UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2017

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File Number 1-12002

ACADIA REALTY TRUST

(Exact name of registrant as specified in its charter)

Maryland	**23-2715194**
(State of incorporation)	(I.R.S. employer identification no.)

411 Theodore Fremd Avenue, Suite 300 Rye, NY 10580

(Address of principal executive offices)

(914) 288-8100

(Registrant's telephone number)

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

Common Shares of Beneficial Interest, $0.001 par value

(Title of Class)

New York Stock Exchange

(Name of Exchange on which registered)

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

None

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

YES x NO o

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

YES o NO x

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES x NO o

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

YES x NO o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act).

Large Accelerated Filer x Accelerated Filer o Non-accelerated Filer o Smaller Reporting Company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 139a) of the Exchange Act. o

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) YES o NO x

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter was approximately $2,347.5 million, based on a price of $28.06 per share, the average sales price for the registrant's common shares of beneficial interest on the New York Stock Exchange on that date.

The number of shares of the registrant's common shares of beneficial interest outstanding on February 20, 2018 was 83,735,086.

DOCUMENTS INCORPORATED BY REFERENCE

Part III – Portions of the registrant's definitive proxy statement relating to its 2018 Annual Meeting of Shareholders presently scheduled to be held May 10, 2018 to be filed pursuant to Regulation 14A.

ACADIA REALTY TRUST AND SUBSIDIARIES
FORM 10-K
INDEX

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K (the "Report") may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") and as such may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project" or the negative thereof or other variations thereon or comparable terminology. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to those set forth under the headings "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Report. These risks and uncertainties should be considered in evaluating any forward-looking statements contained or incorporated by reference herein.

SPECIAL NOTE REGARDING CERTAIN REFERENCES

All references to "Notes" throughout the document refer to the footnotes to the consolidated financial statements of the registrant referenced in Part II, Item 8. Financial Statements.

PART I

ITEM 1. BUSINESS.

GENERAL

Acadia Realty Trust (the "Trust") was formed on March 4, 1993 as a Maryland real estate investment trust ("REIT"). All references to "Acadia," "we," "us," "our" and "Company" refer to the Trust and its consolidated subsidiaries. We are a fully integrated REIT focused on the ownership, acquisition, development and management of high-quality retail properties located primarily in high-barrier-to-entry, supply-constrained, densely-populated metropolitan areas in the United States. We currently own, or have an ownership interest in these properties through our Core Portfolio and our Funds (each as defined below).

All of our assets are held by, and all of our operations are conducted through, Acadia Realty Limited Partnership (the "Operating Partnership") and entities in which the Operating Partnership owns an interest. As of December 31, 2017, the Trust controlled 95% of the Operating Partnership as the sole general partner. As the general partner, the Trust is entitled to share, in proportion to its percentage interest, in the cash distributions and profits and losses of the Operating Partnership. The limited partners primarily represent entities or individuals that contributed their interests in certain properties or entities to the Operating Partnership in exchange for common or preferred units of limited partnership interest ("Common OP Units" or "Preferred OP Units," respectively, and collectively, "OP Units") and employees who have been awarded restricted Common OP Units as long-term incentive compensation ("LTIP Units"). Limited partners holding Common OP and LTIP Units are generally entitled to exchange their units on a one-for-one basis for our common shares of beneficial interest of the Trust ("Common Shares"). This structure is referred to as an umbrella partnership REIT, or "UPREIT."

BUSINESS OBJECTIVES AND STRATEGIES

Our primary business objective is to acquire and manage commercial retail properties that will provide cash for distributions to shareholders while also creating the potential for capital appreciation to enhance investor returns. We focus on the following fundamentals to achieve this objective:

- Own and operate a Core Portfolio of high-quality retail properties located primarily in high-barrier-to-entry, densely-populated metropolitan areas. Our goal is to create value through accretive development and re-tenanting activities within our existing portfolio and grow this platform through the acquisition of high-quality assets that have the long-term potential to outperform the asset class.

- Generate additional growth through our Funds in which we co-invest with high-quality institutional investors. Our Fund strategy focuses on opportunistic yet disciplined acquisitions with high inherent opportunity for the creation of additional value, execution on this opportunity and the realization of value through the sale of these assets. In connection with this strategy, we focus on:

    - value-add investments in street retail properties, located in established and "next-generation" submarkets, with re-tenanting or repositioning opportunities,
    - opportunistic acquisitions of well-located real estate anchored by distressed retailers, and
    - other opportunistic acquisitions, which vary based on market conditions and may include high-yield acquisitions and purchases of distressed debt.

    Some of these investments historically have also included, and may in the future include, joint ventures with private equity investors for the purpose of making investments in operating retailers with significant embedded value in their real estate assets.

- Maintain a strong and flexible balance sheet through conservative financial practices while ensuring access to sufficient capital to fund future growth.

Investment Strategy — Generate External Growth through our Dual Platforms; Core Portfolio and Funds

The requirements that acquisitions be accretive on a long-term basis based on our cost of capital, as well as increase the overall Core Portfolio quality and value, are key strategic considerations to the growth of our Core Portfolio. As such, we constantly evaluate the blended cost of equity and debt and adjust the amount of acquisition activity to align the level of investment activity with capital flows.

Given the growing importance of technology and e-commerce, many of our retail tenants are appropriately focused on omni-channel sales and how to best utilize e-commerce initiatives to drive sales at their stores. In light of these initiatives, we have found retailers are becoming more selective as to the location, size and format of their next-generation stores and are focused on dense, high-traffic retail corridors, where they can utilize smaller and more productive formats closer to their shopping population. Accordingly, our focus for Core Portfolio and Fund acquisitions is on those properties which we believe will not only remain relevant to our tenants, but become even more so in the future.

In addition to our Core Portfolio investments in real estate assets, we have also capitalized on our expertise in the acquisition, development, leasing and management of retail real estate by establishing discretionary opportunity funds. Our Fund platform is an investment vehicle where the Operating Partnership invests, along with outside institutional investors, including, but not limited to, endowments, foundations, pension funds and investment management companies, in primarily opportunistic and value-add retail real estate. To date, we have launched five funds ("Funds"); Acadia Strategic Opportunity Fund, LP ("Fund I," which was liquidated in 2015), Acadia Strategic Opportunity Fund II, LLC ("Fund II"), Acadia Strategic Opportunity Fund III LLC ("Fund III"), Acadia Strategic Opportunity Fund IV LLC ("Fund IV") and Acadia Strategic Opportunity Fund V LLC ("Fund V," and our "current fund"). Due to our level of control, we consolidate these Funds for financial reporting purposes. Fund I and Fund II have also included investments in operating companies through Acadia Mervyn Investors I, LLC ("Mervyns I"), Acadia Mervyn Investors II, LLC ("Mervyns II") and, in certain instances, directly through Fund II, all on a non-recourse basis. These investments comprise, and are referred to as, the Company's Retailer Controlled Property Venture ("RCP Venture").

The Operating Partnership is the sole general partner or managing member of the Funds and Mervyns I and II and earns priority distributions or fees for asset management, property management, construction, development, leasing and legal services. Cash flows from the Funds and the RCP Venture are distributed pro-rata to their respective partners and members (including the Operating Partnership) until each receives a certain cumulative return ("Preferred Return"), and the return of all capital contributions. Thereafter, remaining cash flows are distributed 20% to the Operating Partnership ("Promote") and 80% to the partners or members (including the Operating Partnership).

See Note 1 in the Notes to Consolidated Financial Statements, included in Item 8 of this Report ("Notes to Consolidated Financial Statements"), for a detailed discussion of the Funds.

Capital Strategy — Balance Sheet Focus and Access to Capital

Our primary capital objective is to maintain a strong and flexible balance sheet through conservative financial practices, including moderate use of leverage within our Core Portfolio, while ensuring access to sufficient capital to fund future growth. We intend to continue financing acquisitions and property development with sources of capital determined by management to be the most appropriate based on, among other factors, availability in the current capital markets, pricing and other commercial and financial terms. The sources of capital may include the issuance of public equity, unsecured debt, mortgage and construction loans, and other capital alternatives including the issuance of OP Units. We manage our interest rate risk through the use of fixed-rate debt and, where we use variable-rate debt, through the use of certain derivative instruments, including London Interbank Offered Rate ("LIBOR") swap agreements and interest rate caps as discussed further in Item 7A. of this Form 10-K.

We launched an at-the-market ("ATM") equity issuance program in 2012 which provides us an efficient and low-cost vehicle for raising public equity to fund our capital needs. Through this program, we have been able to effectively "match-fund" a portion of the required equity for our Core Portfolio and Fund acquisitions through the issuance of Common Shares over extended periods employing a price averaging strategy. In addition, from time to time, we have issued and intend to continue to issue equity in follow-on offerings separate from our ATM program. Net proceeds raised through our ATM program and follow-on offerings are primarily used for acquisitions, both for our Core Portfolio and our pro-rata share of Fund acquisitions and for other general corporate purposes.

Common Share issuances for each of the years ended December 31, 2017, 2016 and 2015 are summarized as follows:

(shares and dollars in millions)	2017	2016	2015
ATM Issuance			
Common Shares issued	—	4.5	2.0
Gross proceeds	$ —	$ 157.6	$ 65.6
Net proceeds	$ —	$ 155.7	$ 64.4
Follow-on Offering Issuances			
Common Shares issued	—	8.4	—
Gross proceeds	$ —	$ 302.0	$ —
Net proceeds	$ —	$ 296.6	$ —

During 2016, we also issued OP Units equating to 0.9 million Common Shares in connection with the acquisition of properties. See Note 10 for further details.

Operating Strategy — Experienced Management Team with Proven Track Record

Our senior management team has decades of experience in the real estate industry. We have capitalized on our expertise in the acquisition, development, leasing and management of retail real estate by creating value through property development, re-tenanting and establishing joint ventures, such as the Funds, in which we earn, in addition to a return on our equity interest, Promotes, priority distributions and fees.

Operating functions such as leasing, property management, construction, finance and legal (collectively, the “Operating Departments”) are generally provided by our personnel, providing for a vertically integrated operating platform. By incorporating the Operating Departments in the acquisition process, acquisitions are appropriately priced giving effect to each asset’s specific risks and returns and transition time is minimized allowing management to immediately execute on its strategic plan for each asset.

INVESTING ACTIVITIES

Core Portfolio

Our Core Portfolio consists primarily of high-quality street retail and urban assets, as well as suburban properties located in high-barrier-to-entry, densely-populated trade areas.

During the year ended December 31, 2017, we exchanged a portion of our Core notes receivable to acquire interests in two properties we previously had undivided interests in. As a result, we increased our ownership in each property, one of which we now consolidate. See Note 2 and Note 4, for a detailed discussion of these transactions and Item 2. Properties for a description of the other properties in our Core Portfolio.

As we typically hold our Core Portfolio properties for long-term investment, we periodically review the portfolio and implement programs to renovate and re-tenant targeted properties to enhance their market position. This in turn is expected to strengthen the competitive position of the leasing program to attract and retain quality tenants, increasing cash flow, and consequently, property values. From time to time, we also identify certain properties for disposition and redeploy the capital for acquisitions and for the repositioning of existing properties with greater potential for capital appreciation. During 2017, there were no dispositions within the Core Portfolio.

We also make investments in first mortgages and other notes receivable collateralized by real estate, (“Structured Finance Program”) either directly or through entities having an ownership interest therein. During 2017, we made investments totaling $10.0 million in this program and as of December 31, 2017 had $101.7 million invested in this program and we exchanged a portion of our notes receivable for interests in two properties as described above. See Note 3, for a detailed discussion of our Structured Finance Program.

Funds

Acquisitions

See Note 2 for a detailed discussion of these acquisitions.

Fund IV – During 2017, Fund IV acquired two consolidated properties for an aggregate purchase price of $44.5 million.

Fund V – During 2017, Fund V acquired four consolidated properties for an aggregate purchase price of $167.2 million.

Dispositions

See Note 2 and Note 4 for a detailed discussion of our consolidated and unconsolidated dispositions, respectively.

Fund II – During 2017, Fund II sold three consolidated properties for an aggregate of $232.3 million.

Fund III – During 2017, Fund III sold one consolidated property for $22.1 million and one unconsolidated property for $28.8 million.

Fund IV – During 2017, Fund IV sold one consolidated property for $27.0 million and seven unconsolidated properties for an aggregate sales price of $35.6 million.

Development Activities

As part of our investing strategy, we invest in real estate assets that may require significant development. As of December 31, 2017, there were two Core and four Fund development projects, consisting of five consolidated properties and one unconsolidated property. During the year ended December 31, 2017, the Company placed five consolidated and three unconsolidated properties into service, reclassified one consolidated property as held for sale and placed one consolidated property into development. See Item 2. Properties—Development Activities and Note 2.

INFLATION

Our long-term leases contain provisions designed to mitigate the adverse impact of inflation on our net income. Such provisions include clauses enabling us to receive percentage rents based on tenants' gross sales, which generally increase as prices rise, and/or, in certain cases, escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses are often related to increases in the consumer price index or similar inflation indexes. In addition, many of our leases are for terms of less than ten years, which permits us to seek to increase rents upon re-rental at market rates if current rents are below the then existing market rates. Most of our leases require the tenants to pay their 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.

ENVIRONMENTAL LAWS

For information relating to environmental laws that may have an impact on our business, please see "Item 1A. Risk Factors— We are exposed to possible liability relating to environmental matters."

COMPETITION

There are numerous entities that compete with us in seeking properties for acquisition and tenants that will lease space in our properties. Our competitors include other REITs, financial institutions, insurance companies, pension funds, private companies and individuals. Our properties compete for tenants with similar properties primarily on the basis of location, total occupancy costs (including base rent and operating expenses) and the design and condition of the improvements.

FINANCIAL INFORMATION ABOUT MARKET SEGMENTS

We have three reportable segments: Core Portfolio, Funds and Structured Financing. Structured Financing consists of our first mortgages and notes receivable and related interest income. The accounting policies of the segments are the same as those described in the summary of significant accounting policies set forth in Note 1 in the Notes to Consolidated Financial Statements. See Note 12 in the Notes to Consolidated Financial Statements for information regarding, among other things, revenues from external customers, a measure of profit and loss and total assets with respect to each of our segments. Our profits and losses for both our business and each of our segments are not seasonal.

CORPORATE HEADQUARTERS AND EMPLOYEES

Our executive office is located at 411 Theodore Fremd Avenue, Suite 300, Rye, New York 10580, and our telephone number is (914) 288-8100. As of December 31, 2017, we had 118 employees, of which 97 were located at our executive office and 21 were located at regional property management offices. None of our employees are covered by collective bargaining agreements. Management believes that its relationship with employees is good.

COMPANY WEBSITE

All of our filings with the Securities and Exchange Commission, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are available at no cost at our website at www.acadiarealty.com, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. These filings can also be accessed through the Securities and Exchange Commission's website at www.sec.gov. Alternatively, we will provide paper copies of our filings at no cost upon request. If you wish to receive a copy of the Form 10-K, you may contact Jason Blacksberg, Corporate Secretary, at Acadia Realty Trust, 411 Theodore Fremd Avenue, Suite 300, Rye, NY 10580. You may also call (914) 288-8100 to request a copy of the Form 10-K. Information included or referred to on our website is not incorporated by reference in or otherwise a part of this Form 10-K.

CODE OF ETHICS AND WHISTLEBLOWER POLICIES

The Board of Trustees adopted a Code of Business Conduct and Ethics applicable to all employees, as well as a "Whistleblower Policy." Copies of these documents are available in the Investor Information section of our website. We intend to disclose future amendments to, or waivers from (with respect to our senior executive financial officers), our Code of Ethics in the Investor Information section of our website within four business days following the date of such amendment or waiver.

ITEM 1A. RISK FACTORS.

Set forth below are the risk factors that we believe are material to our investors. You should carefully consider these risk factors, together with all of the other information included in this Form 10-K, including our consolidated financial statements and the related notes thereto, before you decide whether to make an investment in our securities. The occurrence of any of the following risks could adversely affect our business, results of operations, financial condition and value of our Common Shares. In such case, the value of our Common Shares and the trading price of our securities could decline, and you may lose all or a significant part of your investment. This section includes or refers to certain forward-looking statements. Refer to the explanation of the qualifications and limitations on such forward-looking statements discussed in the beginning of this Form 10-K.

The following risk factors are not exhaustive. Other sections of this report may include additional factors that could adversely affect our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all risk factors, nor can we assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may affect our business. Investors should also refer to our quarterly reports on Form 10-Q and current reports on Form 8-K for future periods for material updates to these risk factors.

RISKS RELATED TO OUR BUSINESS AND OUR PROPERTIES

There are risks relating to investments in real estate that may adversely affect our income and cash flow.

Real property investments are subject to multiple risks. Real estate values are affected by a number of factors, including: changes in the general economic climate, local conditions (such as an oversupply of space or a reduction in demand for real estate in an area), the quality and philosophy of management, competition from other available space, the ability of the owner to provide adequate maintenance and insurance and to control variable operating costs. Retail properties, in particular, may be affected by changing perceptions of retailers or shoppers regarding the safety, convenience and attractiveness of the property and by the overall climate for the retail industry. Real estate values are also affected by such factors as government regulations, interest rate levels, the availability of financing and potential liability under, and changes in, environmental, zoning, tax and other laws. A significant portion of our income is derived from rental income from real property. Our income and cash flow would be adversely affected if we were unable to rent our vacant space to viable tenants on economically favorable terms. In the event of default by a tenant, we may experience delays in enforcing, as well as incur substantial costs to enforce, our rights as a landlord. In addition, certain significant expenditures associated with each equity investment (such as mortgage payments, real estate taxes and maintenance costs) are generally not reduced even though there may be a reduction in income from the investment.

We rely on revenues derived from tenants, in particular our key tenants, and a decrease in those revenues may adversely affect our ability to make distributions.

Revenue from our properties depends primarily on the ability of our tenants to pay the full amount of rent and other charges due under their leases on a timely basis. We derive significant revenues from a concentration of certain key tenants that occupy space at more than one property. We could be adversely affected in the event of the bankruptcy or insolvency of, or a downturn in the business of, any of our key tenants, or in the event that any such tenant does not renew its leases as they expire or renews such leases at lower rental rates. See “Item 2. Properties—Major Tenants” in this Annual Report on Form 10-K for quantified information with respect to the percentage of our minimum rents received from major tenants.

Anchor tenants and co-tenancy are crucial to the success of retail properties and vacated anchor space directly and indirectly affects our rental revenues.

We own properties which are supported by “anchor” tenants. Anchor tenants pay a significant portion of the total rents at a property and contribute to the success of other tenants by drawing large numbers of customers to a property. Vacated anchor space not only directly reduces rental revenues, but, if not re-tenanted with a similar tenant, or one with equal consumer attraction, could adversely affect the entire shopping center primarily through the loss of customer drawing power. This can also occur through the exercise of the right that most anchors have, to vacate and prevent re-tenanting by paying rent for the balance of the lease term (“going dark”), as would the departure of a “shadow” anchor tenant that is owned by another landlord. In addition, in the event that certain anchor tenants cease to occupy a property, such an action may result in a significant number of other tenants having the contractual right to terminate their leases, or pay a reduced rent based on a percentage of the tenant's sales, at the affected property, which could adversely affect the future income from such property (“co-tenancy”). Although it may not directly reduce our rental revenues, and there are no contractual co-tenancy conditions, vacant retail space adjacent to, or even on the same block as our street and urban properties may similarly affect shopper traffic and re-tenanting activities at our properties. See “Item 2. Properties—Major

Tenants" in this Annual Report on Form 10-K for quantified information with respect to the percentage of our minimum rents received from major tenants.

