5.05% of their invested capital.

UB New City I, LLC

In June 2018, the Company purchased a 75.3% equity interest in a joint venture, UB New City I, LLC ("New City"), in which the Company is the managing member. The Company's initial investment was \$2.4 million. New City owns a single tenant retail real estate property located in New City, NY, which is leased to a Savings Bank. In addition, New City rents certain parking spaces on the property to the owner of an adjacent grocery-anchored shopping center. The property was contributed to the new entity by the former owners who received units of ownership of New City equal to the value of contributed property. The New City operating agreement provides for the non-managing member to receive an annual cash distribution, currently equal to 5.00% of his invested capital.

Noncontrolling interests:

The Company accounts for noncontrolling interests in accordance with ASC Topic 810, "Consolidation." Because the limited partners or noncontrolling members in Ironbound, Orangeburg, McLean, UB High Ridge, Dumont and New City have the right to require the Company to redeem all or a part of their limited partnership or limited liability company units for cash, or at the option of the Company shares of its Class A Common stock, at prices as defined in the governing agreements, the Company reports the noncontrolling interests in the consolidated joint ventures in the mezzanine section, outside of permanent equity, of the consolidated balance sheets at redemption value which approximates fair value. The value of the Orangeburg, McLean and a portion of the UB High Ridge and Dumont

redemptions are based solely on the price of the Company's Class A Common stock on the date of redemption. For the years ended October 31, 2018 and 2017, the Company adjusted the carrying value of the non-controlling interests by \$(2,674,000) and \$(666,000), respectively, with the corresponding adjustment recorded in stockholders' equity.

The following table sets forth the details of the Company's redeemable non-controlling interests (amounts in thousands):

	October 31,	
	2018	2017
Beginning Balance	\$81,361	\$18,253
Initial UB High Ridge Noncontrolling Interest-Net	—	55,217
Initial Dumont Noncontrolling Interest-Net	—	8,557
Initial New City Noncontrolling Interest-Net	791	—
Redemption of UB High Ridge Noncontrolling Interest	(1,220)	—
Change in Redemption Value	(2,674)	(666)
Ending Balance	<u>\$78,258</u>	<u>\$81,361</u>

(6) INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED JOINT VENTURES

At October 31, 2018 and 2017, investments in and advances to unconsolidated joint ventures consisted of the following (with the Company's ownership percentage in parentheses) (amounts in thousands):

	October 31,	
	2018	2017
Chestnut Ridge and Plaza 59 Shopping Centers (50.0%)	\$17,702	\$18,032
Gateway Plaza (50%)	6,680	6,873
Putnam Plaza Shopping Center (66.67%)	5,978	5,968
Midway Shopping Center, L.P. (11.642%)	4,509	4,639
Applebee's at Riverhead (50%)	1,842	1,814
81 Pondfield Road Company (20%)	723	723
Total	<u>\$37,434</u>	<u>\$38,049</u>

Chestnut Ridge and Plaza 59 Shopping Centers

The Company, through two wholly owned subsidiaries, owns a 50% undivided tenancy-in-common equity interest in the 76,000 square foot Chestnut Ridge Shopping Center located in Montvale, New Jersey ("Chestnut"),

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

which is anchored by a Fresh Market grocery store, and the 24,000 square foot Plaza 59 Shopping Center located in Spring Valley, New York ("Plaza 59"), which is anchored by a local grocer.

Gateway Plaza and Applebee's at Riverhead

The Company, through two wholly owned subsidiaries, owns a 50% undivided tenancy-in-common equity interest in the Gateway Plaza Shopping Center ("Gateway") and Applebee's at Riverhead ("Applebee's"). Both properties are located in Riverhead, New York (together the "Riverhead Properties"). Gateway, a 198,500 square foot shopping center anchored by a 168,000 square foot Walmart which also has 27,000 square feet of in-line space that is partially leased and a 3,500 square foot outparcel that is leased. Applebee's has a 5,400 square foot free standing Applebee's restaurant with a 7,200 square foot pad site that is leased.

Gateway is subject to a \$12.4 million non-recourse first mortgage. The mortgage matures on March 1, 2024 and requires payments of principal and interest at a fixed rate of interest of 4.2% per annum.

Putnam Plaza Shopping Center

The Company, through a wholly owned subsidiary, owns a 66.67% undivided tenancy-in-common equity interest in the 189,000 square foot Putnam Plaza Shopping Center ("Putnam Plaza"), which is anchored by a Tops grocery store.

Putnam Plaza has a first mortgage payable in the amount of \$18.9 million. The mortgage requires monthly payments of principal and interest at a fixed rate of 4.81% and will mature in 2028.

Midway Shopping Center, L.P.

The Company, through a wholly owned subsidiary, owns an 11.642% equity interest in Midway Shopping Center L.P. ("Midway"), which owns a 247,000 square foot grocery-anchored shopping center in Westchester County, New York. Although the Company only has an 11.642% equity interest in Midway, it controls 25% of the voting power of Midway, and as such, has determined that it exercises significant influence over the financial and operating decisions of Midway but does not control the venture and accounts for its investment in Midway under the equity method of accounting.

The Company has allocated the \$7.4 million excess of the carrying amount of its investment in and advances to Midway over the Company's share of Midway's net book value to real property and is amortizing the difference over the property's estimated useful life of 39 years.

Midway currently has a non-recourse first mortgage payable in the amount of \$27.6 million. The loan requires payments of principal and interest at the rate of 4.80% per annum and will mature in 2027.

81 Pondfield Road Company

The Company's other investment in an unconsolidated joint venture is a 20% economic interest in a partnership which owns a retail and office building in Westchester County, New York.

The Company accounts for the above investments under the equity method of accounting since it exercises significant influence, but does not control the joint ventures. The other venturers in the joint ventures have substantial participation rights in the financial decisions and operation of the ventures or properties, which preclude the Company from consolidating the investments. The Company has evaluated its investment in the joint ventures and has concluded that the joint ventures are not VIE's. Under the equity method of accounting the initial investment is recorded at cost as an investment in unconsolidated joint venture, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions from the venture. Any difference between the carrying amount of the investment on the Company's balance sheet and the underlying equity in net assets of the venture is evaluated for impairment at each reporting period.

(7) STOCKHOLDERS' EQUITY

Authorized Stock

The Company's Charter authorizes up to 200,000,000 shares of various classes of stock. The total number of shares of authorized stock consists of 100,000,000 shares of Class A Common Stock, 30,000,000 shares of Common Stock, 50,000,000 shares of Preferred Stock, and 20,000,000 shares of Excess Stock.

Preferred Stock

The 6.75% Series G Senior Cumulative Preferred Stock ("Series G Preferred Stock") is non-voting, has no stated maturity and is redeemable for cash at \$25 per share at the Company's option on or after October 28, 2019. The holders of our Series G Preferred Stock have general preference rights with respect to liquidation and quarterly distributions. Except under certain conditions, holders of the Series G Preferred Stock will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of Series G

Preferred Stock, together with all of the Company's other Series of preferred stock (voting as a single class without regard to series) will have the right to elect two additional members to serve on the Company's Board of Directors until the arrearage has been cured. Upon the occurrence of a Change of Control, as defined in the Company's Articles Supplementary to the Charter, the holders of the Series G Preferred Stock will have the right to convert all or part of the shares of Series G Preferred Stock held by such holders on the applicable conversion date into a number of the Company's shares of Class A Common stock. Underwriting commissions and costs incurred in connection with the sale of the Series G Preferred Stock are reflected as a reduction of additional paid in capital.

The 6.25% Series H Senior Cumulative Preferred Stock (the "Series H Preferred Stock") is nonvoting, have no stated maturity and is redeemable for cash at \$25 per share at the Company's option on or after September 18, 2022. The holders of our Series H Preferred Stock have general preference rights with respect to liquidation and quarterly distributions. Except under certain conditions, holders of the Series H Preferred Stock will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of Series H Preferred Stock, together with all of the Company's other Series of preferred stock (voting as a single class without regard to series) will have the right to elect two additional members to serve on the Company's Board of Directors until the arrearage has been cured. Upon the occurrence of a Change of Control, as defined in the Company's

Articles of Incorporation, the holder of the Series H Preferred Stock will have the right to convert all or part of the shares of Series H Preferred Stock held by such holder on the applicable conversion date into a number of the Company's shares of Class A common stock. Underwriting commissions and costs incurred in connection with the sale of the Series H Preferred Stock are reflected as a reduction of additional paid in capital.

In October 2017, we redeemed all of the outstanding shares of our \$25 Series F Cumulative Preferred Stock with a liquidation preference of \$25 per share. As a result we recognized a charge of \$4.1 million on our consolidated statement of income for the fiscal year ended October 31, 2017, which represents the difference between redemption value and carrying value net of original deferred issuance costs.

Common Stock

The Class A Common Stock entitles the holder to 1/20 of one vote per share. The Common Stock entitles the holder to one vote per share. Each share of Common Stock and Class A Common Stock have identical rights with respect to dividends except that each share of Class A Common Stock will receive not less than 110% of the regular quarterly dividends paid on each share of Common Stock.