The bankruptcy of, or a downturn in the business of, any of our major tenants or a significant number of our smaller tenants may adversely affect our cash flows and property values.

The bankruptcy of, or a downturn in the business of, any of our major tenants causing them to reject their leases, or to not renew their leases as they expire, or renew at lower rental rates, may adversely affect our cash flows and property values. Furthermore, the impact of vacated anchor space and the potential reduction in customer traffic may adversely impact the balance of tenants at a shopping center.

Historically and from time to time, certain of our tenants experienced financial difficulties and filed for bankruptcy protection, typically under Chapter 11 of the United States Bankruptcy Code ("Chapter 11 Bankruptcy"). Pursuant to bankruptcy law, tenants have the right to reject some or all of their leases. In the event a tenant exercises this right, the landlord generally has the right to file a claim for lost rent equal to the greater of either one year's rent (including tenant expense reimbursements) for remaining terms greater than one year, or 15% of the rent remaining under the balance of the lease term, but not to exceed three years rent. Actual amounts to be received in satisfaction of those claims will be subject to the tenant's final bankruptcy plan and the availability of funds to pay its creditors.

Our experience shows that there can be no assurance that one or more of our major tenants will be immune from bankruptcy.

We may not be able to renew current leases or the terms of re-letting (including the cost of concessions to tenants) may be less favorable to us than current lease terms.

Upon the expiration of current leases for space located in our properties, we may not be able to re-let all or a portion of that space, or the terms of re-letting (including the cost of concessions to tenants) may be less favorable to us than current lease terms. If we are unable to re-let promptly all or a substantial portion of the space located in our properties or if the rental rates we receive upon re-letting are significantly lower than current rates, our net income and ability to make expected distributions to our shareholders will be adversely affected due to the resulting reduction in revenues. There can be no assurance that we will be able to retain tenants in any of our properties upon the expiration of their leases. See "Item 2. Properties—Lease Expirations" in this Annual Report on Form 10-K for additional information as to the scheduled lease expirations in our portfolio.

Our business is significantly influenced by demand for retail space generally, and a decrease in such demand may have a greater adverse effect on our business than if we owned a more diversified real estate portfolio.

A decrease in the demand for retail space, due to the economic factors discussed above or otherwise, may have a greater adverse effect on our business and financial condition than if we owned a more diversified real estate portfolio. The market for retail space has been, and could continue to be, adversely affected by weakness in the national, regional and local economies, the adverse financial condition of some large retailing companies, the ongoing consolidation in the retail sector, the excess amount of retail space in a number of markets, and increasing consumer purchases through the Internet. To the extent that any of these conditions occur, they are likely to negatively affect market rents for retail space and could materially and adversely affect our financial condition, results of operations, cash flow, the trading price of our common shares and our ability to satisfy our debt service obligations and to pay distributions to our shareholders.

E-commerce can have an impact on our business because it may cause a downturn in the business of our current tenants and affect future leases.

The use of the internet by consumers continues to gain in popularity. The migration toward e-commerce is expected to continue. This increase in internet sales could result in a downturn in the business of our current tenants in their "brick and mortar" locations and could affect the way future tenants lease space.

While we devote considerable effort and resources to analyze and respond to tenant trends, preferences and consumer spending patterns, we cannot predict with certainty what future tenants will want, what future retail spaces will look like and how much revenue will be generated at traditional "bricks and mortar" locations. If we are unable to anticipate and respond promptly to trends in the market because of the illiquid nature of real estate (See the Risk Factor entitled, "Our ability to change our portfolio is limited because real estate investments are illiquid" below), our occupancy levels and financial results could suffer.

The economic environment may cause us to lose tenants and may impair our ability to borrow money to purchase properties, refinance existing debt or finance our current development projects.

Our operations and performance depend on general economic conditions, including the health of the consumer. The U.S. economy has historically experienced financial downturns from time to time, including a decline in consumer spending, credit tightening and high unemployment.

While we currently believe we have adequate sources of liquidity, there can be no assurance that we will be able to obtain secured or unsecured loan facilities to meet our needs, including to purchase additional properties, to complete current development projects, or to successfully refinance our properties as loans become due. To the extent that the availability of credit is limited, it would also adversely impact our notes receivable as counterparties may not be able to obtain the financing required to repay the loans upon maturity.

Certain sectors of the United States economy are still experiencing weakness. Over the past several years, this structural weakness has resulted in periods of high unemployment, the bankruptcy or weakened financial condition of a number of retailers, decreased consumer spending, increased home foreclosures, low consumer confidence, and reduced demand and rental rates for certain retail space. There can be no assurance that the recovery will continue. General economic factors that are beyond our control, including, but not limited to, economic recessions, decreases in consumer confidence, reductions in consumer credit availability, increasing consumer debt levels, rising energy costs, higher tax rates, continued business layoffs, downsizing and industry slowdowns, and/or rising inflation, could have a negative impact on the business of our retail tenants. In turn, this could have a material adverse effect on our business because current or prospective tenants may, among other things, (i) have difficulty paying their rent obligations as they struggle to sell goods and services to consumers, (ii) be unwilling to enter into or renew leases with us on favorable terms or at all, (iii) seek to terminate their existing leases with us or request rental concessions on such leases, or (iv) be forced to curtail operations or declare bankruptcy.

Political and economic uncertainty could have an adverse effect on our business.

We cannot predict how current political and economic uncertainty, including uncertainty related to taxation, will affect our critical tenants, joint venture partners, lenders, financial institutions and general economic conditions, including the health and confidence of the consumer and the volatility of the stock market.

Political and economic uncertainty poses a risk to us in that it may cause consumers to postpone discretionary spending in response to tighter credit, reduced consumer confidence and other macroeconomic factors affecting consumer spending behavior, resulting in a downturn in the business of our tenants. In the event current political and economic uncertainty results in financial turmoil affecting the banking system and financial markets generally or significant financial service institution failures, there could be a new or incremental tightening in the credit markets, low liquidity, and extreme volatility in fixed income, credit, currency and equity markets. Each of these could have an adverse effect on our business, financial condition and operating results.

Inflation may adversely affect our financial condition and results of operations.

Increased inflation could have a more pronounced negative impact on our mortgage and debt interest and general and administrative expenses, as these costs could increase at a rate higher than our rents. Also, inflation may adversely affect tenant leases with stated rent increases or limits on such tenant’s obligation to pay its share of operating expenses, which could be lower than the increase in inflation at any given time. It may also limit our ability to recover all of our operating expenses. Inflation could also have an adverse effect on consumer spending, which could impact our tenants’ sales and, in turn, our average rents, and in some cases, our percentage rents, where applicable. In addition, renewals of leases or future leases may not be negotiated on current terms, in which event we may recover a smaller percentage of our operating expenses.

Many of our real estate costs are fixed, even if income from our properties decreases, which would cause a decrease in revenue.

Our financial results depend primarily on leasing space at our properties to tenants on terms favorable to us. Costs associated with real estate investment, such as real estate taxes, insurance and maintenance costs, generally are not reduced even when a property is not fully occupied, rental rates decrease, or other circumstances cause a reduction in income from the property. As a result, cash flow from the operations of our properties may be reduced if a tenant does not pay its rent or we are unable to fully lease our properties on favorable terms. Additionally, properties that we develop or redevelop may not produce any significant revenue immediately, and the cash flow from existing operations may be insufficient to pay the operating expenses and debt service associated with such projects until they are fully occupied.

Our ability to change our portfolio is limited because real estate investments are illiquid.

Equity investments in real estate are relatively illiquid and, therefore, our ability to change our portfolio promptly in response to changed conditions is limited, which could adversely affect our financial condition and results of operations and our ability to pay dividends and make distributions. In addition, the Code contains restrictions on a REITs ability to dispose of properties that are not applicable to other types of real estate companies. Our Board of Trustees may establish investment criteria or limitations as it deems appropriate, but our Board of Trustees currently does not limit the number of properties in which we may seek to invest or on the concentration of investments in any one geographic region. As discussed under the heading "Our Board of Trustees may change our investment policy without shareholder approval" below, we could change our investment, disposition and financing policies and objectives without a vote of our shareholders, but such change may be delayed or more difficult to implement due to the illiquidity of real estate.

Although we have historically used moderate levels of leverage, if we employed higher levels of leverage, it would result in increased risk of default on our obligations and in an increase in debt service requirements, which could adversely affect our financial condition and results of operations and our ability to pay dividends and make distributions. In addition, the viability of the interest rate hedges we use is subject to the strength of the counterparties.

We have incurred, and expect to continue to incur, indebtedness to support our activities. As of December 31, 2017, our outstanding indebtedness was $1,438.4 million, of which $538.7 million was variable rate indebtedness. None of our Declaration of Trust, our bylaws or any policy statement formally adopted by our Board of Trustees limits either the total amount of indebtedness or the specified percentage of indebtedness that we may incur. Accordingly, we could become more highly leveraged, resulting in increased risk of default on our financial obligations and in an increase in debt service requirements. This in turn could adversely affect our financial condition, results of operations and our ability to make distributions.

Variable rate debt exposes us to changes in interest rates. Interest expense on our variable rate debt as of December 31, 2017 would increase by $5.4 million annually for a 100-basis-point increase in interest rates. This exposure would increase if we seek additional variable rate financing based on pricing and other commercial and financial terms.

We enter into interest rate hedging transactions, including interest rate swap and cap agreements, with counterparties, generally, the same lenders who made the loan in question. There can be no guarantee that the future financial condition of these counterparties will enable them to fulfill their obligations under these agreements.

Increases in interest rates would cause our borrowing costs to rise and may limit our ability to refinance debt.

Although a significant amount of our outstanding debt has fixed interest rates, we also borrow funds at variable interest rates. Increases in interest rates would increase our interest expense on any outstanding unhedged variable rate debt and would affect the terms under which we refinance our existing debt as it matures, which would adversely affect our cash flow, financial condition and results of operations.

Competition may adversely affect our ability to purchase properties and to attract and retain tenants.

There are numerous commercial developers, real estate companies, financial institutions and other investors with greater financial resources than we have that compete with us in seeking properties for acquisition and tenants who will lease space in our properties. Our competitors include other REITs, financial institutions, private funds, insurance companies, pension funds, private companies, family offices, sovereign wealth funds and individuals. This competition may result in a higher cost for properties than we wish to pay. In addition, retailers at our properties (both in our Core Portfolio and in the portfolios of the Funds) face increasing competition from outlet malls, discount shopping clubs, e-commerce, direct mail and telemarketing, which could (i) reduce rents payable to us and (ii) reduce our ability to attract and retain tenants at our properties leading to increased vacancy rates at our properties.

We could be adversely affected by poor market conditions where our properties are geographically concentrated.

Our performance depends on the economic conditions in markets in which our properties are concentrated. We have significant exposure to the greater New York and Chicago metropolitan regions, from which we derive 34% and 27% of the annual base rents within our Core Portfolio, respectively and 34% and 6% of annual base rents within our Funds, respectively. Our operating results could be adversely affected if market conditions, such as an oversupply of space or a reduction in demand for real estate, in these areas occur.

We have pursued, and may in the future continue to pursue extensive growth opportunities, including investing in new markets, which may result in significant demands on our operational, administrative and financial resources.

We are pursuing extensive growth opportunities, some of which have been, and in the future may be, in locations in which we have not historically invested. This expansion places significant demands on our operational, administrative and financial resources. The continued growth of our real estate portfolio can be expected to continue to place a significant strain on our resources. Our future performance will depend in part on our ability to successfully attract and retain qualified management personnel to manage the growth and operations of our business. In addition, the acquired properties may fail to operate at expected levels due to the numerous factors that may affect the value of real estate. There can be no assurance that we will have sufficient resources to identify and manage the properties.

Our inability to raise capital for our Funds or to carry out our growth strategy could adversely affect our financial condition and results of operations.

Our earnings growth strategy is based on the acquisition and development of additional properties, including acquisitions of core properties through our Operating Partnership and our high return investment programs through our Fund platform. The consummation of any future acquisitions will be subject to satisfactory completion of our extensive valuation analysis and due diligence review and to the negotiation of definitive documentation. We cannot be sure that we will be able to implement our strategy because we may have difficulty finding new properties, obtaining necessary entitlements, negotiating with new or existing tenants or securing acceptable financing. Furthermore, if we were unable to obtain sufficient investor capital commitments in order to initiate future Funds, this would adversely impact our current growth strategy.

Acquisitions of additional properties entail the risk that investments will fail to perform in accordance with expectations, including operating and leasing expectations. In the context of our business plan, “development” generally means an expansion or renovation of an existing property. Development is subject to numerous risks, including risks of construction delays, cost overruns or uncontrollable events that may increase project costs, new project commencement risks such as the receipt of zoning, occupancy and other required governmental approvals and permits, and incurring development costs in connection with projects that are not pursued to completion.

Historically, a component of our growth strategy has been through private-equity type investments made through our RCP Venture. These have included investments in operating retailers. The inability of the retailers to operate profitably would have an adverse impact on income realized from these investments. Through our investments in joint ventures we have also invested in operating businesses that have operational risk in addition to the risks associated with real estate investments, including among other risks, human capital issues, adequate supply of product and material, and merchandising issues.

Our development and construction activities could affect our operating results.

We intend to continue the selective development and construction of retail properties, with our project at City Point currently being our largest development project (see “Item 1. Business—Investing Activities–Funds–Development Activities” for a description of the City Point project).

As opportunities arise, we may delay construction until sufficient pre-leasing is reached and financing is in place. Our development and construction activities include risks that:

- We may abandon development opportunities after expending resources to determine feasibility;
- Construction costs of a project may exceed our original estimates;
- Occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable;
- Financing for development of a property may not be available to us on favorable terms;
- We may not complete construction and lease-up on schedule, resulting in increased debt service expense and construction costs, including labor and material costs; and
- We may not be able to obtain, or may experience delays in obtaining necessary zoning and land use approvals as well as building, occupancy and other required governmental permits and authorizations.

In addition, the entitlement and development of real estate entails extensive approval processes, sometimes involving multiple regulatory jurisdictions. It is common for a project to require multiple approvals, permits and consents from U.S. federal, state and local governing and regulatory bodies. Compliance with these and other regulations and standards is time intensive and costly and may require additional long range infrastructure review and approvals which can add to project cost. In addition, development of properties containing delineated wetlands may require one or more permits from the U.S. federal government and/or state and

local governmental agencies. Any of these issues can materially affect the cost, timing and economic viability of our development and redevelopment projects.

At times, we may also be required to use unionized construction workers or to pay the prevailing wage in a jurisdiction to unionized workers. Due to the highly labor intensive and price competitive nature of the construction business, the cost of unionization and/or prevailing wage requirements for new developments or redevelopments could be substantial. Unionization and prevailing wage requirements could adversely affect a project's profitability. In addition, union activity or a union workforce could increase the risk of a strike, which would adversely affect our ability to meet our construction timetables, which could adversely affect our reputation and our results of operations.

Additionally, the time frame required for development, construction and lease-up of these properties means that we may not realize a significant cash return for several years. If any of the above events occur, the development of properties may hinder our growth and have an adverse effect on our results of operations and cash flows. In addition, new development activities, regardless of whether or not they are ultimately successful, typically require substantial time and attention from management.

Developments and acquisitions may fail to perform as expected which could adversely affect our results of operations.

Our investment strategy includes the development and acquisition of retail properties in supply constrained markets in densely populated areas with high average household incomes and significant barriers to entry. The development and acquisition of properties entails risks that include the following, any of which could adversely affect our results of operations and our ability to meet our obligations:

- The property may fail to achieve the returns we have projected, either temporarily or for extended periods;
- We may not be able to identify suitable properties to acquire or may be unable to complete the acquisition of the properties we identify;
- We may not be able to integrate an acquisition into our existing operations successfully;
- Properties we redevelop or acquire may fail to achieve the occupancy or rental rates we project, within the time frames we project, in each case, at the time we make the decision to invest, which may result in the properties' failure to achieve the returns we projected;
- Our pre-acquisition evaluation of the physical condition of each new investment may not detect certain defects or identify necessary repairs until after the property is acquired, which could significantly increase our total acquisition costs or decrease cash flow from the property; and
- Our investigation of a property or building prior to our acquisition, and any representations we may receive from the seller of such building or property, may fail to reveal various liabilities, which could reduce the cash flow from the property or increase our acquisition cost.

We operate through a partnership structure, which could have an adverse effect on our ability to manage our assets.

Our primary property-owning vehicle is the Operating Partnership, of which we are the general partner. Our acquisition of properties through the Operating Partnership in exchange for interests in the Operating Partnership may permit certain tax deferral advantages to limited partners who contribute properties to the Operating Partnership. Since properties contributed to the Operating Partnership may have unrealized gains attributable to the differences between the fair market value and adjusted tax basis in such properties prior to contribution, the sale of such properties could cause adverse tax consequences to the limited partners who contributed such properties. Although we, as the general partner of the Operating Partnership, generally have no obligation to consider the tax consequences of our actions to any limited partner, we own several properties subject to material contractual restrictions for varying periods of time designed to minimize the adverse tax consequences to the limited partners who contributed such properties. Such restrictions may result in significantly reduced flexibility to manage some of our assets.

We currently have an exclusive obligation to seek investments for our Funds which may prevent us from making acquisitions directly.

Under the terms of the organizational documents of our current Fund, our primary goal is to seek investments for the Fund, subject to certain exceptions. We may only pursue opportunities to acquire retail properties directly through the Operating Partnership if (i) the ownership of the acquisition opportunity by the Fund would create a material conflict of interest for us; (ii) we require the acquisition opportunity for a "like-kind" exchange; (iii) the consideration payable for the acquisition opportunity is our Common Shares, OP Units or other securities or (iv) the investment is outside the parameters of our investment goals for the Fund (which, in general, seeks more opportunistic level returns). As a result, we may not be able to make attractive acquisitions directly and instead may only receive a minority interest in such acquisitions through the Fund.

Our joint venture investments carry additional risks not present in our direct investments.

Partnership or joint venture investments may involve risks not otherwise present for investments made solely by us, including the possibility that our partner or co-venturer might become bankrupt, and that our partner or co-venturer may take action contrary to our instructions, requests, policies or objectives, including with respect to maintaining our qualification as a REIT. Other risks of joint venture investments include impasse on decisions, such as a sale, because neither we nor a joint venture partner may have full control over the joint venture. Also, there is no limitation under our organizational documents as to the amount of our funds that may be invested in joint ventures.

Additionally, our partners or co-venturers may engage in malfeasance in spite of our efforts to perform a high level of due diligence on them. Such acts may or may not be covered by insurance. Finally, partners and co-venturers may engage in illegal activities which may jeopardize an investment and/or subject us to reputational risk.

Any disputes that may arise between joint venture partners and us may result in litigation or arbitration that would increase our expenses and prevent our officers and/or trustees from focusing their time and effort on our business. Consequently, actions by or disputes with joint venture partners might result in subjecting properties owned by the joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third-party joint venture partners.

Historically, Fund I, Mervyns I and Fund III have provided Promote income. There can be no assurance that our joint ventures will continue to operate profitably and thus provide additional Promote income in the future. These factors could limit the return that we receive from such investments or cause our cash flows to be lower than our estimates. In addition, a partner or co-venturer may not have access to sufficient capital to satisfy its funding obligations to the joint venture.

Our structured financing portfolio is subject to specific risks relating to the structure and terms of the instruments and the underlying collateral.

We invest in notes receivables and preferred equity investments that are collateralized by the underlying real estate, a direct interest or the borrower's ownership interest in the entities that own the properties and/or by the borrower's personal guarantee. The underlying assets are sometimes subordinate in payment and collateral to more senior loans. The ability of a borrower or entity to make payments on these investments may be subject to the senior lender and/or the performance of the underlying real estate. In the event of a default by the borrower or entity on its senior loan, our investment will only be satisfied after the senior loan and we may not be able to recover the full value of the investment. In the event of a bankruptcy of an entity in which we have a preferred equity interest, or in which the borrower has pledged its interest, the assets of the entity may not be sufficient to satisfy our investment.

Market factors could have an adverse effect on our share price and our ability to access the public equity markets.

The market price of our Common Shares or other securities may fluctuate significantly in response to many factors, including:

- actual or anticipated variations in our operating results, funds from operations, cash flows or liquidity;
- changes in our earnings estimates or those of analysts;
- changes in our dividend policy;
- impairment charges affecting the carrying value of one or more of our Properties or other assets;
- publication of research reports about us, the retail industry or the real estate industry generally;
- increases in market interest rates that lead purchasers of our securities to seek higher dividend or interest rate yields;
- changes in market valuations of similar companies;
- adverse market reaction to the amount of our outstanding debt at any time, the amount of our maturing debt in the near and medium term and our ability to refinance such debt and the terms thereof or our plans to incur additional debt in the future;
- additions or departures of key management personnel;
- actions by institutional security holders;
- proposed or adopted regulatory or legislative changes or developments;
- speculation in the press or investment community;
- the occurrence of any of the other risk factors included in, or incorporated by reference in, this report; and
- general market and economic conditions.

Many of the factors listed above are beyond our control. Those factors may cause the market price of our Common Shares or other securities to decline significantly, regardless of our financial performance and condition and prospects. It is impossible to provide any assurance that the market price of our Common Shares or other securities will not fall in the future, and it may be difficult for holders to sell such securities at prices they find attractive, or at all. A decline in our share price, as a result of this or other market factors, could unfavorably impact our ability to raise additional equity in the public markets.

RISKS RELATED TO STRUCTURE AND MANAGEMENT

The loss of a key executive officer could have an adverse effect on us.

Our success depends on the contribution of key management members. The loss of the services of Kenneth F. Bernstein, President and Chief Executive Officer, or other key executive-level employees could have a material adverse effect on our results of operations. Management continues to strengthen our team and provide for succession planning, but there can be no assurance that such planning will be capable of implementation or of the success of such efforts. We have obtained key-man life insurance for Mr. Bernstein. In addition, we have entered into an employment agreement with Mr. Bernstein; however, the employment agreement can be terminated by Mr. Bernstein at his discretion. We have not entered into employment agreements with other key executive-level employees.

Our Board of Trustees may change our investment policy or objectives without shareholder approval.

Our Board of Trustees may determine to change our investment and financing policies or objectives, our growth strategy and our debt, capitalization, distribution, acquisition, disposition and operating policies. Our Board of Trustees may establish investment criteria or limitations as it deems appropriate, but currently does not limit the number of properties in which we may seek to invest or on the concentration of investments in any one geographic region. Although our Board of Trustees has no present intention to revise or amend our strategies and policies, it may do so at any time without a vote by our shareholders. Accordingly, the results of decisions made by our Board of Trustees as implemented by management may or may not serve the interests of all of our shareholders and could adversely affect our financial condition or results of operations, including our ability to distribute cash to shareholders or qualify as a REIT.

Distribution requirements imposed by law limit our operating flexibility.

To maintain our status as a REIT for Federal income tax purposes, we are generally required to distribute to our shareholders at least 90% of our taxable income for each calendar year. Our taxable income is determined without regard to any deduction for dividends paid and by excluding net capital gains. To the extent that we satisfy the distribution requirement, but distribute less than 100% of our taxable income, we will be subject to Federal corporate income tax on our undistributed income. In addition, we will incur a 4% nondeductible excise tax on the amount, if any, by which our distributions in any year are less than the sum of (i) 85% of our ordinary income for that year; (ii) 95% of our capital gain net income for that year; and (iii) 100% of our undistributed taxable income from prior years. We intend to continue to make distributions to our shareholders to comply with the distribution requirements of the Internal Revenue Code and to minimize exposure to Federal income and excise taxes. Differences in timing between the receipt of income and the payment of expenses in determining our income as well as required debt amortization payments and the capitalization of certain expenses could require us to borrow funds on a short-term basis to meet the distribution requirements that are necessary to achieve the tax benefits associated with qualifying as a REIT. The distribution requirements also severely limit our ability to retain earnings to acquire and improve properties or retire outstanding debt.

Changes in accounting standards may adversely impact our financial results.

The Financial Accounting Standards Board (the “FASB”), in conjunction with the U.S. Securities and Exchange Commission, has issued several key pronouncements that will impact how we currently account for our material transactions, including, but not limited to, lease accounting, business combinations and the recognition of other revenues. In addition, the FASB has the ability to introduce new projects to its agenda which may also impact how we account for our material transactions. At this time, we are unable to predict with certainty which, if any, proposals may be passed, what new legislation may be implemented or what level of impact any such proposal could have on the presentation of our consolidated financial statements, our results of operations and our financial ratios required by our debt covenants.

Concentration of ownership by certain investors.

As of December 31, 2017, five institutional shareholders own 5% or more individually, and 59.5% in the aggregate, of our Common Shares. While this ownership concentration does not jeopardize our qualification as a REIT (due to certain "look-through provisions"), a significant concentration of ownership may allow an investor or a group of investors to exert a greater influence over our management and affairs and may have the effect of delaying, deferring or preventing a change in control of us.

Restrictions on a potential change of control could prevent changes that would be beneficial to our shareholders.

Our Board of Trustees is authorized by our Declaration of Trust to establish and issue one or more series of preferred shares of beneficial interest without shareholder approval. We have not established any series of preferred shares other than the Series A and Series C Preferred Operating Partnership Units. However, the establishment and issuance of a class or series of preferred shares could make a change of control of us that could be in the best interests of the shareholders more difficult. In addition, we have entered into an employment agreement with our Chief Executive Officer and severance agreements are in place with certain of our executives which provide that, upon the occurrence of a change in control of us and either the termination of their employment without cause (as defined) or their resignation for good reason (as defined), those executive officers would be entitled to certain termination or severance payments made by us (which may include a lump sum payment equal to defined percentages of annual salary and prior years' average bonuses, paid in accordance with the terms and conditions of the respective agreement), which could deter a change of control of us that could be in the best interests of our shareholders generally.

Certain provisions of Maryland law may limit the ability of a third party to acquire control of our Company.

Under the Maryland General Corporation Law, as amended, which we refer to as the "MGCL," as applicable to REITs, certain "business combinations," including certain mergers, consolidations, share exchanges and asset transfers and certain issuances and reclassifications of equity securities, between a Maryland REIT and any person who beneficially owns 10% or more of the voting power of the REIT's outstanding voting shares or an affiliate or an associate, as defined in the MGCL, of the REIT who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then-outstanding shares of beneficial interest of the REIT, which we refer to as an "interested shareholder," or an affiliate of the interested shareholder, are prohibited for five years after the most recent date on which the interested shareholder becomes an interested shareholder. After that five-year period, any such business combination must be recommended by the board of trustees of the REIT and approved by the affirmative vote of at least (i) 80% of the votes entitled to be cast by holders of outstanding voting shares of beneficial interest of the REIT and (ii) two-thirds of the votes entitled to be cast by holders of voting shares of the REIT other than shares held by the interested shareholder with whom, or with whose affiliate, the business combination is to be effected or held by an affiliate or associate of the interested shareholder, unless, among other conditions, the REIT's common shareholders receive a minimum price, as defined in the MGCL, for their shares and the consideration is received in cash or in the same form as previously paid by the interested shareholder for its Common Shares.

These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by the board of trustees of the REIT before the interested shareholder becomes an interested shareholder, and a person is not an interested shareholder if the board of trustees approved in advance the transaction by which the person otherwise would have become an interested shareholder. In approving a transaction, our Board of Trustees may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the Board. We have not elected to opt out of the business combination statute.

The MGCL also provides that holders of "control shares" of a Maryland REIT (defined as voting shares that, when aggregated with all other shares owned by the acquirer or in respect of which the acquirer is entitled to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise one of three increasing ranges of voting power in electing trustees) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of "control shares") have no voting rights except to the extent approved by the affirmative vote of holders of at least two-thirds of all the votes entitled to be cast on the matter, excluding shares owned by the acquirer, by officers or by employees who are also trustees of the REIT. Our Bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of our shares of beneficial interest. Our Bylaws can be amended by our Board of Trustees by majority vote, and there can be no assurance that this provision will not be amended or eliminated at any time in the future.

Additionally, Title 3, Subtitle 8 of the MGCL permits our Board of Trustees, without shareholder approval and regardless of what is currently provided in our Declaration of Trust or Bylaws, to elect to be subject to certain provisions relating to corporate governance that may have the effect of delaying, deferring or preventing a transaction or a change of control of our Company that might involve a premium to the market price of our Common Shares or otherwise be in the best interests of our shareholders. We are subject to some of these provisions (for example, a two-thirds vote requirement for removing a trustee) by provisions of our

Declaration of Trust and Bylaws unrelated to Subtitle 8. However, pursuant to the Articles Supplementary filed November 9, 2017, which are referenced in Part IV Item 15 hereto, the Board of Trustees approved a resolution to opt out of Section 3-803 of Subtitle 8 of Title 3 of the MGCL that allows the Board, without shareholder approval, to elect to classify into three classes with staggered three-year terms. The Articles Supplementary prohibit the Company, without the affirmative vote of a majority of the votes cast on the matter by shareholders entitled to vote generally in the election of trustees, from classifying the Board.

Becoming subject to, or the potential to become subject to, these provisions of the MGCL could inhibit, delay or prevent a transaction or a change of control of our Company that might involve a premium price for our shareholders or otherwise be in our or their best interests. In addition, the provisions of our Declaration of Trust on removal of trustees and the provisions of our Bylaws regarding advance notice of shareholder nominations of trustees and other business proposals and restricting shareholder action outside of a shareholders meeting unless such action is taken by unanimous written consent could have a similar effect.

Our rights and shareholders' rights to take action against trustees and officers are limited, which could limit recourse in the event of actions not in the best interests of shareholders.

As permitted by Maryland law, our Declaration of Trust eliminates the liability of our trustees and officers to the Company and its shareholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- a final judgment based upon a finding of active and deliberate dishonesty by the trustee or officer that was material to the cause of action adjudicated.

In addition, our Declaration of Trust authorizes, and our Bylaws obligate, us to indemnify each present or former trustee or officer, to the maximum extent permitted by Maryland law, who is made a party to any proceeding because of his or her service to our Company in those or certain other capacities. As part of these indemnification obligations, we may be obligated to fund the defense costs incurred by our trustees and officers.

Outages, computer viruses and similar events could disrupt our operations.

We rely on information technology networks and systems, some of which are owned and operated by third parties, to process, transmit and store electronic information. Any of these systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, terrorist or cyber-attacks and similar events. Despite the implementation of network security measures, our systems and those of third parties on which we rely may also be vulnerable to computer viruses and similar disruptions. If we or the third parties on whom we rely are unable to prevent such outages and breaches, our operations could be disrupted.

Increased Information Technology (“IT”) security threats and more sophisticated computer crime could pose a risk to our systems, networks and services.

Cyber incidents can result from deliberate attacks or unintentional events. There have been an increased number of significant cyber-attacks targeted at the retail, insurance, financial and banking industries that include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as by causing denial-of-service attacks on websites. Cyber-attacks by third parties or insiders utilize techniques that range from highly sophisticated efforts to electronically circumvent network security or overwhelm a website to more traditional intelligence gathering and social engineering aimed at obtaining information necessary to gain access.

Increased global IT security threats are more sophisticated and targeted computer crimes pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. The open nature of interconnected technologies may allow for a network or Web outage or a privacy breach that reveals sensitive data or transmission of harmful/malicious code to business partners and clients. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time, we may be unable to anticipate these techniques or implement adequate preventive measures.

Cyber-attacks may cause substantial cost and other negative consequences, which may include, but are not limited to:

- Compromising of confidential information;
- Manipulation and destruction of data;
- Loss of trade secrets;
- System downtimes and operational disruptions;

- Remediation cost that may include liability for stolen assets or information and repairing system damage that may have been caused. Remediation may include incentives offered to customers, tenants or other business partners in an effort to maintain the business relationships or due to legal requirements imposed;
- Loss of revenues resulting from unauthorized use of proprietary information;
- Cost to deploy additional protection strategies, training employees and engaging third party experts and consultants;
- Reputational damage adversely affecting investor confidence; and
- Litigation.

While we attempt to mitigate these risks by employing a number of measures, including a dedicated IT team, employee training and background checks, maintenance of backup systems, utilization of third party service providers to provide redundancy over multiple locations, and comprehensive monitoring of our networks and systems along with purchasing cyber security insurance coverage, our systems, networks and services remain potentially vulnerable to advanced threats.

If a Third-Party Vendor fails to provide agreed upon services, we may suffer losses.

We are dependent and rely on third party vendors including Cloud providers for redundancy of our network, system data, security and data integrity. If a vendor fails to provide services as agreed, suffers outages, business interruptions, financial difficulties or bankruptcy we may experience service interruption, delays or loss of information. Cloud computing is dependent upon having access to an internet connection in order to retrieve data. If a natural disaster, blackout or other unforeseen event were to occur that disrupted the ability to obtain an internet connection we may experience a slowdown or delay in our operations. We conduct appropriate due diligence on all services providers and restrict access, use and disclosure of personal information. We engage vendors with formal written agreements clearly defining the roles of the parties specifying privacy and data security responsibilities.

Use of social media may adversely impact our reputation and business.

There has been a significant increase in the use of social media platforms, including weblogs, social media websites and other forms of Internet-based communications, which allow individuals access to a broad audience, including our significant business constituents. The availability of information through these platforms is virtually immediate as is its impact and may be posted at any time without affording us an opportunity to redress or correct it timely. This information may be adverse to our interests, may be inaccurate and may harm our reputation, brand image, goodwill, performance, prospects or business. Furthermore, these platforms increase the risk of unauthorized disclosure of material non-public Company information.

Climate change and catastrophic risk from natural perils could adversely affect our properties.

Some of our current properties could be subject to potential natural or other disasters. We may acquire properties that are located in areas which are subject to natural disasters. Any properties located in coastal regions would therefore be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors.

Climate change is a long-term change in the statistical distribution of weather patterns over periods of time that range from decades to millions of years. It may be a change in the average weather conditions or a change in the distribution of weather events with respect to an average, for example, greater or fewer extreme weather events. Climate change may be limited to a specific region, or may occur across the whole Earth.

There may be significant physical effects of climate change that have the potential to have a material effect on our business and operations. These effects can impact our personnel, physical assets, tenants and overall operations.
Physical impacts of climate change may include:

- Increased storm intensity and severity of weather (e.g., floods or hurricanes);
- Sea level rise; and
- Extreme temperatures.

As a result of these physical impacts from climate-related events, we may be vulnerable to the following:

- Risks of property damage to our retail properties;
- Indirect financial and operational impacts from disruptions to the operations of major tenants located in our retail properties from severe weather, such as hurricanes or floods;
- Increased insurance premiums and deductibles, or a decrease in the availability of coverage, for properties in areas subject to severe weather;

- Increased insurance claims and liabilities;
- Increases in energy costs impacting operational returns;
- Changes in the availability or quality of water or other natural resources on which the tenant's business depends;
- Decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperatures or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable);
- Incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and
- Economic disruptions arising from the above.

We are exposed to possible liability relating to environmental matters.

Under various Federal, state and local environmental laws, statutes, ordinances, rules and regulations, as an owner of real property, we may be liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, in or under our property, as well as certain other potential costs relating to hazardous or toxic substances (including government fines and penalties and damages for injuries to persons and adjacent property). These laws may impose liability without regard to whether we knew of, or were responsible for, the presence or disposal of those substances. This liability may be imposed on us in connection with the activities of an operator of, or tenant at, the property. The cost of any required remediation, removal, fines or personal or property damages and our liability therefore could exceed the value of the property and/or our aggregate assets. In addition, the presence of those substances, or the failure to properly dispose of or remove those substances, may adversely affect our ability to sell or rent that property or to borrow using that property as collateral, which, in turn, could reduce our revenues and affect our ability to make distributions.

A property can also be adversely affected either through physical contamination or by virtue of an adverse effect upon value attributable to the migration of hazardous or toxic substances, or other contaminants that have or may have emanated from other properties. Although our tenants are primarily responsible for any environmental damages and claims related to the leased premises, in the event of the bankruptcy or inability of any of our tenants to satisfy any obligations with respect to the property leased to that tenant, we may be required to satisfy such obligations. In addition, we may be held directly liable for any such damages or claims irrespective of the provisions of any lease.

From time to time, in connection with the conduct of our business, and prior to the acquisition of any property from a third party or as required by our financing sources, we authorize the preparation of Phase I environmental reports and, when necessary, Phase II environmental reports, with respect to our properties. Based upon these environmental reports and our ongoing review of our properties, we are currently not aware of any environmental condition with respect to any of our properties that we believe would be reasonably likely to have a material adverse effect on us. There can be no assurance, however, that the environmental reports will reveal all environmental conditions at our properties or that the following will not expose us to material liability in the future:

- The discovery of previously unknown environmental conditions;
- Changes in law;
- Activities of tenants; and
- Activities relating to properties in the vicinity of our properties.

Changes in laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions may result in significant unanticipated expenditures or may otherwise adversely affect the operations of our tenants, which could adversely affect our financial condition or results of operations.

Uninsured losses or a loss in excess of insured limits could adversely affect our financial condition.

We carry comprehensive general liability, all-risk property, extended coverage, loss of rent insurance, and environmental liability on our properties, with policy specifications and insured limits customarily carried for similar properties. However, with respect to those properties where the leases do not provide for abatement of rent under any circumstances, we maintain a minimum of twelve months loss of rent insurance. In addition, there are certain types of losses, such as losses resulting from wars, terrorism or acts of God that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, we could lose capital invested in a property, as well as the anticipated future revenues from a property, while remaining obligated for any mortgage indebtedness or other financial obligations related to the property. Any loss of these types would adversely affect our financial condition.