The following tables set forth the dividends declared per Common share and Class A Common share and tax status for Federal income tax purposes of the dividends paid during the fiscal years ended October 31, 2018 and 2017:

Dividend Payment Date	Common Shares				Class A Common Shares			
	Gross Dividend Paid Per Share	Ordinary Income	Capital Gain	Non-Taxable Portion	Gross Dividend Paid Per Share	Ordinary Income	Capital Gain	Non-Taxable Portion
January 19, 2018	\$ 0.24	\$0.1614	\$ 0.0038	\$ 0.0748	\$ 0.27	\$0.182	\$ 0.004	\$ 0.084
April 16, 2018	\$ 0.24	\$0.1614	\$ 0.0038	\$ 0.0748	\$ 0.27	\$0.182	\$ 0.004	\$ 0.084
July 20, 2018	\$ 0.24	\$0.1614	\$ 0.0038	\$ 0.0748	\$ 0.27	\$0.182	\$ 0.004	\$ 0.084
October 19, 2018	\$ 0.24	\$0.1614	\$ 0.0038	\$ 0.0748	\$ 0.27	\$0.182	\$ 0.004	\$ 0.084
	<u>\$ 0.96</u>	<u>\$ 0.6456</u>	<u>\$ 0.0152</u>	<u>\$ 0.2992</u>	<u>\$ 1.08</u>	<u>\$ 0.728</u>	<u>\$ 0.016</u>	<u>\$ 0.336</u>
January 20, 2017	\$0.235	\$ 0.14	\$0.02075	\$0.07425	\$0.265	\$0.158	\$0.02325	\$0.08375
April 17, 2017	\$0.235	\$ 0.14	\$0.02075	\$0.07425	\$0.265	\$0.158	\$0.02325	\$0.08375
July 17, 2017	\$0.235	\$ 0.14	\$0.02075	\$0.07425	\$0.265	\$0.158	\$0.02325	\$0.08375
October 20, 2017	<u>\$0.235</u>	<u>\$ 0.14</u>	<u>\$0.02075</u>	<u>\$0.07425</u>	<u>\$0.265</u>	<u>\$0.158</u>	<u>\$0.02325</u>	<u>\$0.08375</u>
	<u>\$0.94</u>	<u>\$ 0.56</u>	<u>\$0.083</u>	<u>\$0.297</u>	<u>\$1.06</u>	<u>\$0.632</u>	<u>\$0.093</u>	<u>\$0.335</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company has a Dividend Reinvestment and Share Purchase Plan (as amended, the "DRIP"), that permits stockholders to acquire additional shares of Common Stock and Class A Common Stock by automatically reinvesting dividends. During fiscal 2018, the Company issued 4,528 shares of Common Stock and 5,766 shares of Class A Common Stock (4,705 shares of Common Stock and 5,399 shares of Class A Common Stock in fiscal 2017) through the DRIP. As of October 31, 2018, there remained 338,406 shares of Common Stock and 393,150 shares of Class A Common Stock available for issuance under the DRIP.

The Company has adopted a stockholder rights plan, pursuant to which each holder of Common Stock received a Common Stock right and each holder of Class A Common Stock received a Class A Common Stock right. The rights are not exercisable until the Distribution Date and will expire on November 11, 2028, unless earlier redeemed by the Company. If the rights become exercisable, each holder of a Common Stock right will be entitled to purchase from the Company one one hundredth of a share of Series I Participating Preferred Stock, and each holder of a Class A Common Stock right will be entitled to purchase from the Company one one hundredth of a share of Series J Participating Preferred Stock, in each case, at a price of \$85, subject to adjustment. The "Distribution Date" will be the earlier to occur of the close of business on the tenth business day following: (a) a public announcement that an acquiring person has acquired beneficial ownership of 10% or more of the total combined voting power of the outstanding Common Stock and Class A Common Stock, or (b) the commencement of a tender offer or exchange offer that would result in the beneficial ownership of 30% or more of the combined voting power of the outstanding Common Stock and Class A Common Stock, number of outstanding Common Stock, or the number of outstanding Class A Common Stock. Thereafter, if certain events occur, holders of Common Stock and Class A Common Stock, other than the acquiring person, will be entitled to purchase shares of Common Stock and Class A Common Stock, respectively, of the Company having a value equal to 2 times the exercise price of the right.

The Company's articles of incorporation provide that if any person acquires more than 7.5% of the aggregate value of all outstanding stock, except, among other reasons, as approved by the Board of Directors, such shares in excess of this limit automatically will be

exchanged for an equal number of shares of Excess Stock. Excess Stock has limited rights, may not be voted and is not entitled to any dividends.

Stock Repurchase

The Board of Directors of the Company has approved a share repurchase program ("Current Repurchase Program") for the repurchase of up to 2,000,000 shares, in the aggregate, of Common stock, Class A Common stock and Series G Cumulative Preferred stock and Series H Cumulative Preferred stock in open market transactions.

For the year ended October 31, 2018, the Company repurchased an additional 6,660 shares of Class A Common Stock at the average price per Class A Common share of \$17.94 under the Current Repurchase Program. The Company has repurchased 195,413 shares of Class A Common Stock under the Current Repurchase Program. From the inception of all repurchase programs, the Company has repurchased 4,600 shares of Common Stock and 919,991 shares of Class A Common Stock.

(8) STOCK COMPENSATION AND OTHER BENEFIT PLANS

Restricted Stock Plan

The Company has a Restricted Stock Plan that provides a form of equity compensation for employees of the Company. The Plan, which is administered by the Company's compensation committee, authorizes grants of up to an aggregate of 4,500,000 shares of the Company's common equity consisting of 350,000 Common shares, 350,000 Class A Common shares and 3,800,000 shares, which at the discretion of the compensation committee, may be awarded in any combination of Class A Common shares or Common shares.

In fiscal 2018, the Company awarded 152,700 shares of Common Stock and 102,800 shares of Class A Common Stock to participants in the Plan. The grant date fair value of restricted stock grants awarded to participants in 2018 was approximately \$5.0 million. As of October 31, 2018, there was \$14.0 million of unamortized restricted stock compensation related to non-vested restricted stock grants awarded under the Plan. The remaining unamortized expense is expected to be recognized over a weighted average period of 4.6 years. For the years ended October 31, 2018, 2017 and 2016, amounts charged to compensation expense totaled \$4,394,000, \$4,156,000 and \$4,426,000, respectively.

A summary of the status of the Company's non-vested restricted stock awards as of October 31, 2018, and changes during the year ended October 31, 2018 is presented below:

	Common Shares		Class A Common Shares	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Non-vested at October 31, 2017	1,274,150	\$17.02	412,275	\$20.60
Granted	152,700	\$17.70	102,800	\$22.10
Vested	(170,950)	\$15.78	(57,200)	\$18.07
Forfeited	—	—	(4,950)	\$22.06
Non-vested at October 31, 2018	<u>1,255,900</u>	\$17.22	<u>452,925</u>	\$21.13

Profit Sharing and Savings Plan

The Company has a profit sharing and savings plan (the "401K Plan"), which permits eligible employees to defer a portion of their compensation in accordance with the Internal Revenue Code. Under the 401K Plan, the Company made contributions on behalf of eligible employees. The Company made contributions to the 401K Plan of approximately \$220,000, \$208,000 and \$187,000 in each of the three years ended October 31, 2018, 2017 and 2016, respectively. The Company also has an Excess Benefit and Deferred Compensation Plan that allows eligible employees to defer benefits in excess of amounts provided under the Company's 401K Plan and a portion of the employee's current compensation.

(9) FAIR VALUE MEASUREMENTS

ASC Topic 820, "Fair Value Measurements and Disclosures," defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants.

ASC Topic 820's valuation techniques are based on observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1—Quoted prices for identical instruments in active markets
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant value drivers are observable
- Level 3—Valuations derived from valuation techniques in which significant value drivers are unobservable

Marketable debt and equity securities are valued based on quoted market prices on national exchanges.

The Company calculates the fair value of the redeemable noncontrolling interests based on either quoted market prices on national exchanges for those interests based on the Company's Class A Common Stock or unobservable inputs considering the assumptions that market participants would make in pricing the obligations. The inputs used include an estimate of the fair value of the cash flow generated by the limited partnership or limited liability company in which the investor owns the joint venture units capitalized at prevailing market rates for properties with similar characteristics or located in similar areas.

The fair values of interest rate swaps are determined using widely accepted valuation techniques, including discounted cash flow analysis, on the expected cash flows of each derivative. The analysis reflects the contractual terms of the swaps, including the period to maturity, and uses observable market-based inputs, including interest rate curves ("significant other observable inputs.") The fair value calculation also includes an amount for risk of non-performance using "significant unobservable inputs" such as estimates of current credit spreads to evaluate the likelihood of default. The Company has concluded, as of October 31, 2018 and 2017, that the fair value associated with the "significant unobservable inputs" relating to the Company's risk of non-performance was insignificant to the overall fair value of the interest rate swap agreements and, as a result, the Company has determined that the relevant inputs for purposes of calculating the fair value of the interest rate swap agreements, in their entirety, were based upon "significant other observable inputs".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company measures its marketable debt and equity securities, redeemable noncontrolling interests and interest rate swap derivatives at fair value on a recurring basis. The fair value of these financial assets and liabilities was determined using the following inputs at October 31, 2018 and 2017 (amounts in thousands):

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fiscal Year Ended October 31, 2018				
Assets:				
Interest Rate Swap Agreements	\$ 7,011	\$ —	\$ 7,011	\$ —
Available for sale securities	\$ 5,567	\$ 5,567	\$ —	\$ —
Liabilities:				
Interest Rate Swap Agreements	\$ 114	\$ —	\$ 114	\$ —
Redeemable noncontrolling interests	\$78,258	\$22,131	\$53,359	\$2,768
Fiscal Year Ended October 31, 2017				
Assets:				
Interest Rate Swap Agreements	\$ 3,316	\$ —	\$ 3,316	\$ —
Liabilities:				
Interest Rate Swap Agreements	\$ 574	\$ —	\$ 574	\$ —
Redeemable noncontrolling interests	\$81,361	\$23,709	\$53,788	\$3,864

Fair market value measurements based upon Level 3 inputs changed (in thousands) from \$3,846 at November 1, 2016 to \$3,864 at October 31, 2017 as a result of a \$18 increase in the redemption value of the Company's noncontrolling interest in Ironbound in accordance with the application of ASC Topic 810. Fair market value measurements based upon Level 3 inputs changed from \$3,864 at November 1, 2017 to \$2,768 at October 31, 2018 as a result of a \$(1,096) decrease in the redemption value of the Company's noncontrolling interest in Ironbound in accordance with the application of ASC Topic 810.

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, mortgage note receivable, tenant receivables, prepaid expenses, other assets, accounts payable and accrued expenses, are reasonable estimates of their fair values because of the short-term nature of these instruments. The carrying value of the Facility is deemed to be at fair value since the outstanding debt is directly tied to monthly LIBOR contracts. Mortgage notes payable that were assumed in property acquisitions were recorded at their fair value at the time they were assumed.

The estimated fair value of mortgage notes payable and other loans was approximately \$281 million and \$296 million at October 31, 2018 and October 31, 2017,

respectively. The estimated fair value of mortgage notes payable is based on discounting the future cash flows at a year-end risk adjusted borrowing rates currently available to the Company for issuance of debt with similar terms and remaining maturities. These fair value measurements fall within level 2 of the fair value hierarchy.