Future terrorist attacks or civil unrest could harm the demand for, and the value of, our properties.

Over the past several years, a number of highly publicized terrorist acts and shootings have occurred at domestic and international retail properties. Future terrorist attacks, civil unrest and other acts of terrorism or war could harm the demand for, and the value of, our properties. Terrorist attacks could directly impact the value of our properties through damage, destruction, loss or increased security costs, and the availability of insurance for such acts may be limited or may be subject to substantial cost increases. To the extent that our tenants are impacted by future attacks, their ability to continue to honor obligations under their existing leases could be adversely affected. A decrease in retail demand could make it difficult for us to renew or re-lease our properties at lease rates equal to or above historical rates. These acts might erode business and consumer confidence and spending, and might result in increased volatility in national and international financial markets and economies. Any one of these events might decrease demand for real estate, decrease or delay the occupancy of our properties, and limit our access to capital or increase our cost of raising capital.

We may from time to time be subject to litigation that may negatively impact our cash flow, financial condition, results of operations and the trading price of our Common Shares.

We may from time to time be a defendant in lawsuits and regulatory proceedings relating to our business. Such litigation and proceedings may result in defense costs, settlements, fines or judgments against us, some of which may not be covered by insurance. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such litigation or proceedings. An unfavorable outcome could negatively impact our cash flow, financial condition, results of operations and trading price of our Common Shares.

Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require us to make unplanned expenditures that adversely affect our cash flows.

All of our properties are required to comply with the Americans with Disabilities Act, or ADA. The ADA has separate compliance requirements for “public accommodations” and “commercial facilities,” but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers, and non-compliance could result in imposition of fines by the U.S. government or an award of damages to private litigants, or both. While the tenants to whom we lease properties are obligated by law to comply with the ADA provisions, and are typically obligated to cover costs of compliance, if required changes involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of these tenants to cover costs could be adversely affected. As a result of the foregoing or if a tenant is not obligated to cover the cost of compliance, we could be required to expend funds to comply with the provisions of the ADA, which could adversely affect our results of operations and financial condition and our ability to make distributions to shareholders. In addition, we are required to operate our properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to the properties. We may be required to make substantial capital expenditures to comply with those requirements, and these expenditures could have a material adverse effect on our ability to meet our financial obligations and make distributions to shareholders.

RISKS RELATED TO OUR REIT STATUS

There can be no assurance we have qualified or will remain qualified as a REIT for Federal income tax purposes.

We believe that we have consistently met the requirements for qualification as a REIT for Federal income tax purposes beginning with our taxable year ended December 31, 1993, and we intend to continue to meet these requirements in the future. However, qualification as a REIT involves the application of highly technical and complex provisions of the Internal Revenue Code, for which there may be only limited judicial or administrative interpretations. No assurance can be given that we have qualified or will remain qualified as a REIT. The Internal Revenue Code provisions and income tax regulations applicable to REITs differ significantly from those applicable to other entities. The determination of various factual matters and circumstances not entirely within our control can potentially affect our ability to continue to qualify as a REIT. In addition, no assurance can be given that future legislation, regulations, administrative interpretations or court decisions will not significantly change the requirements for qualification as a REIT or adversely affect the Federal income tax consequences of such qualification. Under current law, if we fail to qualify as a REIT, we would not be allowed a deduction for dividends paid to shareholders in computing our net taxable income. In addition, our income would be subject to tax at the regular corporate rates. Also, we could be disqualified from treatment as a REIT for the four taxable years following the year during which qualification was lost. Cash available for distribution to our shareholders would be significantly reduced for each year in which we do not qualify as a REIT. In that event, we would not be required to continue to make distributions. Although we currently intend to continue to qualify as a REIT, it is possible that future economic, market, legal, tax or other considerations may cause us, without the consent of our shareholders, to revoke the REIT election or to otherwise take action that would result in disqualification.

Legislative or regulatory tax changes could have an adverse effect on us.

There are a number of issues associated with an investment in a REIT that are related to the Federal income tax laws, including, but not limited to, the consequences of our failing to continue to qualify as a REIT. At any time, the Federal income tax laws governing REITs or the administrative interpretations of those laws may be amended or modified. Any new laws or interpretations may take effect retroactively and could adversely affect us or our shareholders. Reduced tax rates applicable to certain corporate dividends paid to most domestic noncorporate shareholders are not generally available to REIT shareholders since a REIT's income generally is not subject to corporate level tax. As a result, investment in non-REIT corporations may be viewed as relatively more attractive than investment in REITs by domestic noncorporate investors. Moreover, in the event that there is a reduction in tax rates applicable to corporate dividends, or a reduction in the corporate tax rate, such views may strengthen as the perceived benefits of investing in REITs by domestic noncorporate investors may decline. The foregoing factors could adversely affect the market price of our shares.

The Tax Cuts and Jobs Act (the “Act”) signed into law by the President on December 22, 2017 makes significant changes to the Code, including changes that impact REITs and their shareholders, among others. In particular, the Act reduces the maximum corporate tax rate from 35% to 21%. In addition, for tax years beginning before January 1, 2026, the Act permits up to a 20% deduction for individuals, trusts, and estates with respect to their receipt of “qualified REIT dividends”, which are dividends from a REIT that are not capital gain dividends and are not qualified dividend income. These changes generally result in an effective maximum U.S. federal income tax rate on such dividends of 29.6%, if the deduction is allowed in full. However, by reducing the corporate tax rate, it is possible that the Act will nevertheless reduce the relative attractiveness to investors (as compared with potential alternative investments) of the generally single level of taxation on REIT distributions. Although certain changes to the Code are generally advantageous to REITs and their shareholders, the full ramifications of the Act remain unclear and will likely remain unclear for an indeterminate period of time. Key provisions of the Act that could impact us and the market price of our shares include the following:

- temporarily reducing individual U.S. federal income tax rates on ordinary income; the highest individual U.S. federal income tax rate is reduced from 39.6% to 37% (through tax years beginning before January 1, 2026), while eliminating miscellaneous itemized deductions and limiting state and local tax deductions;

- reducing the maximum corporate income tax rate from 35% to 21%, which reduces, but does not eliminate, the competitive advantage that REITs enjoy relative to non-REIT corporations;

- permitting (subject to certain limitations) a deduction for certain pass-through business income, including, as noted above, dividends received by our shareholders that are not designated by us as capital gain dividends or qualified dividend income, which will allow individuals, trusts, and estates to deduct up to 20% of such amounts, generally resulting in an effective maximum U.S. federal income tax rate of 29.6% on such dividends, if the deduction is allowed in full (through tax years beginning before January 1, 2026);

- reducing the highest rate of withholding with respect to our distributions to non-U.S. shareholders that are treated as attributable to gains from the sale or exchange of U.S. real property interests from 35% to 21%;

- limiting our deduction for net operating losses to 80% of taxable income (prior to the application of the dividends paid deduction), where taxable income is determined without regarding to the net operating loss deduction itself, and generally eliminating net operating loss carrybacks and allowing unused net operating losses to be carried forward indefinitely;

- amending the limitation on the deduction of net interest expense for all businesses, other than certain electing real estate businesses (which could adversely affect any of our taxable REIT subsidiaries (each, a “TRS”), including any new TRS that we may form);

- expanding the ability of businesses to deduct the cost of certain purchases of property in the year in which such property is purchased; and

- eliminating the corporate alternative minimum tax.

In addition to the foregoing, the Act may impact our tenants, the retail real estate market, and the overall economy, which may have an effect on us. It is not possible to state with certainty at this time the effect of the Tax Reform Act on us and on an investment in our shares

We may be required to borrow funds or sell assets to satisfy our REIT distribution requirements.

Our cash flows may be insufficient to fund distributions required to maintain our qualification as a REIT as a result of differences in timing between the actual receipt of income and the recognition of income for U.S. Federal income tax purposes, or the effect of non-deductible expenditures, such as capital expenditures, payments of compensation for which Section 162(m) of the Code denies a deduction, the creation of reserves or required amortization payments. If we do not have other funds available in these situations, we may need to borrow funds on a short-term basis or sell assets, even if the then-prevailing market conditions are not favorable for these borrowings or sales, in order to satisfy our REIT distribution requirements. Such actions could adversely affect our cash flow and results of operations.

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

Certain qualified dividends paid by corporations to individuals, trusts and estates that are U.S. shareholders are taxed at capital gain rates, which are lower than ordinary income rates. Dividends of current and accumulated earnings and profits payable by REITs, however, are taxed at ordinary income rates as opposed to the capital gain rates. From 2018 through 2025, certain REIT shareholders will be permitted to deduct 20% of ordinary REIT dividends received. Dividends payable by REITs in excess of these earnings and profits generally are treated as a non-taxable reduction of the shareholders' basis in the shares to the extent thereof and thereafter as taxable gain. The more favorable rates applicable to regular corporate dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs, including us, to be relatively less attractive than investments in the stock of non-REIT corporations that pay dividends, which may negatively impact the trading prices of our securities.

Complying with REIT requirements may cause us to forego otherwise attractive opportunities or liquidate otherwise attractive investments.

To qualify as a REIT, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our shareholders and the ownership of our Common Shares. In order to meet these tests, we may be required to forego investments we might otherwise make and refrain from engaging in certain activities. Thus, compliance with the REIT requirements may hinder our performance.

In addition, if we fail to comply with certain asset ownership tests at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification. As a result, we may be required to liquidate otherwise attractive investments.

We have limits on ownership of our shares of beneficial interest.

For us to qualify as a REIT for Federal income tax purposes, among other requirements, not more than 50% of the value of our shares of beneficial interest may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) at any time during the last half of each taxable year, and such shares of beneficial interest must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year (in each case, other than the first such year). Our Declaration of Trust includes certain restrictions regarding transfers of our shares of beneficial interest and ownership limits that are intended to assist us in satisfying these limitations, among other purposes. These restrictions and limits may not be adequate in all cases, however, to prevent the transfer of our shares of beneficial interest in violation of the ownership limitations. The ownership limits contained in our Declaration of Trust may have the effect of delaying, deferring or preventing a change of control of us.

Actual or constructive ownership of our shares of beneficial interest in excess of the share ownership limits contained in our Declaration of Trust would cause the violative transfer or ownership to be null and void from the beginning and subject to purchase by us at a price equal to the fair market value of such shares (determined in accordance with the rules set forth in our Declaration of Trust). As a result, if a violative transfer were made, the recipient of the shares would not acquire any economic or voting rights attributable to the transferred shares. Additionally, the constructive ownership rules for these limits are complex and groups of related individuals or entities may be deemed a single owner and consequently in violation of the share ownership limits.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

Retail Properties

The discussion and tables in this Item 2. include wholly-owned and partially-owned properties held through our Core Portfolio and our Funds. We define our Core Portfolio as those properties either 100% owned by, or partially owned through joint venture interests by the Operating Partnership or subsidiaries thereof, not including those properties owned through our Funds.

As of December 31, 2017, there are 116 operating properties in our Core Portfolio totaling approximately 6.3 million square feet of gross leasable area ("GLA") excluding two properties under development. The Core Portfolio properties are located in 12 states and the District of Columbia and primarily consist of street retail and dense suburban shopping centers. These properties are diverse in size, ranging from approximately 1,000 to 800,000 square feet and as of December 31, 2017, were in total, excluding the properties under development, 93.5% occupied.

As of December 31, 2017, we owned and operated 54 properties totaling approximately 4.2 million square feet of GLA in our Funds, excluding four properties under development. In addition to shopping centers, the Funds have invested in mixed-use properties, which generally include retail activities. The Fund properties are located in 13 states and the District of Columbia and as of December 31, 2017, were in total, excluding the properties under development, 86.5% occupied.

Within our Core Portfolio and Funds, we had approximately 900 leases as of December 31, 2017. A majority of our rental revenues were from national retailers and consist of rents received under long-term leases. These leases generally provide for the monthly payment of fixed minimum rent and the tenants' pro-rata share of the real estate taxes, insurance, utilities and common area maintenance of the shopping centers. Certain of our leases also provide for the payment of rent based on a percentage of a tenant's gross sales in excess of a stipulated annual amount, either in addition to, or in place of, minimum rents. Minimum rents, percentage rents and expense reimbursements accounted for approximately 97% of our total revenues for the year ended December 31, 2017.

Five of our Core Portfolio properties and two of our Fund properties are subject to long-term ground leases in which a third party owns and has leased the underlying land to us. We pay rent for the use of the land and are responsible for all costs and expenses associated with the building and improvements at all of these locations.

No individual property contributed in excess of 10% of our total revenues for the years ended December 31, 2017, 2016 or 2015. See Note 7 in the Notes to Consolidated Financial Statements, for information on the mortgage debt pertaining to our properties.

The following table sets forth more specific information with respect to each of our Core properties at December 31, 2017:

Property (a)	Key Tenants	Year Acquired	Acadia's Interest	Gross Leasable Area (GLA)	In Place Occupancy	Leased Occupancy	Annualized Base Rent (ABR)	ABR/ Per Square Foot
STREET AND URBAN RETAIL								
Chicago Metro								
664 N. Michigan Avenue	Tommy Bahama, Ann Taylor Loft	2013	100.0%	18,141	100.0%	100.0%	$ 4,597,909	$ 253.45
840 N. Michigan Avenue	H & M, Verizon Wireless	2014	88.4%	87,135	100.0%	100.0%	7,673,433	88.06
Rush and Walton Streets Collection - 5 properties	Lululemon, BHLDN, Marc Jacobs	2011/12	100.0%	32,501	85.3%	85.3%	5,854,996	211.19
651-671 West Diversey	Trader Joe's, Urban Outfitters	2011	100.0%	46,259	100.0%	100.0%	2,008,816	43.43
Clark Street and W. Diversey Collection - 3 properties	Ann Taylor, Akira	2011/12	100.0%	23,531	91.3%	91.3%	1,244,789	57.94
Halsted and Armitage Collection - 9 properties	Club Monaco	2011/12	100.0%	45,151	75.9%	75.9%	1,235,966	36.07
North Lincoln Park Chicago Collection - 6 properties	Forever 21, Aldo, Carhartt	2011/14	100.0%	50,961	85.0%	85.0%	1,733,715	40.02
State and Washington	H & M, Nordstrom Rack	2016	100.0%	78,819	100.0%	100.0%	2,969,482	37.67
151 N. State Street	Walgreens	2016	100.0%	27,385	100.0%	100.0%	1,430,000	52.22
North and Kingsbury	Old Navy, Pier 1 Imports	2016	100.0%	41,700	100.0%	100.0%	1,608,789	38.58
Concord and Milwaukee	—	2016	100.0%	13,105	87.8%	87.8%	355,976	30.94
California and Armitage	—	2016	100.0%	18,275	70.6%	70.6%	612,519	47.47
Roosevelt Galleria	Petco, Vitamin Shoppe	2015	100.0%	37,995	63.4%	63.4%	701,982	29.14
Sullivan Center	Target, DSW	2016	100.0%	176,181	98.6%	100.0%	6,444,079	37.10

Property [a]	Key Tenants	Year Acquired	Acadia's Interest	Gross Leasable Area (GLA)	In Place Occupancy	Leased Occupancy	Annualized Base Rent (ABR)	ABR/ Per Square Foot
New York Metro								
Soho Collection - 4 properties	Paper Source, Kate Spade, 3x1 Jeans	2011/14	100.0%	12,511 —	82.4% —	82.4% —	3,157,177	306.25
5-7 East 17th Street	Union Fare	2008	100.0%	11,467	100.0%	100.0%	1,300,014	113.37
200 West 54th Street	Stage Coach Tavern	2007	100.0%	5,777	77.8%	77.8%	1,941,814	432.04
61 Main Street	—	2014	100.0%	3,400	—%	—%	—	—
181 Main Street	TD Bank	2012	100.0%	11,350	100.0%	100.0%	870,274	76.68
4401 White Plains Road	Walgreens	2011	100.0%	12,964	100.0%	100.0%	625,000	48.21
Bartow Avenue	Mattress Firm	2005	100.0%	14,590	100.0%	100.0%	485,495	33.28
239 Greenwich Avenue	Betteridge Jewelers	1998	75.0%	16,553	100.0%	100.0%	1,546,912	93.45
252-256 Greenwich Avenue	Madewell, Jack Wills	2014	100.0%	7,986	71.0%	71.0%	1,027,271	181.17
2914 Third Avenue	Planet Fitness	2006	100.0%	40,320	100.0%	100.0%	963,001	23.88
868 Broadway	Dr. Martens	2013	100.0%	2,031	100.0%	100.0%	745,315	366.97
313-315 Bowery [b]	John Varvatos, Patagonia	2013	100.0%	6,600	100.0%	100.0%	479,160	72.60
120 West Broadway	HSBC Bank	2013	100.0%	13,838	100.0%	100.0%	2,255,814	163.02
2520 Flatbush Avenue	Bob's Discount Furniture, Capital One	2014	100.0%	29,114	100.0%	100.0%	1,064,374	36.56
991 Madison Avenue	Vera Wang, Perrin Paris	2016	100.0%	7,513	65.6%	65.6%	1,553,292	315.16
Shops at Grand	Stop & Shop (Ahold)	2014	100.0%	99,975	92.7%	92.7%	2,873,056	31.00
Gotham Plaza	Bank of America, Children's Place	2016	49.0%	26,182	68.6%	68.6%	1,064,361	59.26
San Francisco Metro								
City Center	City Target, Best Buy	2015	100.0%	204,648	98.1%	98.1%	7,759,488	38.65
555 9th Street	Bed, Bath & Beyond, Nordstrom Rack	2016	100.0%	148,832	100.0%	100.0%	6,105,614	41.02
District of Columbia Metro								
1739-53 & 1801-03 Connecticut Avenue	Ruth Chris Steakhouse, TD Bank	2012	100.0%	20,669	100.0%	100.0%	1,266,138	61.26
Rhode Island Place Shopping Center	Ross Dress for Less	2012	100.0%	57,667	45.5%	93.4%	1,246,065	47.49
M Street and Wisconsin Corridor - 25 Properties [c]	Lululemon, North Face, Coach	2011/16	25.4%	241,182	91.5%	91.5%	15,168,759	68.74
Boston Metro								
330-340 River Street	Whole Foods	2012	100.0%	54,226	100.0%	100.0%	1,200,045	22.13
165 Newbury Street	Starbucks	2016	100.0%	1,050	100.0%	100.0%	261,777	249.31
Total Street and Urban Retail				**1,747,584**	**92.4%**	**94.2%**	**93,432,667**	**57.86**
Acadia Share Total Street and Urban Retail				**1,540,088**	**92.8%**	**95.1%**	**80,531,452**	**56.35**
SUBURBAN PROPERTIES								
New Jersey								
Elmwood Park Shopping Center	Walgreens, Acme	1998	100.0%	143,910	97.2%	97.2%	4,046,223	28.93
Marketplace of Absecon	Rite Aid, Dollar Tree	1998	100.0%	104,556	90.3%	90.3%	1,362,152	14.43
60 Orange Street	Home Depot	2012	98.0%	101,715	100.0%	100.0%	695,000	6.83
New York								
Village Commons Shopping Center	—	1998	100.0%	87,128	91.1%	91.1%	2,612,204	32.91
Branch Plaza	LA Fitness, The Fresh Market	1998	100.0%	123,378	92.2%	92.2%	3,024,863	26.59
Amboy Center	Stop & Shop (Ahold)	2005	100.0%	63,290	100.0%	100.0%	2,072,234	32.74
Pacesetter Park Shopping Center	Stop & Shop (Ahold)	1999	100.0%	97,806	100.0%	100.0%	1,338,641	13.69
LA Fitness	LA Fitness	2007	100.0%	55,000	100.0%	100.0%	1,485,287	27.01
Crossroads Shopping Center	Home Goods, PetSmart, Kmart, DSW	1998	49.0%	311,958	94.6%	94.6%	6,834,714	23.16
New Loudon Center	Price Chopper, Marshalls	1993	100.0%	255,673	100.0%	100.0%	2,153,484	8.42
28 Jericho Turnpike	Kohl's	2012	100.0%	96,363	100.0%	100.0%	1,815,000	18.84
Bedford Green	Shop Rite, CVS	2014	100.0%	90,589	84.9%	84.9%	2,495,885	32.45
Connecticut								
Town Line Plaza [d]	Wal-Mart, Stop & Shop (Ahold)	1998	100.0%	206,346	98.7%	98.7%	1,756,884	16.32
Massachusetts								
Methuen Shopping Center	Wal-Mart, Market Basket	1998	100.0%	130,021	100.0%	100.0%	1,360,858	10.47
Crescent Plaza	Home Depot, Shaw's (Supervalu)	1993	100.0%	218,148	90.9%	90.9%	1,764,520	8.90
201 Needham Street	Michael's	2014	100.0%	20,409	100.0%	100.0%	591,861	29.00
163 Highland Avenue	Staples, Petco	2015	100.0%	40,505	100.0%	100.0%	1,311,747	32.38
Vermont								
The Gateway Shopping Center	Shaw's (Supervalu)	1999	100.0%	101,655	95.3%	98.2%	1,956,540	20.20
Illinois								