Although management is not aware of any factors that would significantly affect the estimated fair value amounts from October 31, 2017, such amounts have not been comprehensively revalued for purposes of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

(10) COMMITMENTS AND CONTINGENCIES

In the normal course of business, from time to time, the Company is involved in legal actions relating to the ownership and operations of its properties. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a material adverse effect on the consolidated financial position, results of operations or liquidity of the Company.

At October 31, 2018, the Company had commitments of approximately \$5.0 million for tenant-related obligations.

(11) QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The unaudited quarterly results of operations for the years ended October 31, 2018 and 2017 are as follows (in thousands, except per share data):

	Year Ended October 31, 2018				Year Ended October 31, 2017			
	Quarter Ended				Quarter Ended			
	Jan 31	Apr 30	July 31	Oct 31	Jan 31	Apr 30	July 31	Oct 31
Revenues	<u>\$32,995</u>	<u>\$37,005</u>	<u>\$32,809</u>	<u>\$32,543</u>	<u>\$29,202</u>	<u>\$30,024</u>	<u>\$32,020</u>	<u>\$32,313</u>
Income from Continuing Operations	<u>\$ 9,079</u>	<u>\$14,022</u>	<u>\$ 9,780</u>	<u>\$ 9,302</u>	<u>\$ 7,204</u>	<u>\$27,919</u>	<u>\$10,613</u>	<u>\$ 9,696</u>
Net Income Attributable to								
Urstadt Biddle Properties Inc.	\$ 7,984	\$12,660	\$ 8,642	\$ 8,181	\$ 6,982	\$27,672	\$ 9,631	\$ 8,648
Preferred Stock Dividends	(3,063)	(3,062)	(3,063)	(3,062)	(3,570)	(3,571)	(3,570)	(4,249)
Redemption of Preferred Stock	—	—	—	—	—	—	—	(4,075)
Net Income Applicable to Common and Class A Common Stockholders	<u>\$ 4,921</u>	<u>\$ 9,598</u>	<u>\$ 5,579</u>	<u>\$ 5,119</u>	<u>\$ 3,412</u>	<u>\$24,101</u>	<u>\$ 6,061</u>	<u>\$ 324</u>
Per Share Data:								
Basic:								
Class A Common Stock	\$0.13	\$0.26	\$0.15	\$0.14	\$0.09	\$0.66	\$0.16	\$0.01
Common Stock	\$0.12	\$0.23	\$0.13	\$0.12	\$0.08	\$0.58	\$0.15	\$0.01
Diluted:								
Class A Common Stock	\$0.13	\$0.25	\$0.15	\$0.14	\$0.09	\$0.64	\$0.16	\$0.01
Common Stock	\$0.12	\$0.23	\$0.13	\$0.12	\$0.08	\$0.57	\$0.14	\$0.01

Amounts may not equal full year results due to rounding.

Certain prior period amounts are reclassified to correspond to current period presentation.

(12) SUBSEQUENT EVENTS

In December 2018, the Company purchased the Lakeview Plaza Shopping Center ("Lakeview") for \$12.0 million. Lakeview is a 177,000 square foot grocery-anchored Shopping Center located in Putnam County, NY. In addition, the Company anticipates having to invest up to \$8.0 million for capital improvements and for re-tenanting at the property. The Company funded the purchase with available cash and borrowings on our Facility. The Company intends to fund the additional investment of up to \$8.0 million with a combination of available cash, borrowings on our Facility and by potentially placing a mortgage on the property.

On December 12, 2018, the Board of Directors of the Company declared cash dividends of \$0.245 for each share of Common Stock and \$0.275 for each share of Class A Common Stock. The dividends are payable on January 18, 2019 to stockholders of record on January 4, 2019. The Board of Directors also ratified the actions of the Company's compensation committee authorizing awards of 137,200 shares of Common Stock and 111,450 shares of Class A Common Stock to certain officers, directors and employees of the Company effective January 2, 2019, pursuant to the Company's restricted stock plan. The fair value of the shares awarded totaling \$4.2 million will be charged to expense over the requisite service periods (see note 1).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Urstadt Biddle Properties Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Urstadt Biddle Properties Inc. (the “Company”) as of October 31, 2018 and 2017, and the related consolidated statements of income, comprehensive income, stockholders’ equity, and cash flows for each of the three years in the period ended October 31, 2018, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended October 31, 2018, 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 October 31, 2018, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated January 10, 2019, expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company’s auditor since 2006.

/s/ PKF O’Connor Davies, LLP

January 10, 2019
New York, New York

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 of the Company and the notes thereto included elsewhere in this report.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements can be identified by the fact that they do not relate strictly to historical or current facts or by such words as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "plan," "seek," "should," "will" or variations of such words or other similar expressions and the negatives of such words. All statements included in this report that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including such matters as future capital expenditures, dividends and acquisitions (including the amount and nature thereof), business strategies, expansion and growth of our operations, expected leasing results and other such matters, are forward-looking statements. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate. Such statements are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance or achievements, financial and otherwise, may differ materially from the results, performance or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to:

- economic and other market conditions, including local real estate and market conditions, that could impact us, our properties or the financial stability of our tenants;
- financing risks, such as the inability to obtain debt or equity financing on favorable terms, as well as the level and volatility of interest rates;
- any difficulties in renewing leases, filling vacancies or negotiating improved lease terms;

- the inability of the Company's properties to generate revenue increases to offset expense increases;
- environmental risk and regulatory requirements;
- risks of real estate acquisitions and dispositions (including the failure of transactions to close);
- risks of operating properties through joint ventures that we do not fully control;
- risks related to our status as a real estate investment trust, including the application of complex federal income tax regulations that are subject to change.

Forward-looking statements speak only as of the date of this filing. Except as expressly required under federal securities laws and the rules and regulations of the SEC, we do not undertake any obligation to update any forward-looking statements to reflect events or circumstances arising after the date of this filing, whether as a result of new information or future events or otherwise. You should not place undue reliance on the forward-looking statements included in this filing or that may be made elsewhere from time to time by us, or on our behalf. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

EXECUTIVE SUMMARY

Overview

We are a fully integrated, self-administered real estate company that has elected to be a REIT for federal income tax purposes, engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers, with a concentration in the metropolitan New York tri-state area outside of the City of New York. Other real estate assets include office properties, single tenant retail or restaurant properties and office/retail mixed use properties. Our major tenants include supermarket chains and other retailers who sell basic necessities.

At October 31, 2018, we owned or had equity interests in 84 properties, which include equity interests we own in six consolidated joint ventures and seven unconsolidated joint ventures, containing a total of 5.1 million square feet of Gross Leasable Area ("GLA"). Of the properties owned by wholly-owned subsidiaries or joint venture entities that we consolidate, approximately 93.2% was leased (92.7% at October 31, 2017). Of the properties owned by unconsolidated joint ventures, approximately 96.3% was leased (97.7% at October 31, 2017).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We have paid quarterly dividends to our shareholders continuously since our founding in 1969 and have increased the level of dividend payments to our shareholders for 24 consecutive years.

We derive substantially all of our revenues from rents and operating expense reimbursements received pursuant to long-term leases and focus our investment activities on community and neighborhood shopping centers, anchored principally by regional supermarket or pharmacy chains. We believe that because consumers need to purchase food and other types of staple goods and services generally available at supermarket or pharmacy-anchored shopping centers, the nature of our investments provides for relatively stable revenue flows even during difficult economic times.

We have a conservative capital structure, which includes permanent equity sources of Common Stock, Class A Common Stock and two series of perpetual preferred stock, which is only redeemable at our option. In addition, we have mortgage debt. We have one \$3.2 million mortgage maturing in October 2019, which we believe could easily be refinanced if we so choose or repaid with available cash. Two other mortgages for properties we consolidate and one secured mortgage for a property we have an equity investment in but do not consolidate had mortgages that mature in fiscal 2019. Those mortgage notes have been refinanced or we have entered into agreements to refinance them. For further information please see the Financing Strategy section below. Thereafter, we do not have any additional secured debt maturing until January of 2022.

We focus on increasing cash flow, and consequently the value of our properties, and seek continued growth through strategic re-leasing, renovations and expansions of our existing properties and selective acquisitions of income-producing properties. Key elements of our growth strategies and operating policies are to:

- acquire quality neighborhood and community shopping centers in the northeastern part of the United States with a concentration on properties in the metropolitan New York tri-state area outside of the City of New York, and unlock further value in these properties with selective enhancements to both the property and tenant mix, as well as improvements to management and leasing fundamentals. Our hope is to grow our assets through acquisitions by 5% to 10% per year on a dollar value basis subject to the availability of acquisitions that meet our investment parameters;

- selectively dispose of underperforming properties and re-deploy the proceeds into potentially higher performing properties that meet our acquisition criteria;
- invest in our properties for the long term through regular maintenance, periodic renovations and capital improvements, enhancing their attractiveness to tenants and customers, as well as increasing their value;
- leverage opportunities to increase GLA at existing properties, through development of pad sites and reconfiguring of existing square footage, to meet the needs of existing or new tenants;
- proactively manage our leasing strategy by aggressively marketing available GLA, renewing existing leases with strong tenants, and replacing weak ones when necessary, with an eye towards securing leases that include regular or fixed contractual increases to minimum rents, replacing below-market-rent leases with increased market rents when possible and further improving the quality of our tenant mix at our shopping centers;
- maintain strong working relationships with our tenants, particularly our anchor tenants;
- maintain a conservative capital structure with low debt levels; and
- control property operating and administrative costs.

Highlights of Fiscal 2018; Recent Developments

Set forth below are highlights of our recent property acquisitions, other investments, property dispositions and financings:

- In October 2017, we purchased a promissory note secured by a mortgage on 470 Main Street in Ridgefield, CT ("470 Main"), which comprises part of the Yankee Ridge retail and office mixed-use property. The note was purchased from the existing lender. In January 2018, we completed foreclosure of the mortgage and became the owner of 470 Main. Total consideration paid for the note, including costs, totaled \$3.1 million. 470 Main is a 24,200 square foot building with ground and first floor retail and second floor office space. We funded the note purchase with available cash.

- In March 2018, we purchased for \$13.1 million a 27,000 square foot shopping center located in Yonkers, NY. We funded the acquisition with available cash, the issuance of unsecured notes payable to the seller (See Note 4 of our consolidated financial statements included in this Annual Report, and borrowings on our Unsecured Revolving Credit Facility (“Facility”).
- In June 2018, the Company purchased a 75.3% equity interest in a joint venture, UB New City I, LLC, in which the Company is the managing member. The Company’s initial investment was \$2.4 million. New City owns a single tenant retail real estate property located in New City, NY, which is leased to a savings bank. In addition, New City rents certain parking spaces on the property to the owner of an adjacent grocery-anchored shopping center. The property was contributed to the new entity by the former owners who received units of ownership of New City equal to the value of contributed property. The New City operating agreement provides for the non-managing member to receive an annual cash distribution, currently equal to 5.00% of his invested capital.
- In August and October 2018, three of the non-managing members in our consolidated joint venture, UB High Ridge, LLC (“High Ridge”) put, in the aggregate, 17,695 Series A units and 34,219 Series B units of High Ridge to us pursuant to the terms of the High Ridge operating agreement. The total cash redemption amount equaled \$1.2 million. As a result, our ownership percentage of High Ridge increased from 8.8% at inception to 10.9% after the redemptions. The redemptions were funded with available cash.
- In October 2018, we entered into a purchase and sale agreement to purchase a 177,000 square foot grocery-anchored shopping center for \$12 million located in Putnam County, NY, for which we deposited \$1 million with the seller. In addition, we anticipate having to invest an additional \$6 million to \$8 million for capital improvements and for re-tenanting at the property. At October 31, 2018, the property was approximately 73% leased. We closed on the purchase in December 2018, funding the purchase with available cash and borrowings on our Facility. We intend to fund the additional investment of \$6 million to \$8 million with a combination of available cash, borrowings on our Facility and by potentially placing a mortgage on the property.
- In October 2018, we entered into a commitment to refinance our existing \$15 million mortgage secured by our Darien, CT shopping center on March 18, 2019, the first day the Darien mortgage can be repaid without penalty. The new mortgage will be in the amount of \$25 million, have a term of ten years and will require payments of principal and interest at the rate of LIBOR plus 1.65%. Concurrent with the commitment, we also entered into an interest rate swap with the new lender, which will convert the variable interest rate (based on LIBOR) to a fixed rate of 4.815% per annum. The fixed interest rate on the existing mortgage is currently 6.55%.
- In October 2018, we entered into a commitment to refinance our existing \$9.2 million mortgage secured by our Newark, NJ shopping center. We anticipate the refinancing will take place in March 2019, the first month the current mortgage can be repaid without penalty. The new mortgage will be in the amount of \$10 million and has a term of ten years and requires payments of principal and interest at the fixed rate of 4.63%, which is a reduction from the existing fixed interest rate of 6.15%.

Known Trends; Outlook

We believe that shopping center REITs face opportunities and challenges that are both common to and unique from other REITs and real estate companies. As a shopping center REIT, we are focused on certain challenges that are unique to the retail industry. In particular, we recognize the challenges presented by e-commerce to brick-and-mortar retail establishments, including our tenants. However, we believe that because consumers prefer to purchase food and other staple goods and services available at supermarkets in person, the nature of our properties makes them less vulnerable to the encroachment of e-commerce than other properties whose tenants may more directly compete with the internet. Moreover, we believe the nature of our properties makes them less susceptible to economic downturns than other retail properties whose anchor tenants are not supermarkets or other staple goods providers. We note, however, that many prospective in-line tenants are seeking smaller spaces than in the past, as a result, in part, of internet encroachment on their brick-and-mortar business. When feasible, we actively work to place

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

tenants that are less susceptible to internet encroachment, such as restaurants, fitness centers, healthcare and personal services. We continue to be sensitive to these considerations when we establish the tenant mix at our shopping centers, and believe that our strategy of focusing on supermarket anchors is a strong one.

In the metropolitan tri-state area outside of New York City, demographics (income, density, etc.) remain strong and opportunities for new development, as well as acquisitions, are competitive, with high barriers to entry. We believe that this will remain the case for the foreseeable future, and have focused our growth strategy accordingly.

As a REIT, we are susceptible to changes in interest rates, the lending environment, the availability of capital markets and the general economy. For example, we believe that we are entering an increased interest rate environment, which could negatively impact the attractiveness of REIT stock to investors and our borrowing activities. It is also possible, however, that higher interest rates could signal a stronger economy, resulting in greater spending by consumers. The impact of such changes are difficult to predict.

In December 2017, the U.S. Congress passed sweeping tax reform legislation that made significant changes to corporate and individual tax rates and the calculation of taxes, as well as international tax rules for U.S. domestic corporations. As a REIT, we are generally not required to pay federal taxes otherwise applicable to regular corporations if we comply with the various tax regulations governing REITs. Stockholders, however, are generally required to pay taxes on REIT dividends. Tax reform legislation would affect the way in which dividends paid on our stock are taxed by the holder of that stock and could impact our stock price or how stockholders and potential investors view an investment in REITs. In addition, while certain elements of tax reform legislation would not impact us directly as a REIT, they could impact the geographic markets in which we operate, the tenants that populate our shopping centers and the customers who frequent our properties in ways, both positive and negative, that are difficult to anticipate.

Leasing

Rollovers

For the fiscal year 2018, we signed leases for a total of 707,000 square feet of predominantly retail space in our consolidated portfolio. New leases for vacant spaces were signed for 210,000 square feet at an average rental decrease of 11.7% on a cash basis, excluding 16,400 square feet of new leases for which there was no prior rent history available. The rental decrease for new lease space in fiscal 2018 was predominantly related to a 63,000 square foot supermarket lease in our Newark, NJ property, which was leased at a rental rate 30% below the prior occupied lease rate (see Significant Events with Impacts on Leasing section below). Renewals for 480,000 square feet of space previously occupied were signed at an average rental increase of 6.5% on a cash basis.

Tenant improvements and leasing commissions averaged \$60.85 per square foot for new leases and \$16.57 per square foot for renewals for the fiscal year ended 2018. The average term for new leases was 5.7 years and the average term for renewal leases was 4 years.

The rental increases/decreases associated with new and renewal leases generally include all leases signed in arms-length transactions reflecting market leverage between landlords and tenants. The comparison between average rent for expiring leases and new leases is determined by including minimum rent paid on the expiring lease and minimum rent to be paid on the new lease in the first year. In some instances, management exercises judgment as to how to most effectively reflect the comparability of spaces reported in this calculation. The change in rental income on comparable space leases is impacted by numerous factors including current market rates, location, individual tenant creditworthiness, use of space, market conditions when the expiring lease was signed, the age of the expiring lease, capital investment made in the space and the specific lease structure. Tenant improvements include the total dollars committed for the improvement (fit-out) of a space as it relates to a specific lease but may also include base building costs (i.e. expansion, escalators or new entrances) that are required to make the space leasable. Incentives (if applicable) include amounts paid to tenants as an inducement to sign a lease that do not represent building improvements.

The leases signed in 2018 generally become effective over the following one to two years. There is risk, however, that some new tenants will not ultimately take possession of their space and that tenants for both new and renewal leases may not pay all of their contractual rent due to operating, financial or other reasons.

In 2019, we believe our leasing volume will be in-line with our historical averages with overall positive increases in rental income for renewal leases and flat to slightly positive increases for new leases. However, changes in rental income associated with individual signed leases on comparable spaces may be positive or negative, and we can provide no assurance that the rents on new leases will continue to increase at the above described levels, if at all.

Significant Events with Impacts on Leasing

In July 2015, one of our largest tenants, A&P, filed a voluntary petition under chapter 11 of title 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). Subsequently, A&P determined that it would be liquidating the company. Prior to A&P filing for bankruptcy, A&P leased and occupied nine spaces totaling 365,000 square feet in our portfolio. The bankruptcy process relating to our nine spaces is complete, with eight of the nine A&P leases having been assumed by new operators in the bankruptcy process or re-leased by us to new operators. The remaining lease, located in our Pompton Lakes shopping center, totaling 63,000 square feet, was rejected by A&P in bankruptcy, and we are continuing to market that space for re-lease. In July 2017, one other 36,000 square foot space formerly occupied by A&P that we had released to a local grocery operator became vacant, as that operator failed to perform under its lease and was evicted. We have signed a lease with Whole Foods Market for this location, and we are hopeful that we can deliver the space to the lessee in early fiscal 2019. The lease required us to obtain municipal approvals, among other things, for a small 2,000 square foot expansion of the shopping center to accommodate the new tenant. We received these municipal approvals in the fourth quarter of fiscal 2018 and have included this space as leased beginning in this fourth quarter of fiscal 2018. In February 2018, Tops

Markets, LLC filed a voluntary petition under chapter 11 of title 11 of the Bankruptcy Code. Tops Markets is a tenant at a property owned by an unconsolidated joint venture in which we have a 66.67% ownership interest. The space is 61,000 square feet and the lease runs through 2026. In September 2018, Tops Markets assumed the lease and continues to perform under its lease pursuant to its terms. In May 2018, the grocery tenant occupying 30,600 square feet at our Passaic, NJ property went vacant, the tenant was evicted, and the lease was terminated. We are currently marketing this space for lease. As a result of the eviction and lease termination, the intangible assets and liabilities related to that lease were charged to income/expense in the third quarter of fiscal 2018. As a result we increased base rent on the consolidated income statement by \$745,000 in the fiscal year ended October 31, 2018 and we increased amortization expense by \$443,000 in the fiscal year ended October 31, 2018.

In April 2018, we reached agreement with the grocery tenant at our Newark, NJ property to terminate its 63,000 square foot lease in exchange for a \$3.7 million lease termination payment, which we received and recorded as revenue in the fiscal year ended October 31, 2018. Also in April 2018, we leased that same space to a new grocery store operator who took possession in May 2018. While the rental rate on the new lease is 30% less than the rental rate on the terminated lease, we hope that part of this decreased rental rate will be recaptured with the receipt of percentage rent in subsequent years as the store matures and its sales increase. The new lease required no tenant improvements or tenant allowances.