Hobson West Plaza	Garden Fresh Markets	1998	100.0%	99,137	83.0%	85.8%	897,118	10.90

Property (a)	Key Tenants	Year Acquired	Acadia's Interest	Gross Leasable Area (GLA)	In Place Occupancy	Leased Occupancy	Annualized Base Rent (ABR)	ABR/ Per Square Foot
Indiana								
Merrillville Plaza	Jo-Ann Fabrics, TJ Maxx	1998	100.0%	236,087	96.8%	96.8%	3,350,975	14.66
Michigan								
Bloomfield Town Square	Best Buy, Home Goods, TJ Maxx, Dick's Sporting Goods	1998	100.0%	235,786	90.6%	90.6%	3,266,797	15.29
Ohio								
Mad River Station	Babies 'R' Us	1999	100.0%	123,335	77.1%	82.7%	1,255,391	13.20
Delaware								
Town Center	Lowes, Bed Bath & Beyond, Target, Dick's Sporting Goods	2003	61.1%	824,411	89.2%	93.8%	12,107,759	16.46
Market Square Shopping Center	Trader Joe's, TJ Maxx	2003	100.0%	102,047	100.0%	100.0%	3,034,567	29.74
Naamans Road	—	2006	100.0%	19,850	30.1%	63.9%	433,785	72.60
Pennsylvania								
Mark Plaza	Kmart	1993	100.0%	106,856	100.0%	100.0%	244,279	2.29
Plaza 422	Home Depot	1993	100.0%	156,279	100.0%	100.0%	850,978	5.45
Route 6 Plaza	Kmart	1994	100.0%	175,589	100.0%	100.0%	1,327,169	7.56
Chestnut Hill	—	2006	100.0%	37,646	100.0%	100.0%	953,589	25.33
Abington Towne Center (e)	Target, TJ Maxx	1998	100.0%	216,278	94.5%	94.5%	914,927	16.50
Total Suburban Properties				**4,581,751**	**93.9%**	**95.1%**	**67,315,431**	**16.57**
Acadia Share Total Suburban Properties				**4,099,922**	**94.3%**	**95.3%**	**59,105,909**	**16.30**
TOTAL CORE PROPERTIES				**6,329,335**	**93.5%**	**94.9%**	**160,748,098**	28.30
Acadia Share Total Core Properties				**5,640,010**	**93.9%**	**95.3%**	**139,637,361**	**27.61**

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(a) The above occupancy and rent amounts do not include space which is currently leased, other than "leased occupancy," but for which rent payment has not yet commenced. Residential and office GLA are excluded.
(b) Represents the annual base rent paid to Acadia pursuant to a master lessee and does not reflect the rent paid by the retail tenants at the property.
(c) Excludes 94,000 square feet of office GLA.
(d) Anchor GLA includes a 97,300 square foot Wal-Mart store which is not owned by the Company. This square footage has been excluded for calculating annualized base rent per square foot.
(e) Anchor GLA includes a 157,616 square foot Target store which is not owned by the Company. This square footage has been excluded for calculating annualized base rent per square foot.

The following table sets forth more specific information with respect to each of our Fund properties at December 31, 2017:

Property (a)	Key Tenants	Year Acquired	Acadia's Interest	Gross Leasable Area (GLA)	In Place Occupancy	Leased Occupancy	Annualized Base Rent (ABR)	ABR/ Per Square Foot
Fund II Portfolio Detail								
New York								
City Point - Phase I and II	—	2007	26.7%	475,000	72.6%	80.1%	$ 9,384,250	$ 27.21
Total - Fund II				475,000	72.6%	80.1%	$ 9,384,250	$ 27.21
Fund III Portfolio Detail								
New York								
654 Broadway	—	2011	24.5%	2,896	—%	—%	$ —	$ —
640 Broadway	Swatch	2012	15.5%	4,247	70.6%	70.6%	975,313	325.28
3104 M Street	—	2012	19.6%	3,608	—%	—%	—	—
Nostrand Avenue	—	2013	24.5%	42,628	87.3%	96.8%	1,738,116	46.71
Total - Fund III				53,379	75.3%	82.9%	$ 2,713,429	$ 67.51

Property [a]	Key Tenants	Year Acquired	Acadia's Interest	Gross Leasable Area (GLA)	In Place Occupancy	Leased Occupancy	Annualized Base Rent (ABR)	ABR/ Per Square Foot
Fund IV Portfolio Detail								
New York								
801 Madison Avenue	—	2015	23.1%	2,625	—%	—%	$ —	$ —
210 Bowery	—	2012	23.1%	2,300	—%	—%	—	—
27 East 61st Street	—	2014	23.1%	4,177	—%	—%	—	—
17 East 71st Street	The Row	2014	23.1%	8,432	100.0%	100.0%	1,988,159	235.79
1035 Third Avenue [b]	—	2015	23.1%	7,617	67.1%	67.1%	982,035	192.14
Colonie Plaza	Price Chopper, Big Lots	2016	23.1%	153,483	96.9%	96.9%	1,680,527	11.30
New Jersey								
Paramus Plaza	Babies R Us, Ashley Furniture	2013	11.6%	152,509	88.3%	88.3%	2,385,448	17.71
Massachusetts								
Restaurants at Fort Point	—	2016	23.1%	15,711	100.0%	100.0%	329,155	20.95
Maine								
Airport Mall	Hannaford, Marshalls	2016	23.1%	221,830	89.2%	89.2%	1,272,679	6.43
Wells Plaza	Reny's, Dollar Tree	2016	23.1%	90,434	92.4%	94.4%	680,143	8.14
Shaw's Plaza (Waterville)	Shaw's	2016	23.1%	119,015	100.0%	100.0%	1,407,316	11.82
Shaw's Plaza (Windham)	Shaw's	2017	23.1%	124,330	86.5%	86.5%	1,008,393	9.38
JFK Plaza	Hannaford, TJ Maxx	2016	23.1%	151,107	78.0%	78.0%	761,510	6.46
Pennsylvania								
Dauphin Plaza	Price Rite, Ashley Furniture	2016	23.1%	205,727	84.2%	84.2%	1,656,365	9.56
Mayfair Shopping Center	—	2016	23.1%	115,411	62.4%	62.4%	1,365,002	18.95
Virginia								
Promenade at Manassas	Home Depot	2013	22.8%	265,442	86.4%	86.4%	2,978,427	12.99
Lake Montclair	Food Lion	2013	23.1%	105,832	98.5%	98.5%	2,009,651	19.28
Delaware								
Eden Square	Giant Food, LA Fitness	2014	22.8%	231,044	73.9%	88.9%	2,432,867	14.25
Illinois								
938 W. North Avenue	Sephora	2013	23.1%	33,228	16.1%	16.1%	326,350	61.00
Lincoln Place	Kohl's, Marshall's	2017	23.1%	271,866	91.2%	91.2%	2,884,796	11.63
Georgia								
Broughton Street Portfolio - 19 properties	J. Crew, L'Occitane, Lululemon, Michael Kors	2014	11.6%	115,640	76.3%	76.3%	3,441,130	39.00
North Carolina								
Wake Forest Crossing	—	2016	23.1%	203,131	98.5%	98.5%	2,955,442	14.77
California								
146 Geary Street	—	2015	23.1%	11,436	—%	—%	—	—
Union and Fillmore Collection - 4 properties	—	2015	20.8%	10,048	71.1%	71.1%	689,790	96.55
Total - Fund IV				2,622,375	85.3%	86.7%	$ 33,235,185	$ 14.86
Fund V Portfolio Detail								
New Mexico								
Plaza Santa Fe	TJ Maxx, Best Buy, Ross Dress for Less	2017	20.1%	224,223	88.3%	97.3%	$ 3,401,093	$ 17.18
Michigan								
New Towne Plaza	Kohl's, Jo-Ann's, DSW	2017	20.1%	190,530	96.3%	96.3%	2,163,338	11.79
Fairlane Green	TJ Maxx, Bed Bath & Beyond, Michaels	2017	20.1%	252,904	100.0%	100.0%	5,225,804	20.66
North Carolina								
Hickory Ridge	Kohl's, Best Buy, Dick's	2017	20.1%	380,565	98.7%	98.7%	4,140,630	11.02
Total - Fund V				1,048,222	96.4%	98.3%	$ 14,930,865	$ 14.78
TOTAL FUND PROPERTIES				**4,198,976**	**86.5%**	**88.8%**	**$ 60,263,729**	**$ 16.59**
Acadia Share of Total Fund Properties				**923,247**	**86.3%**	**88.5%**	**$ 13,058,882**	**$ 16.39**

(a) Excludes properties under development, see “Development Activities” section below. The above occupancy and rent amounts do not include space which is currently leased, other than "leased occupancy," but for which rent payment has not yet commenced. Residential and office GLA are excluded.

(b) Property also includes 12,371 square feet of 2nd floor office space and a 29,760 square foot parking garage (131 spaces).

Major Tenants

No individual retail tenant accounted for more than 5.3% of base rents for the year ended December 31, 2017, or occupied more than 6.5% of total leased GLA as of December 31, 2017. The following table sets forth certain information for the 20 largest retail tenants by base rent for leases in place as of December 31, 2017. The amounts below include our pro-rata share of GLA and annualized base rent for the Operating Partnership's partial ownership interest in properties, including the Funds (GLA and Annualized Base Rent in thousands):

Retail Tenant	Number of Stores in Portfolio [a]	Total GLA	Annualized Base Rent [a]	Percentage of Total Represented by Retail Tenant	
				Total Portfolio GLA	Annualized Base Rent
Target	3	367	$ 7,424	6.5%	5.3%
H & M	2	81	5,310	1.4%	3.8%
Royal Ahold [b]	4	208	3,653	3.7%	2.6%
Walgreens	5	78	3,599	1.4%	2.6%
Best Buy [c]	2	87	3,595	1.5%	2.6%
Nordstrom, Inc.	2	89	3,339	1.6%	2.4%
Albertsons Companies [d]	3	171	3,304	3.0%	2.4%
Bed, Bath, and Beyond [e]	3	115	2,797	2.0%	2.0%
Ascena Retail Group [f]	5	23	2,567	0.4%	1.8%
LA Fitness International LLC	2	100	2,525	1.8%	1.8%
Lululemon	2	8	2,268	0.1%	1.6%
Trader Joe's	3	41	2,226	0.7%	1.6%
TJX Companies [g]	7	208	2,095	3.7%	1.5%
Home Depot	3	313	1,894	5.5%	1.4%
Gap	3	37	1,747	0.7%	1.3%
Tapestry [8]	2	4	1,463	0.1%	1.0%
JP Morgan Chase	7	29	1,405	0.5%	1.0%
Ulta Salon Cosmetic & Fragrance	3	31	1,395	0.6%	1.0%
DSW	2	36	1,319	0.6%	0.9%
Mattress Firm	8	39	1,289	0.7%	0.9%
Total	71	2,065	$ 55,214	36.6%	39.5%

(a) Does not include tenants that operate at only one Acadia Core location
(b) Stop and Shop (4 locations)
(c) One of these Best Buy leases with GLA of 57,298 square feet was terminated in January 2018
(d) Shaw's (2 locations), Acme (1 location)
(e) Bed Bath and Beyond (2 locations), Christmas Tree Shops (1 location)
(f) Ann Taylor Loft (2 locations), Catherine's (1 location), Dress Barn (1 location), Lane Bryant (1 location)
(g) TJ Maxx (4 locations), Marshalls (1 location), HomeGoods (2 locations)

Lease Expirations

The following tables show scheduled lease expirations on a pro rata basis for retail tenants in place as of December 31, 2017, assuming that none of the tenants exercise renewal options (GLA and Annualized Base Rent in thousands):

Core Portfolio

Leases Maturing in	Number of Leases	Annualized Base Rent [a, b]		GLA	
		Current Annual Rent	Percentage of Total	Square Feet	Percentage of Total
Month to Month	8	$ 525	0.4%	28	0.4%
2018	55	9,734	7.0%	313	2.9%
2019	56	9,391	6.7%	508	10.1%
2020	58	12,592	9.0%	595	9.7%
2021	78	17,065	12.2%	837	10.8%
2022	56	12,320	8.8%	426	15.7%
2023	44	16,588	11.9%	517	8.4%
2024	44	15,202	10.9%	485	6.9%
2025	41	11,446	8.2%	262	9.4%
2026	30	5,203	3.7%	133	5.3%
2027	27	5,270	3.8%	172	2.6%
Thereafter	38	24,301	17.4%	763	17.8%
Total	535	$ 139,637	100.0%	5,039	100.0%

Funds

Leases Maturing in	Number of Leases	Annualized Base Rent [a, b]		GLA	
		Current Annual Rent	Percentage of Total	Square Feet	Percentage of Total
Month to Month	8	$ 63	0.6%	4	0.5%
2018	41	604	4.6%	37	4.6%
2019	33	545	5.7%	45	4.2%
2020	44	1,205	13.8%	110	9.2%
2021	68	2,031	16.9%	134	15.6%
2022	43	1,266	9.9%	78	9.7%
2023	30	842	8.6%	69	6.4%
2024	18	956	5.9%	47	7.3%
2025	20	769	2.9%	23	5.9%
2026	27	782	5.1%	40	6.0%
2027	20	824	4.4%	35	6.3%
Thereafter	21	3,172	21.6%	172	24.3%
Total	373	$ 13,059	100.0%	794	100.0%

(a) Base rents do not include percentage rents, additional rents for property expense reimbursements, nor contractual rent escalations.

(b) No single market represents a material amount of exposure to the Company as it relates to the rents from these leases. Given the diversity of these markets, properties and characteristics of the individual spaces, the Company cannot make any general representations as it relates to the expiring rents and the rates for which these spaces may be re-leased.

Geographic Concentrations

The following table summarizes our operating retail properties by region as of December 31, 2017. The amounts below include our pro-rata share of GLA and annualized base rent for the Operating Partnership's partial ownership interest in properties, including the Funds (GLA and Annualized Base Rent in thousands):

Region	GLA [a,c]	% Occupied [b]	Annualized Base Rent [b,c]	Annualized Base Rent per Occupied Square Foot [c]	Percentage of Total Represented by Region	
					GLA	Annualized Base Rent
Core Portfolio:						
Operating Properties:						
New York Metro	1,675	87%	$ 47,459	$ 32.53	30%	34%
New England	772	96%	10,204	15.66	14%	7%
Chicago Metro	687	93%	37,583	58.88	12%	27%
Midwest	694	89%	8,770	14.16	12%	6%
Washington D.C. Metro	140	75%	6,600	63.36	2%	5%
San Francisco Metro	354	99%	13,865	39.68	6%	10%
Mid-Atlantic	1,318	94%	15,157	13.91	24%	11%
Total Core Operating Properties	5,640	94%	$ 139,638	$ 27.61	100%	100%
Fund Portfolio:						
Operating Properties:						
New York Metro	198	78%	$ 4,434	$ 28.66	21%	34%
San Francisco Metro	5	31%	143	96.56	1%	1%
Chicago Metro	70	83%	742	12.68	8%	6%
Northeast	241	85%	1,959	9.56	26%	15%
Midwest	89	98%	1,485	16.93	10%	11%
Southeast	137	96%	1,914	14.51	15%	15%
Southwest	45	88%	684	17.18	5%	5%
Mid-Atlantic	138	84%	1,698	14.72	14%	13%
Total Fund Operating Properties	923	86%	$ 13,059	$ 16.39	100%	100%

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(a) Property GLA includes a total of 255,000 square feet, which is not owned by us. This square footage has been excluded for calculating annualized base rent per square foot.
(b) The above occupancy and rent amounts do not include space that is currently leased, but for which payment of rent had not commenced as of December 31, 2017.
(c) The amounts presented reflect the Operating Partnership's pro-rata shares of properties included within each region.

Development Activities

As part of our strategy, we invest in real estate assets that may require significant development. As of December 31, 2017, we had 6 development projects, of which two are under construction and four are in various stages of the development process.

Property	Location	Costs to Date	Anticipated Additional Costs (a)			Status	Square Feet Upon Completion	Estimated Stabilization Date
(dollars in millions)								
Cortlandt Crossing	Mohegan Lake, NY	$ 40.4	$ 20.0	to	$ 25.0	Construction commenced	130,000	2019
Broad Hollow Commons	Farmingdale, NY	16.5	33.5	to	43.5	Pre-construction	180,000 - 200,000	2020
Total Fund III		56.9	53.5		68.5			
650 Bald Hill Road (b,c)	Warwick, RI	33.0	2.5	to	3.5	Construction commenced	161,000	2018
717 N. Michigan Avenue	Chicago, IL	109.2	10.8	to	18.3	Pre-construction	62,000	2018
Total Fund IV		142.2	13.3		21.8			
613-623 West Diversey	Chicago, IL	16.1	6.9	to	8.4	Construction commenced	30,000	2018
56 E. Walton Street	Chicago, IL	8.5	2.0	to	3.0	Construction commenced	TBD	2018
Total Core		24.6	8.9		11.4			
Total		$ 223.7	$ 75.7		$ 101.7			

(a) Anticipated additional costs are estimated ranges for completing the projects and include costs for tenant improvements and leasing commissions.
(b) These projects are being redeveloped in joint ventures with unaffiliated entities.
(c) Represents an unconsolidated property.