In 2017, Toys R' Us and Babies R' Us ("Toys") filed a voluntary petition under chapter 11 of title 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). Subsequently, Toys determined that it would be liquidating the company. Toys ground leased 65,700 square feet of space in our Danbury, CT shopping center. In August 2018, this lease was purchased out of bankruptcy from Toys and assumed by a new owner. The base lease rate for the 65,700 square foot space is \$0 for the duration of the lease, and we did not have any other leases with Toys R' Us or Babies R' Us, so the Company's cash flow was not impacted by the bankruptcy of Toys R' Us and Babies R' Us. As of the date of this report, we have not been informed by the new owner of the lease which operator will occupy the space.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Impact of Inflation on Leasing

Our long-term leases contain provisions to mitigate the adverse impact of inflation on our operating results. Such provisions include clauses entitling us to receive (a) scheduled base rent increases and (b) percentage rents based upon tenants' gross sales, which generally increase as prices rise. In addition, many of our non-anchor leases are for terms of less than ten years, which permits us to seek increases in rents upon renewal at then current market rates if rents provided in the expiring leases are below then existing market rates. Most of our leases require tenants to pay a share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are those that are both important to the presentation of the Company's financial condition and results of operations and require management's most difficult, complex or subjective judgments. For a further discussion about the Company's critical accounting policies, please see Note 1 to our consolidated financial statements included in this Annual Report.

LIQUIDITY AND CAPITAL RESOURCES

Overview

At October 31, 2018, we had cash and cash equivalents of \$10.3 million, compared to \$8.7 million at October 31, 2017. Our sources of liquidity and capital resources include operating cash flow from real estate operations, proceeds from bank borrowings and long-term mortgage debt, capital financings and sales of real estate investments. Substantially all of our revenues are derived from rents paid under existing leases, which means that our operating cash flow depends on the ability of our tenants to make rental payments. In fiscal 2018, 2017 and 2016, net cash flow provided by operations amounted to \$71.6 million, \$63.0 million and \$62.1 million, respectively.

Our short-term liquidity requirements consist primarily of normal recurring operating expenses and capital expenditures, debt service, management and professional fees, and regular dividends paid to our Common and Class A Common stockholders, which we expect to continue. Cash dividends paid on Common and Class A Common stock for the years ended October 31, 2018 and

2017 totaled \$41.6 million and \$40.6 million, respectively. Historically, we have met short-term liquidity requirements, which is defined as a rolling twelve month period, primarily by generating net cash from the operation of our properties. We believe that our net cash provided by operations will continue to be sufficient to fund our short-term liquidity requirements, including payment of dividends necessary to maintain our federal income tax REIT status.

Our long-term liquidity requirements consist primarily of obligations under our long-term debt, dividends paid to our preferred stockholders, capital expenditures and capital required for acquisitions. In addition, the limited partners and non-managing members of our six consolidated joint venture entities, UB Ironbound, L.P., UB McLean, LLC, UB Orangeburg, LLC, High Ridge, UB Dumont I, LLC and UB New City I, LLC, have the right to require the Company to repurchase all or a portion of their limited partner or non-managing member interests at prices and on terms as set forth in the governing agreements. See Note 5 to our consolidated financial statements included in this Annual Report. Historically, we have financed the foregoing requirements through operating cash flow, borrowings under our Facility, debt refinancings, new debt, equity offerings and other capital market transactions, and/or the disposition of underperforming assets, with a focus on keeping our leverage low. We expect to continue doing so in the future. We cannot assure you, however, that these sources will always be available to us when needed, or on the terms we desire.

Capital Expenditures

We invest in our existing properties and regularly make capital expenditures in the ordinary course of business to maintain our properties. We believe that such expenditures enhance the competitiveness of our properties. In fiscal 2018, we paid approximately \$8.2 million for property improvements, tenant improvements and leasing commission costs (approximately \$5.3 million representing property improvements and approximately \$2.9 million related to new tenant space improvements, leasing costs and capital improvements as a result of new tenant spaces). The amount of these expenditures can vary significantly depending on tenant negotiations, market conditions and rental rates. We expect to incur approximately \$5.0 million predominantly for anticipated capital improvements and leasing costs related to new tenant leases and property improvements during fiscal 2019. These expenditures are expected to be funded from operating cash flows, bank borrowings or other financing sources.

Financing Strategy, Unsecured Revolving Credit Facility and other Financing Transactions

Our strategy is to maintain a conservative capital structure with low leverage levels by commercial real estate standards. Mortgage notes payable and other loans of \$293.8 million consist of \$1.7 million in variable rate debt with an interest rate of 4.91% as of October 31, 2018 and \$292.1 million in fixed-rate mortgage loan and unsecured note indebtedness with a weighted average interest rate of 4.19% at October 31, 2018. The mortgages are secured by 26 properties with a net book value of \$558 million and have fixed rates of interest ranging from 3.5% to 6.6%. The \$1.7 million in variable rate debt is unsecured. We may refinance our mortgage loans, at or prior to scheduled maturity, through replacement mortgage loans. The ability to do so, however, is dependent upon various factors, including the income level of the properties, interest rates and credit conditions within the commercial real estate market. Accordingly, there can be no assurance that such re-financings can be achieved.

In addition, at October 31, 2018, we had \$28.6 million of variable-rate debt consisting of draws on our Facility (see below) that was not fixed through an interest rate swap or otherwise. See “Quantitative and Qualitative Disclosures about Market Risk” included in this Annual Report for additional information on our interest rate risk.

We currently maintain a ratio of total debt to total assets below 35% and a fixed charge coverage ratio of over 3.62 to 1 (excluding preferred stock dividends), which we believe will allow us to obtain additional secured mortgage loans or other types of borrowings, if necessary. We own 51 properties in our consolidated portfolio that are not encumbered by secured mortgage debt. At October 31, 2018, we had borrowing capacity of \$70.8 million on our Facility. Our Facility includes financial covenants that limit, among other things, our ability to incur unsecured and secured indebtedness. See Note 4 to our consolidated financial statements included in this Annual Report for additional information on these and other restrictions.

Unsecured Revolving Credit Facility and Other Property Financings

We have a \$100 million unsecured revolving credit facility with a syndicate of three banks, BNY Mellon, BMO and Wells Fargo N.A. with the ability under certain conditions to additionally increase the capacity to \$150

million, subject to lender approval. The maturity date of the Facility is August 23, 2020 with a one-year extension at our option. Borrowings under the Facility can be used for general corporate purposes and the issuance of up to \$10 million of letters of credit. Borrowings will bear interest at our option of Eurodollar rate plus 1.35% to 1.95% or BNY Mellon’s prime lending rate plus 0.35% to 0.95%, based on consolidated indebtedness, as defined. We pay a quarterly commitment fee on the unused commitment amount of 0.15% to 0.25% per annum, based on outstanding borrowings during the year. As of October 31, 2018, \$70.8 million was available to be drawn on the Facility. Our ability to borrow under the Facility is subject to our compliance with the covenants and other restrictions on an ongoing basis. As discussed above, the principal financial covenants limit our level of secured and unsecured indebtedness and additionally require us to maintain certain debt coverage ratios. We were in compliance with such covenants at October 31, 2018.

During the year ended October 31, 2018, we borrowed \$33.6 million on our Facility for property acquisitions, to fund capital improvements to our properties and for general corporate purposes. For the year ended October 31, 2018 we repaid \$9 million of borrowings on our Facility with available cash.

See Note 4 to our consolidated financial statements included in this Annual Report for a further description of mortgage financing transactions in fiscal 2018.

Net Cash Flows from Operating Activities

Increase from fiscal 2017 to 2018:

The increase in operating cash flows was primarily due to our properties generating additional operating income in the fiscal year ended October 31, 2018 when compared with the corresponding prior period. This additional operating income was predominantly from properties acquired in fiscal 2017 and fiscal 2018 and lease termination income of \$3.8 million received in fiscal 2018 versus \$2.4 million in fiscal 2017.

Increase from fiscal 2016 to 2017:

The increase in operating cash flows was primarily due to our generating additional operating income for the year ended October 31, 2017 from properties acquired in fiscal 2016 and 2017 and the receipt of a lease termination payment in the amount of \$2.1 million from a former tenant whose lease was terminated in July 2017 offset by an increase in tenant receivables in fiscal 2017 when compared with fiscal 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Net Cash Flows from Investing Activities

Decrease from fiscal 2017 to 2018:

The decrease in net cash flows used in investing activities in fiscal 2018 when compared to fiscal 2017 was the result of our selling two properties in fiscal 2017, which generated proceeds of \$45.3 million. We did not sell any properties in fiscal 2018. In addition, we had provided \$13.5 million in mortgage financing to a shopping center we did not own in fiscal 2016. That loan was repaid to us in fiscal 2017. This net increase in cash used in investing activities was offset by expending \$23.7 million less on property acquisitions in fiscal 2018 when compared with the corresponding prior period.

Increase from fiscal 2016 to 2017:

The increase in net cash flows provided by investing activities in fiscal 2017 when compared to fiscal 2016 was the result of the Company selling its White Plains, NY property and a single tenant property located in Fairfield, CT in fiscal 2017 and generating net proceeds of \$45.3 million on those sales. In addition, we expended \$11.8 million less for improvements to our investment properties in fiscal 2017 when compared to fiscal 2016. This increase was further accentuated by our acquiring four properties and investing in two joint ventures, which we consolidate, that acquired four properties in fiscal 2017 for a total equity investment of \$30.6 million as compared with fiscal 2016, during which we acquired two investment properties requiring \$58.7 million of equity capital. The increase was further bolstered by the repayment of our one mortgage note receivable by the borrower in the amount of \$13.5 million in fiscal 2017. This note was funded in fiscal 2016.

We regularly make capital investments in our properties for property improvements, tenant improvements costs and leasing commissions.

Net Cash Flows from Financing Activities

Cash generated:

Fiscal 2018: (Total \$43.8 million)

- Proceeds from revolving credit line borrowings in the amount of \$33.6 million.
- Proceeds from mortgage financing of \$10 million

Fiscal 2017: (Total \$213.5 million)

- Proceeds from mortgage note payable in the amount of \$50 million.
- Proceeds from revolving credit line borrowings in the amount of \$52 million.
- Proceeds from the issuance of Series H Preferred Stock in the amount of \$111.3 million.

Fiscal 2016: (Total \$159.5 million)

- Proceeds from issuance of Class A Common Stock in the amount of \$73.7 million.
- Proceeds from revolving credit line borrowings in the amount of \$52.0 million.
- Proceeds from mortgage financings in the amount of \$33.7 million.

Cash used:

Fiscal 2018: (Total \$87.3 million)

- Dividends to shareholders in the amount of \$53.9 million.
- Repayment of mortgage notes payable in the amount of \$24.1 million.
- Repayment of revolving credit line borrowings in the amount of \$9 million.

Fiscal 2017: (Total \$291.4 million)

- Dividends to shareholders in the amount of \$55.6 million.
- Repayment of mortgage notes payable in the amount of \$43.7 million.
- Repayment of revolving credit line borrowings in the amount of \$56 million.
- Redemption of preferred stock in the amount of \$129.4 million.

Fiscal 2016: (Total \$138.9 million)

- Dividends to shareholders in the amount of \$51.4 million.
- Repayment of mortgage notes payable in the amount of \$20.7 million.
- Repayment of revolving credit line borrowings in the amount of \$66.8 million.

RESULTS OF OPERATIONS

Fiscal 2018 vs. Fiscal 2017

The following information summarizes our results of operations for the years ended October 31, 2018 and 2017 (amounts in thousands):

	Year Ended October 31,		Change Attributable to:			
	2018	2017	Increase (Decrease)	% Change	Property Acquisitions/ Sales	Properties Held in Both Periods (Note 1)
Revenues						
Base rents	\$95,902	\$88,383	\$7,519	8.5%	\$ 5,624	\$1,895
Recoveries from tenants	31,144	28,676	2,468	8.6%	1,444	1,024
Lease termination	3,795	2,432	1,363	56.0%	(2,148)	3,511
Other income	4,511	4,069	442	10.9%	(198)	640
Operating Expenses						
Property operating	22,009	20,074	1,935	9.6%	1,133	802
Property taxes	21,167	19,621	1,546	7.9%	833	713
Depreciation and amortization	28,324	26,512	1,812	6.8%	1,895	(83)
General and administrative	9,223	9,183	40	0.4%	n/a	n/a
Non-Operating Income/Expense						
Interest expense	13,678	12,981	697	5.4%	646	51
Interest, dividends, and other investment income	350	356	(6)	-1.7%	n/a	n/a

Note 1—Properties held in both periods includes only properties owned for the entire periods of 2018 and 2017 and for interest expense the amount also includes parent company interest expense. All other properties are included in the property acquisition/sales column. There are no properties excluded from the analysis.

Revenues

Base rents increased by 8.5% to \$95.9 million in fiscal 2018, as compared with \$88.4 million in the comparable period of 2017. The increase in base rents and the changes in other income statement line items were attributable to:

Property Acquisitions and Properties Sold:

In fiscal 2017, we purchased four properties totaling 114,700 square feet of GLA, invested in two joint ventures that own four properties totaling 173,600 square feet, whose operations we consolidate, and sold two properties totaling 203,800 square feet. In fiscal 2018, we purchased three properties totaling 53,700 square feet. These properties accounted for all of the revenue and expense changes attributable to property acquisitions and sales in fiscal year ended October 31, 2018 when compared with fiscal 2017.

*Properties Held in Both Periods:***Revenues***Base Rents*

The increase in base rents for properties owned in both periods was predominantly attributable to new leasing activity at several properties held in both periods that

created a positive variance in base rents. This positive variance in base rents was accentuated by our writing off \$633,000 in accrued straight-line rent in the third quarter of fiscal 2017 relating to a tenant who had occupied a 36,000 square foot grocery space at our Valley Ridge property. This tenant failed to perform under its lease, and the lease was terminated in the third quarter of fiscal 2017. See “Significant Events with Impact on Leasing” in this section.

In fiscal 2018, the Company leased or renewed approximately 707,000 square feet (or approximately 16% of total consolidated property leasable area). At October 31, 2018, the Company’s consolidated properties were approximately 93.2% leased (92.7% leased at October 31, 2017).

Tenant Recoveries

For the year ended October 31, 2018, recoveries from tenants for properties owned in both periods, which represents reimbursements from tenants for operating expenses and property taxes, increased by \$1.0 million. This increase was the result of increases in both property operating expenses and property tax expense in the consolidated portfolio for properties owned in fiscal 2018 when compared with the corresponding prior period. The increases in property operating expenses were related

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

to increased costs for snow removal, roof repairs and parking lot repairs at our properties, and the increases in property tax expenses were related to increases in property tax assessments.

Lease Termination Income

In April 2018, we reached agreement with the grocery tenant at our Newark, NJ property to terminate its 63,000 square foot lease in exchange for a one-time \$3.7 million lease termination payment, which we received and recorded as revenue in the fiscal year ended October 31, 2018. Also, in March 2018, we leased that same space to a new grocery store operator who took possession in May 2018. While the rental rate on the new lease is 30% less than the rental rate on the terminated lease, we hope that part of this decreased rental rate will be recaptured with the receipt of percentage rent in subsequent years as the store matures and its sales increase. The new lease required no tenant improvement allowances or landlord work.

Expenses

Property operating expenses for properties owned in both fiscal year 2018 and 2017 increased by \$802,000. This increase was predominantly the result of increased costs for snow removal, roof repairs and parking lot repairs at our properties.

Real estate taxes for properties owned in both fiscal year 2018 and 2017 increased by \$713,000 as a result of normal tax assessment increases at some of our properties.

Interest expense for properties owned in both fiscal year 2018 and 2017 increased by \$51,000 as a result of an increase in corporate interest expense on the Company's unsecured revolving credit facility as a result of having more principal outstanding in fiscal 2018 versus fiscal 2017. This increase was partially offset by the recapitalizing of our largest mortgage, which is secured by our Ridgeway Shopping Center, after the second quarter of fiscal 2017. The Ridgeway interest rate was reduced from 5.52% to 3.398%, which caused a reduction of interest expense, this reduction was partially offset by the Company increasing the principal outstanding on the mortgage from \$44 million to \$50 million.

Depreciation and amortization expense for properties owned in both fiscal year 2018 and 2017 was relatively unchanged in fiscal 2018 when compared with fiscal 2017.

General and Administrative Expenses

General and administrative expense for the year ended October 31, 2018, when compared with the year ended October 31, 2017 was relatively unchanged.

Fiscal 2017 vs. Fiscal 2016

The following information summarizes our results of operations for the years ended October 31, 2017 and 2016 (amounts in thousands):

	Year Ended October 31,		Change Attributable to:			
	2017	2016	Increase (Decrease)	% Change	Property Acquisitions/ Sales	Properties Held in Both Periods (Note 2)
Revenues						
Base rents	\$88,383	\$87,172	\$1,211	1.4%	\$1,539	\$(328)
Recoveries from tenants	28,676	25,788	2,888	11.2%	1,950	938
Lease termination	2,432	619	1,813	292.9%	2,148	(335)
Other income	4,069	3,213	856	26.6%	155	701
Operating Expenses						
Property operating	20,074	18,717	1,357	7.3%	720	637
Property taxes	19,621	18,548	1,073	5.8%	641	432
Depreciation and amortization	26,512	23,025	3,487	15.1%	2,302	1,185
General and administrative	9,183	9,284	(101)	(1.1)%	n/a	n/a
Non-Operating Income/Expense						
Interest expense	12,981	12,983	(2)	0.0%	1,098	(1,100)
Interest, dividends, and other investment income	356	242	114	47.1%	n/a	n/a

Note 2—Properties held in both periods includes only properties owned for the entire periods of 2017 and 2016 and for interest expense the amount also includes parent company interest expense. All other properties are included in the property acquisition/sales column. There are no properties excluded from the analysis.

Revenues

Base rents increased by 1.4% to \$88.4 million in fiscal 2017, as compared with \$87.2 million in the comparable period of 2016. The increase in base rents and the changes in other income statement line items were attributable to:

Property Acquisitions and Properties Sold:

In fiscal 2017, the Company purchased four properties totaling 114,700 square feet of GLA, invested in two joint ventures that own four properties totaling 173,600 square feet, whose operations we consolidate, and sold two properties totaling 203,800 square feet. In fiscal 2016, the Company purchased two properties totaling 101,400 square feet. These properties accounted for all of the revenue and expense changes attributable to property acquisitions and sales in year ended October 31, 2017 when compared with fiscal 2016.

Properties Held in Both Periods:

Revenues

Base Rent

The decrease in base rents for properties owned in both periods was caused predominantly by a slight reduction in the percentage of the portfolio that was leased in fiscal 2017 when compared with fiscal 2016.

In fiscal 2017, the Company leased or renewed approximately 650,000 square feet (or approximately 15.0% of total consolidated property leasable area). At October 31, 2017, the Company's consolidated properties were approximately 92.7% leased (93.3% leased at October 31, 2016).

Tenant Recoveries

For the year ended October 31, 2017, recoveries from tenants for properties owned in both periods (which represent reimbursements from tenants for operating expenses and property taxes) increased by \$938,000. This increase was a result of an increase in both property operating expenses and property tax expense in the consolidated portfolio for properties owned for the entire periods of fiscal 2017 and 2016, along with an increase in leased rate at some properties which increased the rate at which the Company could bill operating expenses to tenants in fiscal 2017 versus fiscal 2016.

Expenses

Property operating expenses for properties owned in both fiscal year 2017 and 2016 increased by \$637,000. This increase was predominantly as a result of an increase in snow removal costs at our properties.

Real estate taxes for properties owned in both fiscal year 2017 and 2016 increased by \$432,000 as a result of normal tax assessment increases at some of our properties.

Interest expense for properties owned in both fiscal year 2017 and 2016 decreased by \$1.1 million as a result of the refinancing of our largest mortgage in July 2017. In July 2017 we refinanced our mortgage loan secured by our Stamford, CT property and although the principal increased from \$44 million to \$50 million, the interest rate was reduced from 5.52% to 3.398% per annum. In addition, we repaid our mortgage at our Bloomfield, NJ property after the second quarter of fiscal 2016. In addition, the reduction was accentuated by normal recurring amortization payments on our portfolio of mortgages, which reduces interest expense in fiscal 2017 when compared with fiscal 2016 for the same mortgages.

Depreciation and amortization expense for properties owned in both fiscal year 2017 and 2016 increased by \$1.2 million as a result of an increase in capital improvements on properties held in both periods in fiscal 2016 and 2017.

General and Administrative Expenses:

General and administrative expense for the year ended October 31, 2017, when compared with the year ended October 31, 2016 decreased by \$101,000, as a result of a decrease in restricted stock amortization, which reduces compensation expense and a reduction in professional fees offset by increased compensation expense for additional staffing at the Company and increased bonus compensation for our employees in fiscal 2017 when compared with fiscal 2016.