ITEM 3. LEGAL PROCEEDINGS.

We are involved in various matters of litigation arising in the normal course of business. While we are unable to predict with certainty the outcome of any particular matter, Management is of the opinion that, when such litigation is resolved, our resulting exposure to loss contingencies, if any, will not have a significant effect on our consolidated financial position, results of operations, or liquidity.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES AND PERFORMANCE GRAPH.

Market Information, Dividends and Holders of Record of our Common Shares

The following table shows, for the period indicated, the high and low sales price for our Common Shares as reported on the New York Stock Exchange, and cash dividends declared during the two years ended December 31, 2017 and 2016:

Quarter Ended			Dividend
2017	High	Low	Per Share
March 31, 2017	$ 33.45	$ 29.23	$ 0.26
June 30, 2017	32.02	26.70	0.26
September 30, 2017	30.36	26.97	0.26
December 31, 2017	30.63	26.85	0.27
2016			
March 31, 2016	$ 35.24	$ 30.25	$ 0.25
June 30, 2016	35.98	32.76	0.25
September 30, 2016	38.01	34.91	0.25
December 31, 2016 [(a)]	36.02	31.31	0.41

(a) Includes a special dividend of $0.15 for the quarter ended December 31, 2016

At February 20, 2018, there were 280 holders of record of our Common Shares.

We have determined for income tax purposes that 78% of the total dividends distributed to shareholders during 2017 represented ordinary income and 22% represented capital gains. The dividend for the quarter ended December 31, 2017, was paid on January 12, 2018, and is taxable in 2017. Our cash flow is affected by a number of factors, including the revenues received from rental properties, our operating expenses, the interest expense on our borrowings, the ability of lessees to meet their obligations to us and unanticipated capital expenditures. Future dividends paid by us will be at the discretion of the Board of Trustees and will depend on our actual cash flows, our financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Internal Revenue Code and such other factors as the Board of Trustees deem relevant. In addition, we have the ability to pay dividends in cash, Common Shares or a combination thereof, subject to a minimum of 10% paid in cash.

Securities Authorized for Issuance Under Equity Compensation Plans

At the 2016 annual shareholders' meeting, the shareholders' approved the Second Amended and Restated 2006 Incentive Plan (the "Second Amended 2006 Plan"). This plan replaced all previous share incentive plans and increased the authorization to issue options, Restricted Shares and LTIP Units (collectively "Awards") available to officers and employees by 1.6 million shares, for a total of 3.7 million shares available to be issued. See Note 13 in the Notes to Consolidated Financial Statements, for a summary of our Share Incentive Plans.

The following table provides information related to the Second Amended 2006 Plan as of December 31, 2017:

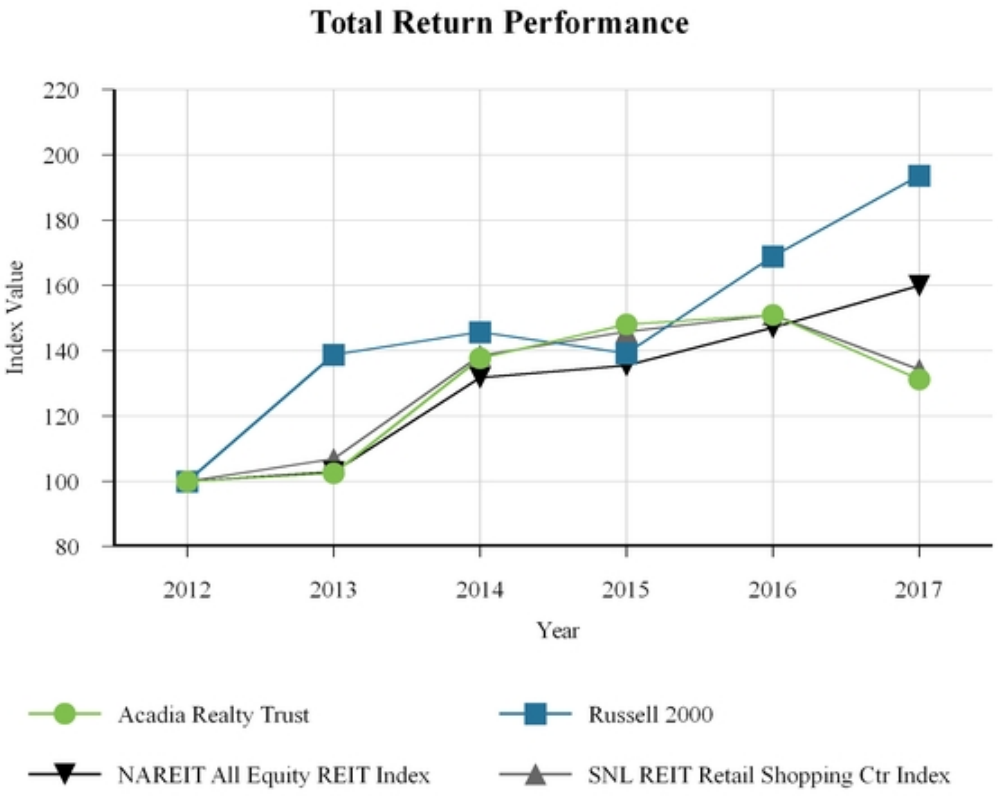
	Equity Compensation Plan Information		
	(a)	(b)	(c)
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted - average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	—	$ —	1,727,407
Equity compensation plans not approved by security holders	—	—	—
Total	—	$ —	1,727,407

Remaining Common Shares available under the Amended 2006 Plan are as follows:

Outstanding Common Shares as of December 31, 2017	83,708,140
Outstanding OP Units as of December 31, 2017	4,716,572
Total Outstanding Common Shares and OP Units	88,424,712
Common Shares and OP Units pursuant to the Second Amended 2006 Plan	8,893,681
Total Common Shares available under equity compensation plans	8,893,681
Less: Issuance of Restricted Shares and LTIP Units Granted	(4,394,501)
Issuance of Options Granted	(2,771,773)
Number of Common Shares remaining available	1,727,407

Share Price Performance

The following graph compares the cumulative total shareholder return for our Common Shares for the period commencing December 31, 2012, through December 31, 2017, with the cumulative total return on the Russell 2000 Index (“Russell 2000”), the NAREIT All Equity REIT Index (the “NAREIT”) and the SNL Shopping Center REITs (the “SNL”) over the same period. Total return values for the Russell 2000, the NAREIT, the SNL and the Common Shares were calculated based upon cumulative total return assuming the investment of $100.00 in each of the Russell 2000, the NAREIT, the SNL and our Common Shares on December 31, 2012, and assuming reinvestment of dividends. The shareholder return as set forth in the table below is not necessarily indicative of future performance. The information in this section is not “soliciting material,” is not deemed “filed” with the SEC, and is not to be incorporated by reference into any of our filings under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing.



	At December 31,					
Index	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Acadia Realty Trust	$ 100.00	$ 102.39	$ 137.70	$ 148.00	$ 150.95	$ 131.10
Russell 2000	100.00	138.82	145.62	139.19	168.85	193.58
NAREIT All Equity REIT Index	100.00	102.86	131.68	135.40	147.09	159.85
SNL REIT Retail Shopping Ctr Index	100.00	106.84	138.44	145.85	150.94	134.21

Recent Sales of Unregistered Securities Use of Proceeds from Registered Securities

None.

Issuer Purchases of Equity Securities

We have an existing share repurchase program that authorizes management, at its discretion, to repurchase up to $20.0 million of our outstanding Common Shares. The program may be discontinued or extended at any time and there is no assurance that we will purchase the full amount authorized. There were no Common Shares repurchased by us during the year ended December 31, 2017. Under this program we have repurchased 2.1 million Common Shares, none of which were repurchased after December 2001. As of December 31, 2017, management may repurchase up to approximately $7.5 million of our outstanding Common Shares under this program. On February 20, 2018, this plan was revised as discussed in Note 17.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth, on a historical basis, our selected financial data. This information should be read in conjunction with our audited Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations appearing elsewhere in this Form 10-K. Funds from operations ("FFO") amounts for the year ended December 31, 2017 have been adjusted as set forth in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Reconciliation of Net Income to Funds from Operations."

	Year Ended December 31,				
(dollars in thousands, except per share amounts)	**2017**	**2016**	**2015**	**2014**	**2013**
OPERATING DATA:					
Revenues	$ 250,262	$ 189,939	$ 199,063	$ 179,681	$ 156,486
Operating expenses, excluding depreciation and reserves	(113,554)	(98,039)	(88,850)	(79,104)	(72,108)
Depreciation and amortization	(104,934)	(70,011)	(60,751)	(49,645)	(40,299)
Impairment charges	(14,455)	—	(5,000)	—	(1,500)
Equity in earnings and gains unconsolidated affiliates inclusive of gains on disposition of properties	23,371	39,449	37,330	111,578	12,382
Interest income	29,143	25,829	16,603	12,607	11,800
Gain on change in control and other	5,571	—	1,596	2,724	—
Interest expense	(58,978)	(34,645)	(37,297)	(39,426)	(40,239)
Income from continuing operations before income taxes	16,426	52,522	62,694	138,415	26,522
Income tax (provision) benefit	(1,004)	105	(1,787)	(629)	(19)
Income from continuing operations before gain on disposition of properties	15,422	52,627	60,907	137,786	26,503
Income from discontinued operations, net of tax	—	—	—	1,222	18,137
Gain on disposition of properties, net of tax	48,886	81,965	89,063	13,138	—
Net income	64,308	134,592	149,970	152,146	44,640
(Income) loss attributable to noncontrolling interests:					
Continuing operations	(2,838)	(61,816)	(84,262)	(80,059)	7,523
Discontinued operations	—	—	—	(1,023)	(12,048)
Net income attributable to noncontrolling interests	(2,838)	(61,816)	(84,262)	(81,082)	(4,525)
Net income attributable to Acadia	$ 61,470	$ 72,776	$ 65,708	$ 71,064	$ 40,115
Supplemental Information:					
Income from continuing operations attributable to Acadia	$ 61,470	$ 72,776	$ 65,708	$ 70,865	$ 34,026
Income from discontinued operations attributable to Acadia	—	—	—	199	6,089
Net income attributable to Acadia	$ 61,470	$ 72,776	$ 65,708	$ 71,064	$ 40,115
Basic earnings per share:					
Income from continuing operations	$ 0.73	$ 0.94	$ 0.94	$ 1.18	$ 0.61
Income from discontinued operations	—	—	—	—	0.11
Basic earnings per share	$ 0.73	$ 0.94	$ 0.94	$ 1.18	$ 0.72
Diluted earnings per share:					
Income from continuing operations	$ 0.73	$ 0.94	$ 0.94	$ 1.18	$ 0.61
Income from discontinued operations	—	—	—	—	0.11
Diluted earnings per share	$ 0.73	$ 0.94	$ 0.94	$ 1.18	$ 0.72
Weighted average number of Common Shares outstanding					
Basic	83,683	76,231	68,851	59,402	54,919
Diluted	83,685	76,244	68,870	59,426	54,982
Cash dividends declared per Common Share	$ 1.05	$ 1.16	$ 1.22	$ 1.23	$ 0.86

BALANCE SHEET DATA:					
Real estate before accumulated depreciation	$ 3,466,482	$ 3,382,000	$ 2,736,283	$ 2,208,595	$ 1,819,053
Total assets	3,960,247	3,995,960	3,032,319	2,720,721	2,264,957
Total indebtedness	1,424,409	1,488,718	1,358,606	1,118,602	1,039,997
Total common shareholders' equity	1,567,199	1,588,577	1,100,488	1,055,541	704,236
Noncontrolling interests	648,440	589,548	420,866	380,416	417,352
Total equity	2,215,639	2,178,125	1,521,354	1,435,957	1,121,588
OTHER:					
Funds from operations attributable to Common Shareholders and Common OP Unit holders [(a)]	134,667	117,070	111,560	78,882	67,161
Cash flows provided by (used in):					
Operating activities	119,833	111,760	113,598	82,519	65,233
Investing activities	10,082	(610,970)	(354,503)	(268,516)	(87,879)
Financing activities	(126,897)	498,239	96,101	324,388	10,022

(a) Funds from operations is a non-GAAP measure. For an explanation of the measure and a reconciliation to the nearest GAAP measure, see "Item 7. Management's Discussion and Analysis — Supplemental Financial Measures."

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

OVERVIEW

As of December 31, 2017, there were 176 properties, which we own or have an ownership interest in, within our Core Portfolio and Funds. Our Core Portfolio consists of those properties either 100% owned, or partially owned through joint venture interests by the Operating Partnership, or subsidiaries thereof, not including those properties owned through our Funds. These properties primarily consist of street and urban retail, and dense suburban shopping centers. See Item 2. Properties for a summary of our wholly-owned and partially-owned retail properties and their physical occupancies at December 31, 2017.

The majority of our operating income is derived from rental revenues from operating properties, including expense recoveries from tenants, offset by operating and overhead expenses. As our RCP Venture invests in operating companies, the Operating Partnership invests through a taxable REIT subsidiary ("TRS").

Our primary business objective is to acquire and manage commercial retail properties that will provide cash for distributions to shareholders while also creating the potential for capital appreciation to enhance investor returns. We focus on the following fundamentals to achieve this objective:

- Own and operate a Core Portfolio of high-quality retail properties located primarily in high-barrier-to-entry, densely-populated metropolitan areas and create value through accretive development and re-tenanting activities coupled with the acquisition of high-quality assets that have the long-term potential to outperform the asset class as part of our Core asset recycling and acquisition initiative.

- Generate additional external growth through an opportunistic yet disciplined acquisition program within our Funds. We target transactions with high inherent opportunity for the creation of additional value through:

    - value-add investments in street retail properties, located in established and "next generation" submarkets, with re-tenanting or repositioning opportunities,
    - opportunistic acquisitions of well-located real-estate anchored by distressed retailers, and
    - other opportunistic acquisitions which may include high-yield acquisitions and purchases of distressed debt.

  Some of these investments historically have also included, and may in the future include, joint ventures with private equity investors for the purpose of making investments in operating retailers with significant embedded value in their real estate assets.

- Maintain a strong and flexible balance sheet through conservative financial practices while ensuring access to sufficient capital to fund future growth.

SIGNIFICANT DEVELOPMENTS DURING THE YEAR ENDED DECEMBER 31, 2017

Investments

During the year ended December 31, 2017, within our Core and Fund portfolios we invested in six new properties as follows (Note 2):

- On December 20, 2017, Fund V acquired a consolidated suburban shopping center in Allen Park, Michigan for $62.0 million referred to as "Fairlane Green."
- On August 4, 2017, Fund V acquired a consolidated suburban shopping center in Canton, Michigan for $26.0 million referred to as "New Towne Plaza."
- On July 27, 2017, Fund V acquired a consolidated suburban shopping center in Hickory, North Carolina for $44.0 million referred to as "Hickory Ridge."
- On June 5, 2017, Fund V acquired a consolidated suburban shopping center in Santa Fe, New Mexico for $35.2 million referred to as "Plaza Santa Fe."
- On March 13, 2017, Fund IV acquired a consolidated shopping center for $35.4 million referred to as "Lincoln Place" in Fairview Heights, Illinois.
- In our Core portfolio one of our investments, in which we hold a 20% interest (Note 4), acquired a property in Alexandria, Virginia for $3.0 million referred to as "907 King Street" on January 4, 2017.

In addition, we converted existing notes receivable (Note 3) into interests in the underlying real estate collateral as follows:

- On May 1 and November 16, 2017, we exchanged a total of $92.7 million of our $153.4 million Core notes receivable plus accrued interest of $1.8 million for the remaining undivided interest in Market Square, which was subsequently consolidated, as well as an incremental 38.89% undivided interest in Town Center (Note 4).
- On June 30, 2017, Fund IV exchanged a $9.0 million note receivable for a consolidated shopping center located in Windham, Maine referred to as "Shaw's Plaza – Windham."

Dispositions of Real Estate

During the year ended December 31, 2017, within our Funds we sold 13 properties for an aggregate sales price of $345.8 million and our proportionate share of the aggregate gains was $15.6 million as follows (Note 2, Note 4):

- On December 21 and October 3, 2017, Fund IV sold five unconsolidated properties for aggregate proceeds of $11.0 million and recognized a gain of $0.6 million, of which our pro-rata share was $0.1 million and was recognized within equity in earnings of unconsolidated affiliates in the consolidated statements of income.
- On December 13, 2017, Fund II sold a consolidated property, 260 East 161st Street, for $105.7 million and recognized a gain of $31.5 million, of which our share was $9.0 million net of amounts attributable to noncontrolling interests.
- On November 16, 2017, Fund IV sold a consolidated property, 1151 Third Avenue, for $27 million and recognized a gain of $5.2 million, of which our share was $1.2 million net of amounts attributable to noncontrolling interests.
- On October 13, 2017, Fund II sold a consolidated property, City Point Tower I, for $96 million and recognized a loss of $0.8 million, of which our share was $1.6 million net of amounts attributable to noncontrolling interests. In addition, we recognized an impairment charge of $3.8 million, inclusive of an amount attributable to a noncontrolling interest of $2.7 million on the property (Note 8).
- On September 11, 2017, Fund II sold a consolidated property, 216th Street, for $30.6 million and recognized a gain of $6.5 million, of which our share was $1.8 million net of amounts attributable to noncontrolling interests.
- On July 6, 2017, Fund III sold a consolidated property, New Hyde Park Shopping Center, for $22.1 million and recognized a gain of $6.4 million, of which our share was $1.6 million net of amounts attributable to noncontrolling interests.
- On June 30, 2017, Fund IV sold an unconsolidated property, 1701 Belmont Avenue, for $5.6 million for which the gain was $3.3 million of which our pro-rata share was $0.8 million and was recognized within equity in earnings of unconsolidated affiliates in the consolidated statements of income.
- On February 15, 2017, Fund III sold an unconsolidated property, Arundel Plaza, for $28.8 million for which the gain was $8.2 million of which our pro-rata share was $1.3 million and was recognized within equity in earnings of unconsolidated affiliates in the consolidated statements of income.
- On January 31, 2017, Fund IV sold an unconsolidated property, 2819 Kennedy Boulevard, for $19.0 million, for which the gain was $6.3 million of which our pro-rata share was $1.4 million and was recognized within equity in earnings of unconsolidated affiliates in the consolidated statements of income.

Financings

During the year ended December 31, 2017, we obtained aggregate financing of $352.9 million including (Note 7):

- We obtained an aggregate of $162.9 million in financings with eleven new non-recourse mortgages, primarily for Fund IV.
- On September 30, 2017, Fund II closed on a new $40.0 million term loan.
- On May 4, 2017, Fund V closed on a new $150.0 million subscription line.