Funds from Operations

We consider Funds from Operations ("FFO") to be an additional measure of our operating performance. We report FFO in addition to net income applicable to common stockholders and net cash provided by operating activities. Management has adopted the definition suggested by The National Association of Real Estate Investment Trusts ("NAREIT") and defines FFO to mean net income (computed in accordance with GAAP) excluding gains or losses from sales of property, plus real estate-related depreciation and amortization and after adjustments for unconsolidated joint ventures.

Management considers FFO a meaningful, additional measure of operating performance because it primarily excludes the assumption that the value of our real estate assets diminishes predictably over time and industry analysts have accepted it as a performance measure. FFO is presented to assist investors in analyzing our performance. It is helpful as it excludes various items included in net income that are not indicative of our operating performance, such as gains (or losses) from sales of property and depreciation and amortization.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

However, FFO:

- does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); and
- should not be considered an alternative to net income as an indication of our performance.

FFO as defined by us may not be comparable to similarly titled items reported by other real estate investment trusts due to possible differences in the application of the NAREIT definition used by such REITs. The table below provides a reconciliation of net income applicable to Common and Class A Common Stockholders in accordance with GAAP to FFO for each of the three years in the period ended October 31, 2018, 2017 and 2016 (amounts in thousands):

	Year Ended October 31,		
	2018	2017	2016
Net Income Applicable to Common and Class A Common Stockholders	\$25,217	\$ 33,898	\$19,436
Real property depreciation	22,139	20,505	18,866
Amortization of tenant improvements and allowances	4,039	4,448	3,517
Amortization of deferred leasing costs	2,057	1,468	557
Depreciation and amortization on unconsolidated joint ventures	1,719	1,618	1,589
(Gain)/loss on sale of properties	—	(18,734)	(362)
Funds from Operations Applicable to Common and Class A Common Stockholders	\$55,171	\$ 43,203	\$43,603

FFO amounted to \$55.2 million in fiscal 2018, compared to \$43.2 million in fiscal 2017 and \$43.6 million in fiscal 2016.

The net increase in FFO in fiscal 2018 when compared with fiscal 2017 was predominantly attributable, among other things, to: (i) the additional net income generated from properties acquired in fiscal 2017 and fiscal 2018; (ii) a decrease in preferred stock dividends of \$2.7 million as a result of redeeming our Series F preferred stock in October 2017 and replacing it with Series H preferred stock, which has a lower dividend rate and a smaller issuance amount by \$14.4 million; and (iii) \$3.8 million in lease termination income in the second quarter of fiscal 2018 for a tenant that terminated its lease with us early versus \$2.4 million in lease termination income in fiscal 2017 for a tenant that terminated its lease with us early. This increase was partially offset by (iv) a \$548,000 decrease in interest income generated as a result of the one mortgage receivable we had outstanding for most of fiscal 2017, which was repaid in October 2017.

The net decrease in FFO in fiscal 2017 when compared with fiscal 2016 was predominantly attributable, among other things to; (a) \$4.1 million in preferred stock redemption charges in fiscal 2017 related to the Company redeeming its Series F preferred stock in October 2017, there were no preferred stock redemption charges in fiscal 2016. This decrease was offset by (b) the additional net income generated from properties acquired in the second

half of fiscal 2016 and properties acquired in fiscal 2017; (c) a reduction in the charge for bad debt expense in the amount of \$578,000 in fiscal 2017 versus fiscal 2016; (d) interest income generated from a \$13.5 million mortgage originated in the fourth quarter of fiscal 2016, which was not repaid until October of fiscal 2017; (e) a \$1.8 million increase in lease termination income in fiscal 2017 versus fiscal 2016 related to the lease termination of the only lease at our Fairfield, CT property in the third quarter of fiscal 2017; and (f) a \$412,000 reduction in acquisition costs in fiscal 2017 versus fiscal 2016 as a result of an accounting change that became effective for us on the first day of fiscal 2017 which changes how costs related to investment property acquisitions are accounted for.

Off-Balance Sheet Arrangements

We have seven off-balance sheet investments in real property through unconsolidated joint ventures:

- a 66.67% equity interest in the Putnam Plaza Shopping Center,
- an 11.642% equity interest in the Midway Shopping Center L.P.,
- a 50% equity interest in the Chestnut Ridge Shopping Center and Plaza 59 Shopping Centers,
- a 50% equity interest in the Gateway Plaza shopping center and the Riverhead Applebee's Plaza, and
- a 20% economic interest in a partnership that owns a suburban office building with ground level retail.

These unconsolidated joint ventures are accounted for under the equity method of accounting, as we have the ability to exercise significant influence over, but not control of, the operating and financial decisions of these investments. Our off-balance sheet arrangements are more fully discussed in Note 6 to our consolidated financial statements included in this Annual Report. Although we

have not guaranteed the debt of these joint ventures, we have agreed to customary environmental indemnifications and nonrecourse carve-outs (e.g. guarantees against fraud, misrepresentation and bankruptcy) on certain loans of the joint ventures. The below table details information about the outstanding non-recourse mortgage financings on our unconsolidated joint ventures (amounts in thousands):

Joint Venture Description	Location	Principal Balance		Fixed Interest Rate Per Annum	Maturity Date
		Original Balance	At October 31, 2018		
Midway Shopping Center	Scarsdale, NY	\$32,000	\$27,538	4.80%	Dec 2027
Putnam Plaza Shopping Center	Carmel, NY	\$18,900	\$18,900	4.81%	Oct 2028
Gateway Plaza	Riverhead, NY	\$14,000	\$12,373	4.18%	Feb 2024
Applebee's Plaza	Riverhead, NY	\$ 1,300	\$ 1,005	5.98%	Aug 2026
Applebee's Plaza	Riverhead, NY	\$ 1,000	\$ 887	3.38%	Aug 2026

In October 2018, the mortgage secured by the Putnam Plaza property above was refinanced. The new loan has a term of ten years and requires payments of principal and interest at the rate of LIBOR plus 1.65%. Concurrent with the refinancing, the owners of Putnam plaza entered into an interest rate swap agreement that is conterminous with the maturity of the mortgage. The interest rate swap agreement converts the variable interest rate on the note to a fixed interest rate of 4.81%.

Contractual Obligations

Our contractual payment obligations as of October 31, 2018 were as follows (amounts in thousands):

	Payments Due by Period						
	Total	2019	2020	2021	2022	2023	Thereafter
Mortgage notes payable and other loans	\$293,801	\$33,241	\$ 6,032	\$ 6,391	\$55,067	\$ 5,269	\$187,801
Interest on mortgage notes payable	62,814	11,857	10,636	10,276	9,068	7,619	13,358
Revolving credit lines	28,595	—	—	—	28,595	—	—
Property acquisitions	12,000	12,000	—	—	—	—	—
Tenant obligations*	4,993	4,993	—	—	—	—	—
Total Contractual Obligations	<u>\$402,203</u>	<u>\$62,091</u>	<u>\$16,668</u>	<u>\$16,667</u>	<u>\$92,730</u>	<u>\$12,888</u>	<u>\$201,159</u>

*Committed tenant-related obligations based on executed leases as of October 31, 2018.

We have various standing or renewable service contracts with vendors related to property management. In addition, we also have certain other utility contracts entered into in the ordinary course of business which may extend beyond one year, which vary based on usage. These contracts include terms that provide for cancellation with insignificant or no cancellation penalties. Contract terms are generally one year or less.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is a process designed by, or under the supervision of, the Company's Chief Executive Officer and Chief Financial Officer and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

The Company's internal control over financial reporting includes policies and procedures that: relate to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the Company; provide reasonable assurance of the recording of all transactions necessary to permit the preparation of the Company's consolidated financial statements in accordance with generally accepted accounting principles and the proper authorization of receipts and expenditures in accordance with authorization of the Company's management and directors; 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 Company's consolidated financial statements.

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

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2018. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control—Integrated Framework (2013). Based on its assessment, management determined that the Company's internal control over financial reporting was effective as of October 31, 2018. The Company's independent registered public accounting firm, PKF O'Connor Davies, LLP has audited the effectiveness of the Company's internal control over financial reporting, as indicated in their attestation report which is included on the following page.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors and Stockholders of Urstadt Biddle Properties Inc.

Opinion on Internal Control over Financial Reporting

We have audited Urstadt Biddle Properties Inc.'s (the "Company") internal control over financial reporting as of October 31, 2018, 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 October 31, 2018, 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 balance sheets of the Company as of October 31, 2018 and 2017, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended October 31, 2018, and our report dated January 10, 2019, expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

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/PKF O'Connor Davies, LLP

January 10, 2019
New York, New York

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to interest rate risk primarily through our borrowing activities, which include fixed-rate mortgage debt and, in limited circumstances, variable rate debt. As of October 31, 2018, we had total mortgage debt and other notes payable of \$293.8 million, \$292.1 million for which interest was based on fixed-rate, inclusive of variable rate mortgages that have been swapped to fixed interest rates using interest rate swap derivatives contracts and \$1.7 million of which interest was based on a variable rate (see below).

Our fixed-rate debt presents inherent rollover risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and our future financing requirements.

To reduce our exposure to interest rate risk on variable-rate debt, we use interest rate swap agreements, for example, to convert some of our variable-rate debt to fixed-rate debt. As of October 31, 2018, we had seven open derivative financial instruments. These interest rate swaps are cross collateralized with mortgages on properties in Rye, NY, Ossining, NY, Yonkers, NY, Orangeburg, NY, Stamford, CT, Greenwich CT and Dumont, NJ. The Rye swaps expire in October 2019, the Ossining swap expires in October 2024, the Yonkers swap expires in November 2024, the Orangeburg swap expires in October 2024, the Stamford swap expires in July 2027, the Greenwich swaps expire in October 2026 and the Dumont, NJ swap expires in 2027, in each case concurrent with the maturity of the respective mortgages. All of the aforementioned derivatives contracts are adjusted to fair market value at each reporting period. We have concluded that all of the aforementioned derivatives contracts are effective cash flow hedges as defined in ASC Topic 815. We are required to evaluate the effectiveness at inception and at each reporting date. As a result of the aforementioned derivatives contracts being effective cash flow hedges all changes in fair market value are recorded directly to stockholders equity in accumulated comprehensive income and have no effect on our earnings.