We also repaid thirteen mortgages aggregating $280.8 million.

Structured Financing

During the year ended December 31, 2017 (Note 3) we entered into the following structured financing transactions:

- On May 1 and November 16, 2017, we exchanged a total of $92.7 million of our $153.4 million Core notes receivable plus accrued interest of $1.8 million for the remaining undivided interest in Market Square, which was subsequently consolidated, as well as an incremental 38.89% undivided interest in Town Center (Note 4).
- On June 30, 2017, Fund IV exchanged a $9.0 million note receivable plus accrued interest of $0.1 million thereon for an investment in a shopping center in Windham, Maine (Note 2).

- We received full settlement of a $12.0 million Core note receivable plus $4.8 million interest and fees thereon. The note had previously been in default and was settled in bankruptcy proceedings during the second quarter.
- We funded an additional $10.0 million on an existing $10.0 million note receivable, all of which was subsequently repaid.

Retail Real Estate Trends

Our performance is driven, in part, by factors affecting the retail sector. Trends affecting the retail sector over the past few years include changes related to: department stores, apparel spending, consumer demographics and retail technology including internet shopping; as well as the maturity of the retail industry. The number of full-line department stores has been declining steadily and many tenants are reducing both the number and size of stores they lease. Further, consumers are spending less on apparel and housewares and more on entertainment and dining out. Although internet sales are continuing to trend up, these sales constitute a relatively small portion of total consumer spending. As delivery costs impede growth, internet retailers are continuing to move towards an "omni-channel" retailing approach whereby brick and mortar retail still plays a critical role in attracting and retaining consumers. We have and will continue to focus on owning assets in locations that maximize our potential to address these ongoing industry changes and challenges.

Tax Cuts and Jobs Act

The Tax Cuts and Jobs Act (the ''Act'') enacted in December 2017, makes substantial changes to the Federal income tax laws. These changes include a reduction in the generally applicable corporate tax rate to 21%, substantial limitations on the deductibility of interest, and preferential rates of taxation on most ordinary REIT dividends and certain business income derived by non-corporate taxpayers. The Act also limits the use of net operating losses, which may require us to make additional distributions to our stockholders. The effect of these, and the many other, changes made in the Act is highly uncertain, both in terms of their direct effect on the taxation of an investment in our common stock and their indirect effect on the value of our assets or market conditions generally. Furthermore, many of the provisions of the Act will require guidance through the issuance of Treasury regulations in order to assess their effect. There may be a substantial delay before such regulations are promulgated, increasing the uncertainty as to the ultimate effect of the Act on us. There may be technical corrections legislation with respect to the Act this year, the effect of which cannot be predicted. However, the Company has recorded an adjustment of $2.0 million to its deferred tax assets at December 31, 2017 owned by its taxable subsidiaries to reflect the lower Federal corporate tax rate and other provisions effective in 2018.

Share Repurchase Plan

In February 2018, our board of trustees elected to terminate the existing repurchase program and authorized a new common share repurchase program under which we may repurchase, from time to time, up to a maximum of $200.0 million of our common shares (Note 17). The shares may be repurchased in the open market or in privately negotiated transactions. The timing and actual number of shares repurchased will depend on a variety of factors, including, share price in relation to the estimated value of our assets, corporate and regulatory requirements, market conditions and other corporate liquidity requirements and priorities. The common share repurchase program does not obligate us to repurchase any specific number of shares and may be suspended or terminated at any time at our discretion without prior notice.

RESULTS OF OPERATIONS

See Note 12 in the Notes to Consolidated Financial Statements for an overview of our three reportable segments.

Comparison of Results for the Year Ended December 31, 2017 to the Year Ended December 31, 2016

The results of operations by reportable segment for the year ended December 31, 2017 compared to the year ended December 31, 2016 are summarized in the table below (in millions, totals may not add due to rounding):

	Year Ended December 31, 2017				Year Ended December 31, 2016				Increase (Decrease)			
	Core	Funds	SF	Total	Core	Funds	SF	Total	Core	Funds	SF	Total
Revenues	$ 170.0	$ 80.3	$ —	$ 250.3	$ 150.2	$ 39.7	$ —	$ 189.9	$ 19.8	$ 40.6	$ —	$ 60.4
Depreciation and amortization	(61.7)	(43.2)	—	(104.9)	(54.6)	(15.4)	—	(70.0)	7.1	27.8	—	34.9
Property operating expenses, other operating and real estate taxes	(45.3)	(34.4)	—	(79.8)	(39.6)	(17.8)	—	(57.4)	5.7	16.6	—	22.4
Impairment charges	—	(14.5)	—	(14.5)	—	—	—	—	—	14.5	—	14.5
General and administrative expenses	—	—	—	(33.8)	—	—	—	(40.6)	—	—	—	(6.8)
Operating income	62.9	(11.8)	—	17.3	56.0	6.5	—	21.9	6.9	(18.3)	—	(4.6)
Gain on disposition of properties	—	48.9	—	48.9	—	82.0	—	82.0	—	(33.1)	—	(33.1)
Interest income	—	—	29.1	29.1	—	—	25.8	25.8	—	—	3.3	3.3
Gain on change in control	5.6	—	—	5.6	—	—	—	—	5.6	—	—	5.6
Equity in earnings and gains of unconsolidated affiliates inclusive of gains on disposition of properties	3.7	19.6	—	23.4	3.8	35.7	—	39.4	(0.1)	(16.1)	—	(16.0)
Interest expense	(28.6)	(30.4)	—	(59.0)	(27.4)	(7.2)	—	(34.6)	1.2	23.2	—	24.4
Income tax (provision) benefit	—	—	—	(1.0)	—	—	—	0.1	—	—	—	(1.1)
Net income	43.6	26.3	29.1	64.3	32.4	116.9	25.8	134.6	11.2	(90.6)	3.3	(70.3)
Net income attributable to noncontrolling interests	(1.1)	(1.7)	—	(2.8)	(3.4)	(58.4)	—	(61.8)	(2.3)	(56.7)	—	(59.0)
Net income attributable to Acadia	$ 42.5	$ 24.6	$ 29.1	$ 61.5	$ 29.0	$ 58.5	$ 25.8	$ 72.8	$ 13.5	$ (33.9)	$ 3.3	$ (11.3)

Core Portfolio

The results of operations for our Core Portfolio segment are depicted in the table above under the headings labeled “Core.” Segment net income attributable to Acadia for our Core Portfolio increased by $13.5 million for the year ended December 31, 2017 compared to the prior year as a result of the changes as further described below.

Revenues from our Core Portfolio increased by $19.8 million for the year ended December 31, 2017 compared to the prior year due to $22.7 million related to Core property acquisitions in 2016 partially offset by $3.8 million attributable to the deconsolidation of the Brandywine Portfolio in 2016.

Depreciation and amortization for our Core Portfolio increased by $7.1 million for the year ended December 31, 2017 compared to the prior year due to $10.3 million of additional depreciation related to Core property acquisitions in 2016 partially offset by $3.4 million of additional depreciation and amortization related to an adjustment for tenant kick-out options in 2016 (Note 1).

Property operating, other operating expenses and real estate taxes for our Core Portfolio increased by $5.7 million for the year ended December 31, 2017 compared to the prior year primarily due to Core property acquisitions in 2016.

The gain on change in control of $5.6 million during the year ended December 31, 2017 resulted from the consolidation of our investment in Market Square upon acquisition of the outstanding third party interests (Note 4).

Interest expense for the Core Portfolio increased $1.2 million for the year ended December 31, 2017 compared to the prior year due to $2.1 million from higher average principal balance in 2017 and a $0.9 million increase in capital lease interest in 2017, partially offset by $1.0 million due to lower average interest rates.

Net income attributable to noncontrolling interests decreased $2.3 million due to the change in control of the Brandywine Portfolio in 2016.

Funds

The results of operations for our Funds segment are depicted in the table above under the headings labeled "Funds." Segment net income attributable to Acadia for the Funds decreased by $33.9 million for the year ended December 31, 2017 compared to the prior year as a result of the changes described below.

Revenues from the Funds increased by $40.6 million for the year ended December 31, 2017 compared to the prior year primarily due to $26.1 million related to Fund property acquisitions in 2016 and 2017 as well as $13.6 million from development projects being placed in service during 2017 (Note 2).

Depreciation and amortization for the Funds increased by $27.8 million for the year ended December 31, 2017 compared to the prior year primarily due to $15.9 million related to Fund property acquisitions in 2016 and 2017 as well as $11.0 million from the development projects being placed in service during 2017.

Property operating, other operating expenses and real estate taxes for the Funds increased by $16.6 million for the year ended December 31, 2017 compared to the prior year due to $8.5 million from the development projects placed into service in 2017 as well as $6.8 million from Fund property acquisitions in 2016 and 2017.

Impairment charges during the year ended December 31, 2017 totaled $14.5 million, comprised of charges of $10.6 million for a property classified as held for sale in 2017 and $3.8 million,for a property sold in 2017 (Note 8).

Gain on disposition of properties for the Funds decreased by $33.1 million for the year ended December 31, 2017 compared to the prior year. Gains during the current year period comprised $31.5 million from the sale of Fund II's 260 E. 161st Street property, $6.5 million from the sale of Fund II's 216th Street property, $5.2 million from Fund IV's 1151 Third Avenue property and $6.4 million from the sale of Fund III's New Hyde Park Shopping Center. Gains during the prior year period comprised $16.6 million from the sale of Fund III's Heritage Shops and $65.4 million from the sale of a 65% interest in Cortlandt Town Center.

Equity in earnings of unconsolidated affiliates for the Funds decreased by $16.1 million for the year ended December 31, 2017 compared to the prior year primarily due to the Fund's proportionate share of $14.8 million in aggregate gains from the sales of 1701 Belmont Avenue, Arundel Plaza and 2819 Kennedy Boulevard during the current year period as well as distributions in excess of our carrying value related to investments in Mervyn's and Albertsons (Note 4) versus the Fund's proportionate share of $36.0 million from the sale of Cortlandt Town Center in 2016.

Interest expense for the Funds increased $23.2 million for the year ended December 31, 2017 compared to the prior year due to $7.8 million less interest capitalized during 2017, a $6.0 million increase related to higher average interest rates in 2017, a $5.1 million increase related to higher average outstanding borrowings in 2017, and a $2.9 million increase in amortization of additional loan costs in 2017.

Net income attributable to noncontrolling interests in the Funds decreased by $56.7 million for the year ended December 31, 2017 compared to the prior year due to the noncontrolling interests' share of the variances discussed above.

Structured Financing

The results of operations for our Structured Financing segment are depicted in the table above under the headings labeled "SF." Net income for Structured Financing increased by $3.3 million compared to the prior year primarily due to the recognition of additional interest of $3.6 million during the current year on the repayment of a note (Note 3) and new loans originated during 2016. These increases were partially offset by the conversion of a portion of a note receivable into increased ownership in the real estate (Note 4).

Unallocated

The Company does not allocate general and administrative expense and income taxes to its reportable segments. These unallocated amounts are depicted in the table above under the headings labeled "Total." General and administrative expenses decreased by $6.8 million primarily as a result of the acceleration of equity-based compensation awards related to retirements in 2016 totaling $4.2 million as well as increased compensation expense in 2016, which included $3.9 million related to the Program (Note 13).

The income tax provision for 2017 relates to increased income of the taxable REIT subsidiaries and adjustments to reflect the new provisions of the Tax Cuts and Jobs Act (Note 14).

Comparison of Results for the Year Ended December 31, 2016 to the Year Ended December 31, 2015

The results of operations by reportable segment for the year ended December 31, 2016 compared to the year ended December 31, 2015 are summarized in the table below (in millions, totals may not add due to rounding):

	Year Ended December 31, 2016				Year Ended December 31, 2015				Increase (Decrease)			
	Core	**Funds**	**SF**	**Total**	**Core**	**Funds**	**SF**	**Total**	**Core**	**Funds**	**SF**	**Total**
Revenues	$ 150.2	$ 39.7	$ —	$ 189.9	$ 150.0	$ 49.0	$ —	$ 199.1	$ 0.2	$ (9.3)	$ —	$ (9.2)
Depreciation and amortization	(54.6)	(15.4)	—	(70.0)	(46.2)	(14.5)	—	(60.8)	8.4	0.9	—	9.2
Property operating expenses, other operating and real estate taxes	(39.6)	(17.8)	—	(57.4)	(37.3)	(21.2)	—	(58.5)	2.3	(3.4)	—	(1.1)
Impairment charges	—	—	—	—	(5.0)	—	—	(5.0)	(5.0)	—	—	(5.0)
General and administrative expenses	—	—	—	(40.6)	—	—	—	(30.4)	—	—	—	10.2
Operating income (loss)	56.0	6.5	—	21.9	61.5	13.3	—	44.5	(5.5)	(6.8)	—	(22.6)
Gain on disposition of properties	—	82.0	—	82.0	—	89.1	—	89.1	—	(7.1)	—	(7.1)
Interest income	—	—	25.8	25.8	—	—	16.6	16.6	—	—	9.2	9.2
Equity in earnings and gains of unconsolidated affiliates inclusive of gains on disposition of properties	3.8	35.7	—	39.4	1.2	36.2	—	37.3	2.6	(0.5)	—	2.1
Other	—	—	—	—	—	—	1.6	1.6	—	—	(1.6)	(1.6)
Interest expense	(27.4)	(7.2)	—	(34.6)	(27.9)	(9.4)	—	(37.3)	(0.5)	(2.2)	—	(2.7)
Income tax benefit (provision)	—	—	—	0.1	—	—	—	(1.8)	—	—	—	1.9
Net income (loss)	32.4	116.9	25.8	134.6	34.8	129.2	18.2	150.0	(2.4)	(12.3)	7.6	(15.4)
Net (income) loss attributable to noncontrolling interests	$ (3.4)	$ (58.4)	$ —	$ (61.8)	$ (0.1)	$ (84.1)	$ —	$ (84.3)	$ 3.3	$ (25.7)	$ —	$ (22.5)
Net income attributable to Acadia	$ 29.0	$ 58.5	$ 25.8	$ 72.8	$ 34.6	$ 45.0	$ 18.2	$ 65.7	$ (5.6)	$ 13.5	$ 7.6	$ 7.1

Core Portfolio

Segment net income attributable to Acadia for our Core Portfolio decreased by $5.6 million for the year ended December 31, 2016 compared to the prior year as a result of the changes described below.

Revenues from our Core Portfolio increased by $0.2 million for the year ended December 31, 2016 compared to the prior year as a result of Core property acquisitions in 2016 and 2015 partially offset by a $9.3 million decrease in revenues due to the change in control of the Brandywine Portfolio in 2016 (Note 4).

Depreciation and amortization for our Core Portfolio increased by $8.4 million for the year ended December 31, 2016 compared to the prior year due to Core property acquisitions in 2016 and 2015.

Property operating, other operating expenses and real estate taxes for our Core Portfolio increased by $2.3 million for the year ended December 31, 2016 compared to the prior year due to real estate taxes related to the Core property acquisitions in 2016 and 2015 and a general increase in real estate taxes.

Impairment charges of $5.0 million in 2015 relate to a property within the Brandywine Portfolio (Note 8).

Equity in earnings of unconsolidated affiliates for the Core Portfolio increased by $2.6 million due to the change in control of the Brandywine Portfolio in 2016 of $1.3 million and the Company's new investment in Gotham Plaza of $0.8 million.

Net income attributable to noncontrolling interests in our Core Portfolio increased by $3.3 million for the year ended December 31, 2016 compared to the prior year primarily due to the deconsolidation of the Brandywine Portfolio during 2016 (Note 4).

Funds

Segment net income attributable to Acadia for the Funds increased by $13.5 million for the year ended December 31, 2016 compared to the prior year as a result of the changes described below.

Revenues from the Funds decreased by $9.3 million for the year ended December 31, 2016 compared to the prior year primarily as a result of a decrease of $12.7 million relating to Fund property dispositions in 2016 and 2015 partially offset by additional rental income of $4.3 million related to Fund property acquisitions in 2016 and 2015.

Property operating, other operating expenses and real estate taxes for the Funds decreased by $3.4 million for the year ended December 31, 2016 compared to the prior year due to real estate taxes, which decreased $2.1 million primarily as a result of the Fund property dispositions in 2016.

Gain on disposition of properties for the Funds decreased by $7.1 million for the year ended December 31, 2016 compared to the prior year (Note 2). The gain on disposition of properties in the Funds during 2016 of $82.0 million represents our gain on sale from 65% of Cortlandt Town Center and Heritage Shops. Gain on disposition of properties in the Funds in 2015 of $89.1 million represents our gain on sale from Lincoln Park Center, Liberty Avenue and the air rights at Fund II's City Point project.

Equity in earnings of unconsolidated affiliates for the Funds decreased by $0.5 million for the year ended December 31, 2016 compared to the prior year (Note 4). The amount for 2016 includes a $36.0 million gain on disposition of properties of unconsolidated affiliates in the Funds representing our pro-rata share from the sale of 35% of Cortlandt Town Center. The amount for 2015 includes a $24.0 million gain on disposition of properties of unconsolidated affiliates in the Funds representing our pro-rata share from the sales of White City Shopping Center and Parkway Crossing. This was offset by distributions at the Mervyns/Shopko investments of $5.3 million in 2015 and additional depreciation expense related to the demolition of a building at Arundel Plaza for $5.6 million in 2015.

Interest expense for the Funds decreased by $2.2 million for the year ended December 31, 2016 compared to the prior year due to $4.7 million more interest capitalized and a $0.3 million decrease in amortization of additional loan costs in 2016. These were offset by a $1.6 million increase related to higher average outstanding borrowings in 2016 and a $1.2 million increase related to higher average interest rates in 2016.

Net income attributable to noncontrolling interests in the Funds decreased by $25.7 million for the year ended compared to the prior year due to the noncontrolling interests' share of the variances discussed above.

Structured Financing

Interest income and segment net income attributable to Acadia from Structured Financing increased by $9.2 million for the year ended December 31, 2016 compared to the prior year primarily due to earnings from loans originated during 2015 and 2016 and the recapture of previously established reserves of $3.4 million during 2016. Other income decreased $1.6 million for the year ended December 31, 2016 compared to the prior year due to the collection of a note receivable, default interest and other costs, in excess of carrying value during 2015.

Unallocated

The Company does not allocate general and administrative expense and income taxes to its reportable segments. General and administrative expenses increased by $10.2 million or the year ended December 31, 2016 compared to the prior year due to the acceleration of equity-based compensation awards related to retirements in 2016 totaling $4.2 million as well as increased compensation expense of $4.7 million, which included $3.9 million related to the Program (Note 13). The remaining $1.3 million relates to an increase in other professional fees.

The provision for income taxes changed by $1.9 million primarily as a result of 2015 corporate Federal income taxes incurred by a Fund IV investor.

SUPPLEMENTAL FINANCIAL MEASURES

Net Property Operating Income

The following discussion of net property operating income ("NOI") and rent spreads on new and renewal leases includes the activity from both our consolidated and our pro-rata share of unconsolidated properties within our Core Portfolio. Our Funds invest primarily in properties that typically require significant leasing and development. Given that the Funds are finite-life investment vehicles, these properties are sold following stabilization. For these reasons, we believe NOI and rent spreads are not meaningful measures for our Fund investments.