At October 31, 2018, we had \$28.6 million of borrowings outstanding on our Facility, which bears interest at Libor plus 1.35%. If interest rates were to rise 1%, our interest expense as a result of the variable rate borrowing on the Facility would increase by \$286,000 per annum.

In addition, we purchased a property in March of fiscal 2018 and financed a portion of the purchase price with unsecured notes held by the seller of the property. The unsecured notes require the payment of interest only. \$1.5 million of the notes bear interest at a fixed rate of 5.05% and \$1.7 million of the notes bear interest at a variable rate of interest based on the level of our Class A Common stock dividend, currently 4.91% as of October 31, 2018. If the level of our Class A Common dividend rises, it will increase the interest rate on the \$1.7 million in notes.

The following table sets forth the Company's long-term debt obligations by principal cash payments and maturity dates, weighted average fixed interest rates and estimated fair value at October 31, 2018 (amounts in thousands, except weighted average interest rate):

	For The Fiscal Year Ended October 31,						Total	Estimated Fair Value
	2019	2020	2021	2022	2023	Thereafter		
Mortgage notes payable and other loans	\$33,241	\$6,032	\$6,391	\$55,067	\$5,269	\$187,801	\$293,801	\$280,563
Weighted average interest rate for debt maturing	6.11%	n/a	n/a	4.42%	n/a	3.88%	4.19%	

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

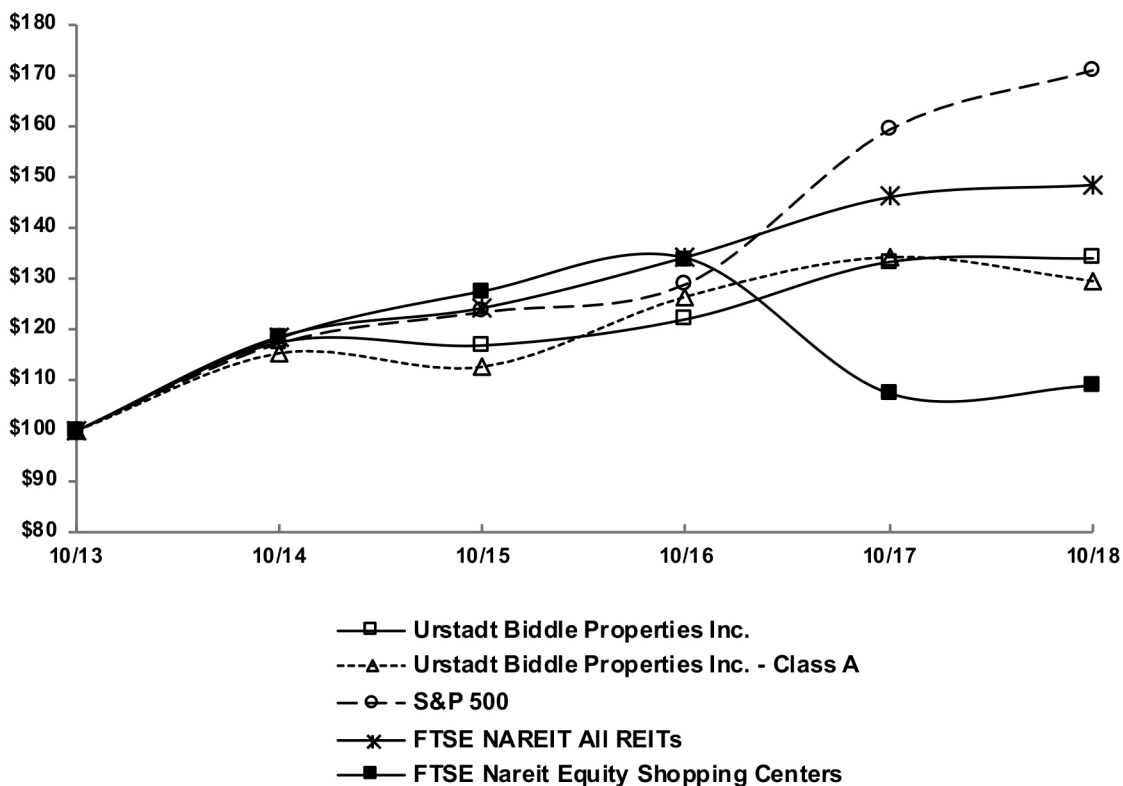
There were no changes in, or any disagreements with, the Company's independent registered public accounting firm on accounting principles and practices or financial disclosure during the years ended October 31, 2018 and 2017.

PERFORMANCE GRAPH

The following graph compares, for the five-year period beginning October 31, 2013 and ended October 31, 2018, the Company's cumulative total return to holders of the Company's Class A Common Shares and Common Shares with the returns for the NAREIT All—REITs Total Return Index, NAREIT Equity Shopping Centers Total Return Index (both peer group indexes) published by the National Association of Real Estate Investment Trusts (NAREIT) and for the S&P 500 Index for the same period.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Urstadt Biddle Properties Inc., the S&P 500 Index
the FTSE NAREIT All REITs Index and the FTSE Nareit Equity Shopping Centers Index



*\$100 invested on 10/31/13 in stock or index, including reinvestment of dividends.
Fiscal year ending October 31.

	10/13	10/14	10/15	10/16	10/17	10/18
Urstadt Biddle Properties Inc.	100.00	117.39	116.79	121.96	133.22	133.94
Urstadt Biddle Properties Inc.—Class A	100.00	115.25	112.57	126.38	134.12	129.40
S&P 500	100.00	117.27	123.37	128.93	159.40	171.11
FTSE NAREIT All REITs	100.00	118.52	124.21	134.23	146.03	148.41
FTSE Nareit Equity Shopping Centers	100.00	118.11	127.25	133.68	107.28	108.79

The stock price performance shown on the graph is not necessarily indicative of future price performance.

DIRECTORS

KEVIN J. BANNON
Director
PGIM Retail Mutual Funds

CATHERINE U. BIDDLE
Executive Vice President
Urstadt Property Company, Inc.

WILLING L. BIDDLE
President and
Chief Executive Officer
Urstadt Biddle Properties Inc.

NOBLE O. CARPENTER, JR.
President, Investor Services and
Capital Markets, Americas
Cushman & Wakefield

BRYAN O. COLLEY
Principal of entities that own
and operate multiple McDonalds
restaurants

RICHARD GRELLIER
Managing Director
Deutsche Bank Securities Inc.

GEORGE H.C. LAWRENCE
Chairman and
Chief Executive Officer
Lawrence Properties, Inc.

ROBERT J. MUELLER
Retired Senior Executive
Vice President
The Bank of New York

CHARLES D. URSTADT
Chairman
Urstadt Biddle Properties Inc.

CHARLES J. URSTADT
Chairman Emeritus
Urstadt Biddle Properties Inc.

OFFICERS

CHARLES D. URSTADT
Chairman

CHARLES J. URSTADT
Chairman Emeritus

WILLING L. BIDDLE
President and
Chief Executive Officer

JOHN T. HAYES
Senior Vice President,
Chief Financial Officer
and Treasurer

STEPHAN A. RAPAGLIA
Senior Vice President,
Chief Operating Officer,
Real Estate Counsel and
Assistant Secretary

MIYUN SUNG
Senior Vice President,
Chief Legal Officer and
Secretary

JAMES M. ARIES
Senior Vice President
Director of Acquisitions

LINDA LACEY
Senior Vice President
Director of Leasing

ANDREW ALBRECHT
Vice President
Director of Management
and Construction

JOSEPH ALLEGRETTI
Vice President
Senior Leasing Representative

NICHOLAS CAPUANO
Vice President and
Real Estate Counsel

ZACH FOX
Vice President
Acquisitions

DIANE MIDOLLO
Vice President and Controller

SUZANNE MOORE
Vice President and
Director of Accounts
Receivable & Tenant Billing

HEIDI BRAMANTE
Assistant Vice President and
Assistant Controller

SUZANNE CRISCITELLI
Assistant Vice President and
Senior Leasing Transaction
Manager

STEVE DUDZIEC
Assistant Vice President
Leasing

ELLEN HANRAHAN
Assistant Vice President and
Assistant Secretary

JANINE IAROSSI
Assistant Vice President
Insurance and
Benefit Administrator

MARY MURRAY
Assistant Vice President and
Director of Operations

MONICA ROTH
Assistant Vice President
Environmental Project Manager

CORPORATE INFORMATION

Securities Traded

New York Stock Exchange Symbols: UBA, UBP, UBPPRG and UBPPRH Stockholders of Record as of December 31, 2018:
Common Stock: 570 and
Class A Common Stock: 610

Annual Meeting

The annual meeting of stockholders will be held at 2:00 P.M. on March 21, 2019 at Six Landmark Square, 9th Floor, Stamford, CT 06901.

Form 10-K

A copy of the Company's 2018 Annual Report on Form 10-K filed with the Securities and Exchange Commission, without exhibits, may be obtained by stockholders without charge by writing to the Secretary of the Company at its executive office.

Shareholder Information and Dividend Reinvestment Plan

Inquiries regarding stock ownership, dividends or the transfer of shares can be made by writing to our Transfer Agent, Shareholder Services at Computershare, P.O. Box 505000, Louisville, KY 40233-5000 or by calling toll-free at 1-866-203-6250. The Company has a dividend reinvestment plan that provides stockholders with a convenient means of increasing their holdings without incurring commissions or fees. For information about the plan, stockholders should contact the Transfer Agent. Other shareholder inquiries should be directed to Miyun Sung, Secretary, telephone (203) 863-8200.

Investor Relations

Investors desiring information about the Company can contact Laura Santangelo, in our Investor Relations Department, telephone (203) 863-8225. Investors are also encouraged to visit our website at: www.ubproperties.com

Independent Registered Public Accounting Firm

PKF O'Connor Davies, LLP

General Counsel

Baker & McKenzie LLP

Internal Audit

Berdon LLP, CPAs and Advisors

Executive Office of the Company

321 Railroad Avenue
Greenwich, CT 06830
Tel: (203) 863-8200
Fax: (203) 861-6755
Website: www.ubproperties.com

Memberships

National Association of Real Estate Investment Trusts, Inc. (NAREIT); International Council of Shopping Centers (ICSC)



321 RAILROAD AVENUE
GREENWICH, CT 06830



Above and below: Goodwives Shopping Center, Darien, CT