NOI represents property revenues less property expenses. We consider NOI and rent spreads on new and renewal leases for our Core Portfolio to be appropriate supplemental disclosures of portfolio operating performance due to their widespread acceptance and use within the REIT investor and analyst communities. NOI and rent spreads on new and renewal leases are presented to assist investors in analyzing our property performance, however, our method of calculating these may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs.

A reconciliation of consolidated operating income to net operating income - Core Portfolio follows (in thousands):

	Year Ended December 31,		
	2017	**2016**	**2015**
Consolidated Operating Income	$ 17,319	$ 21,889	$ 44,462
Add back:			
General and administrative	33,756	40,648	30,368
Depreciation and amortization	104,934	70,011	60,751
Impairment charges	14,455	—	5,000
Less:			
Above/below market rent, straight-line rent and other adjustments	(21,110)	(5,313)	(8,192)
Consolidated NOI	149,354	127,235	132,389
Noncontrolling interest in consolidated NOI	(28,379)	(20,872)	(34,675)
Less: Operating Partnership's interest in Fund NOI included above	(7,927)	(4,981)	(5,767)
Add: Operating Partnership's share of unconsolidated joint ventures NOI [(a)]	19,539	16,547	10,382
NOI - Core Portfolio	$ 132,587	$ 117,929	$ 102,329

(a) Does not include the Operating Partnership's share of NOI from unconsolidated joint ventures within the Funds

Same-Property NOI includes Core Portfolio properties that we owned for both the current and prior periods presented, but excludes those properties which we acquired, sold or expected to sell, and developed during these periods. The following table summarizes Same-Property NOI for our Core Portfolio (in thousands):

	Year Ended December 31,	
	2017	2016
Core Portfolio NOI	$ 132,587	$ 117,929
Less properties excluded from Same-Property NOI	(31,778)	(17,172)
Same-Property NOI	$ 100,809	$ 100,757
Percent change from prior year period	0.1%	
Components of Same-Property NOI:		
Same-Property Revenues	$ 137,590	$ 133,086
Same-Property Operating Expenses	(36,781)	(32,329)
Same-Property NOI	$ 100,809	$ 100,757

Rent Spreads on Core Portfolio New and Renewal Leases

The following table summarizes rent spreads on both a cash basis and straight-line basis for new and renewal leases based on leases executed within our Core Portfolio for the year ended December 31, 2017. Cash basis represents a comparison of rent most recently paid on the previous lease as compared to the initial rent paid on the new lease. Straight-line basis represents a comparison of rents as adjusted for contractual escalations, abated rent and lease incentives for the same comparable leases.

	Year Ended December 31, 2017	
Core Portfolio New and Renewal Leases	**Cash Basis**	**Straight-Line Basis**
Number of new and renewal leases executed	72	72
GLA commencing	500,028	500,028
New base rent	$ 23.63	$ 24.23
Expiring base rent	$ 21.66	$ 20.48
Percent growth in base rent	9.1%	18.3%
Average cost per square foot	$ 6.16	$ 6.16
Weighted average lease term (years)	5.3	5.3

(a) The average cost per square foot includes tenant improvement costs, leasing commissions and tenant allowances.

Funds from Operations

We consider funds from operations (“FFO”) as defined by the National Association of Real Estate Investment Trusts (“NAREIT”) to be an appropriate supplemental disclosure of operating performance for an equity REIT due to its widespread acceptance and use within the REIT and analyst communities. 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 the operating performance, such as gains (losses) from sales of depreciated property, depreciation and amortization, and impairment of depreciable real estate. Our method of calculating FFO may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs. FFO does not represent cash generated from operations as defined by generally accepted accounting principles (“GAAP”) and is not indicative of cash available to fund all cash needs, including distributions. It should not be considered as an alternative to net income for the purpose of evaluating our performance or to cash flows as a measure of liquidity. Consistent with the NAREIT definition, we define FFO as net income (computed in accordance with GAAP), excluding gains (losses) from sales of depreciated property and impairment of depreciable real estate, plus depreciation and amortization, and after adjustments for unconsolidated partnerships

and joint ventures. A reconciliation of net income attributable to Acadia to FFO follows (dollars in thousands, except per share amounts):

(dollars in thousands except per share data)	Year Ended December 31,		
	2017	2016	2015
Net income attributable to Acadia	$ 61,470	$ 72,776	$ 65,708
Depreciation of real estate and amortization of leasing costs (net of noncontrolling interests' share)	83,515	67,446	52,013
Impairment charges (net of noncontrolling interests' share)	1,088	—	1,111
Gain on sale (net of noncontrolling interests' share)	(15,565)	(28,154)	(11,114)
Income attributable to Common OP Unit holders	3,609	4,442	3,811
Distributions - Preferred OP Units	550	560	31
Funds from operations attributable to Common Shareholders and Common OP Unit holders	$ 134,667	$ 117,070	$ 111,560
Funds From Operations per Share - Diluted			
Basic weighted-average shares outstanding, GAAP earnings	83,682,789	76,231,000	68,851,083
Weighted-average OP Units outstanding	4,741,058	4,435,041	3,894,542
Basic weighted-average shares outstanding, FFO	88,423,847	80,666,041	72,745,625
Assumed conversion of Preferred OP Units to common shares	505,045	435,274	25,067
Assumed conversion of options, LTIP units and restricted share units to common shares	69,488	150,843	296,815
Diluted weighted-average number of Common Shares and Common OP Units outstanding, FFO	88,998,380	81,252,158	73,067,507
Diluted Funds from operations, per Common Share and Common OP Unit	$ 1.51	$ 1.44	$ 1.53

LIQUIDITY AND CAPITAL RESOURCES

Uses of Liquidity and Cash Requirements

Our principal uses of liquidity are (i) distributions to our shareholders and OP unit holders, (ii) investments which include the funding of our capital committed to the Funds and property acquisitions and development/re-tenanting activities within our Core Portfolio, (iii) distributions to our Fund investors and (iv) debt service and loan repayments.

Distributions

In order to qualify as a REIT for Federal income tax purposes, we must currently distribute at least 90% of our taxable income to our shareholders. During the year ended December 31, 2017, we paid dividends and distributions on our Common Shares, Common OP Units and Preferred OP Units totaling $106.7 million. This amount included a $13.3 million special dividend that was paid in January 2017, which related to the Operating Partnership's share of cash proceeds from property dispositions during 2016. The balance of the distributions were funded from the Operating Partnership's share of operating cash flow.

Distributions of $8.4 million were made to noncontrolling interests in Fund III during the year ended December 31, 2017. These resulted from proceeds related to the dispositions of New Hyde Park Shopping Center (Note 2) and Arundel Plaza (Note 4).

Distributions of $23.5 million were made to noncontrolling interests in Fund IV during the year ended December 31, 2017. These resulted from proceeds related to the dispositions of 1151 Third Avenue (Note 2), 2819 Kennedy Boulevard, 1701 Belmont Avenue, and five properties within our Broughton Street Portfolio (Note 4).

Investments in Real Estate

During the year ended December 31, 2017, within our Core and Fund portfolios we acquired seven properties aggregating $214.7 million as follows:

- Fund V acquired four consolidated properties totaling $167.2 million (Note 2);
- Fund IV acquired a consolidated property for $35.4 million (Note 2);
- Fund IV acquired a consolidated property in exchange for a $9.1 million note receivable plus accrued interest (Note 2, Note 3); and
- In our Core portfolio, our Renaissance investment, in which we hold a 20% interest, acquired a $3.0 million property (Note 4).

Capital Commitments

During the year ended December 31, 2017, we made capital contributions of $11.1 million to Fund IV, $9.2 million to Fund V, and $3.6 million to Fund III in connection with acquisitions and development costs. At December 31, 2017, our share of the remaining capital commitments to our Funds aggregated $131.9 million as follows:

- Fund II was launched in June 2004 with total committed capital of $300.0 million of which our share was $85.0 million, which has been fully funded.
- $9.5 million to Fund III. Fund III was launched in May 2007 with total committed capital of $450.0 million of which our original share was $89.6 million. During 2015, we acquired an additional interest, which had an original capital commitment of $20.9 million.
- $27.1 million to Fund IV. Fund IV was launched in May 2012 with total committed capital of $530.0 million of which our original share was $122.5 million.
- $95.3 million to Fund V. Fund V was launched in August 2016 with total committed capital of $520.0 million of which our initial share is $104.5 million.

Development Activities

During the year ended December 31, 2017, capitalized costs associated with development activities totaled $108.1 million. These costs primarily related to Fund II's City Point project. At December 31, 2017, we had 6 properties under development for which the estimated total cost to complete these projects through 2020 was $75.7 million to $101.7 million and our share was approximately $25.1 million to $33.2 million.

Debt

A summary of our consolidated debt, which includes the full amount of Fund related obligations and excludes our pro rata share of debt at our unconsolidated subsidiaries, is as follows (in thousands):

	December 31, 2017	December 31, 2016
Total Debt - Fixed and Effectively Fixed Rate	$ 899,650	$ 860,486
Total Debt - Variable Rate	538,736	645,185
	1,438,386	1,505,671
Net unamortized debt issuance costs	(14,833)	(18,289)
Unamortized premium	856	1,336
Total Indebtedness	$ 1,424,409	$ 1,488,718

As of December 31, 2017, our consolidated outstanding mortgage and notes payable aggregated $1,438.4 million, excluding unamortized premium of $0.9 million and unamortized loan costs of $14.8 million, and were collateralized by 42 properties and related tenant leases. Interest rates on our outstanding indebtedness ranged from 1.00% to 5.89% with maturities that ranged from May 1, 2018, to April 15, 2035. Taking into consideration $504.0 million of notional principal under variable to fixed-rate swap agreements currently in effect, $899.7 million of the portfolio debt, or 62.5%, was fixed at a 3.74% weighted-average interest rate and $538.7 million, or 37.5% was floating at a 3.44% weighted average interest rate as of December 31, 2017. Our variable-rate debt includes $196.4 million of debt subject to interest rate caps.

There is $87.7 million of debt maturing in 2018 at a weighted-average interest rate of 4.17%; there is $6.7 million of scheduled principal amortization due in 2018; and our share of scheduled remaining 2018 principal payments and maturities on our unconsolidated debt was $7.9 million at December 31, 2017. In addition, $213.6 million of our total consolidated debt and $1.0 million of our pro-rata share of unconsolidated debt will come due in 2019. As it relates to the maturing debt in 2018 and 2019, we may not have sufficient cash on hand to repay such indebtedness, and, therefore, we expect to refinance at least a portion of this indebtedness or select other alternatives based on market conditions as these loans mature; however, there can be no assurance that we will be able to obtain financing at acceptable terms.

A mortgage loan in the Company's Core Portfolio for $26.3 million was in default at December 31, 2017 and December 31, 2016 (Note 7). In April 2017, the lender on this mortgage initiated a lawsuit against the Company for the full balance of the principal, accrued interest as well as penalties and fees aggregating approximately $32.1 million. The Company's management believes that the mortgage is not recourse to the Company and that the suit is without merit.

Sources of Liquidity

Our primary sources of capital for funding our liquidity needs include (i) the issuance of both public equity and OP Units, (ii) the issuance of both secured and unsecured debt, (iii) unfunded capital commitments from noncontrolling interests within our Funds, (iv) future sales of existing properties and (v) cash on hand and future cash flow from operating activities. Our cash on hand in our consolidated subsidiaries at December 31, 2017 totaled $74.8 million. Our remaining sources of liquidity are described further below.

Issuance of Equity

We have an at-the-market ("ATM") equity issuance program which provides us an efficient and low-cost vehicle for raising public equity to fund our capital needs. Through this program, we have been able to effectively "match-fund" the required equity for our Core Portfolio and Fund acquisitions through the issuance of Common Shares over extended periods employing a price averaging strategy. In addition, from time to time, we have issued and intend to continue to issue, equity in follow-on offerings separate from our ATM program. Net proceeds raised through our ATM program and follow-on offerings are primarily used for acquisitions, both for our Core Portfolio and our pro-rata share of Fund acquisitions, and for general corporate purposes. There were no issuances of equity under the ATM program during the year ended December 31, 2017.

Fund Capital

During the year ended December 31, 2017, noncontrolling interest capital contributions to Fund IV of $37.0 million, to Fund V of $36.6 million, and to Fund III of $11.2 million were primarily used to fund recent acquisitions and development activities. At December 31, 2017, unfunded capital commitments from noncontrolling interests within our Funds III, IV and V were $29.1 million, $90.2 million and $378.9 million, respectively.

Asset Sales

As previously discussed, during the year ended December 31, 2017, within our Fund portfolio we sold five consolidated and eight unconsolidated properties for an aggregate sales price of $345.8 million for which our proportionate share of the aggregate gains was $15.6 million (Note 2, Note 4).

Structured Financing Repayments

During 2017, we received total collections on our notes receivable of $32.0 million, including full repayment of two notes issued in prior periods (Note 3). Scheduled principal collections for 2018 total $41.0 million.

Financing and Debt

As of December 31, 2017, we had $166.5 million of additional capacity under existing revolving debt facilities. In addition, at that date we had 71 unleveraged consolidated properties with an aggregate carrying value of approximately $1.6 billion and 25 unleveraged unconsolidated properties for which our share of the carrying value was $62.9 million, although there can be no assurance that we would be able to obtain financing for these properties at favorable terms, if at all.

HISTORICAL CASH FLOW

Cash Flows for 2017 Compared to 2016

The following table compares the historical cash flow for the year ended December 31, 2017 with the cash flow for the year ended December 31, 2016 (in millions):

	Year Ended December 31,		
	2017	2016	Variance
Net cash provided by operating activities	$ 119.8	$ 111.8	$ 8.0
Net cash provided by (used in) investing activities	10.1	(611.0)	621.1
Net cash (used in) provided by financing activities	(126.9)	498.2	(625.1)
Increase (decrease) in cash and cash equivalents	$ 3.0	$ (1.0)	$ 4.0

Operating Activities

Our operating activities provided $8.0 million more cash during the year ended December 31, 2017, primarily due to additional cash flow from 2016 and 2017 Core and Fund acquisitions partially offset by a $27.0 million rent prepayment received from a tenant in 2016.

Investing Activities

During the year ended December 31, 2017 as compared to the year ended December 31, 2016, our investing activities used $621.1 million less cash, primarily due to (i) $291.8 million less cash used for the acquisition of real estate, (ii) $146.8 million less cash used for the issuance of notes receivable, (iii) $111.8 million more cash received from disposition of properties, including unconsolidated affiliates, (iv) $65.6 million less cash used for investments and advances to unconsolidated investments, and (v) $41.3 million less cash used for development and property improvement costs. These items were partially offset by (i) $30.5 million less cash received from return of capital from unconsolidated affiliates, and (ii) $10.8 million less cash received from repayments of notes receivable.

Financing Activities

Our financing activities provided $625.1 million less cash during the year ended December 31, 2017, primarily from (i) $450.1 million less cash received from the issuance of Common Shares, (ii) a decrease in cash of $209.9 million from capital contributions from noncontrolling interests, and (iii) a decrease of $19.4 million of cash provided from net borrowings. These items were partially offset by a decrease of $66.1 million in cash distributions to noncontrolling interests.

Cash Flows for 2016 Compared to 2015

The following table compares the historical cash flow for the year ended December 31, 2016 with the cash flow for the year ended December 31, 2015 (dollars in millions):

	Year Ended December 31,		
	2016	2015	Variance
Net cash provided by operating activities	$ 111.8	$ 113.6	$ (1.8)
Net cash used in investing activities	(611.0)	(354.5)	(256.5)
Net cash provided by financing activities	498.2	96.1	402.1
Total	$ (1.0)	$ (144.8)	$ 143.8

Operating Activities

Our operating activities provided $1.8 million less cash during 2016, primarily due to (i) $7.8 million of lease payments relating to 991 Madison Avenue during 2016, and (ii) additional distributions from the Mervyns I & II portfolios during 2015. These items were partially offset by additional cash flow from 2016 acquisitions.

Investing Activities

During 2016, our investing activities used an additional $256.5 million of cash, primarily for (i) an additional $156.9 million used for the acquisition of real estate, (ii) $108.9 million of additional cash used for the issuance of notes receivable, (iii) $47.9 million more cash used in investments and advances to unconsolidated affiliates, and (iii) $32.3 million less cash received from the disposition of properties, including unconsolidated affiliates. These items were partially offset by (i) $42.8 million more cash received from return of capital from unconsolidated affiliates (ii) $26.8 million more cash received from repayments of notes receivable and (iii) $14.9 million less cash used for development and property improvement costs,

Financing Activities

Our financing activities provided $402.1 million more cash during 2016, primarily from (i) $386.9 million more cash received from the issuance of Common Shares and (ii) an increase of $259.6 million from capital contributions from noncontrolling interests. These items were partially offset by (i) a decrease of $210.7 million of cash provided from net borrowings, (ii) distributions to noncontrolling interests increased $21.4 million, (iii) $7.3 million more cash used for deferred financing and other costs, and (iv) an additional $5.0 million of cash used to pay dividends to Common Shareholders.

CONTRACTUAL OBLIGATIONS

The following table summarizes: (i) principal and interest obligations under mortgage and other notes, (ii) rents due under non-cancelable operating and capital leases, which includes ground leases at seven of our properties and the lease for our corporate office and (iii) construction commitments as of December 31, 2017 (in millions):

	Payments Due by Period				
Contractual Obligations	**Total**	**Less than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**More than 5 Years**
Principal obligations on debt	$ 1,438.4	$ 94.4	$ 790.0	$ 353.9	$ 200.1
Interest obligations on debt	217.3	60.7	92.5	34.4	29.7
Lease obligations [(a)]	207.2	4.5	8.9	8.7	185.1
Construction commitments [(b)]	92.2	92.2	—	—	—
Total	$ 1,955.1	$ 251.8	$ 891.4	$ 397.0	$ 414.9

(a) A ground lease expiring during 2078 provides the Company with an option to purchase the underlying land during 2031. If we do not exercise the option, the rents that will be due are based on future values and as such are not determinable at this time. Accordingly, the above table does not include rents for this lease beyond 2031.

(b) In conjunction with the development of our Core Portfolio and Fund properties, we have entered into construction commitments with general contractors. We intend to fund these requirements with existing liquidity.

OFF-BALANCE SHEET ARRANGEMENTS

We have the following investments made through joint ventures for the purpose of investing in operating properties. We account for these investments using the equity method of accounting. As such, our financial statements reflect our investment and our share of income and loss from, but not the individual assets and liabilities, of these joint ventures.

See Note 4 in the Notes to Consolidated Financial Statements, for a discussion of our unconsolidated investments. The Operating Partnership’s pro-rata share of unconsolidated non-recourse debt related to those investments is as follows (dollars in millions):

Investment	Operating Partnership Ownership Percentage	Operating Partnership Pro-rata Share of Mortgage Debt	Interest Rate at December 31, 2017	Maturity Date
230/240 W. Broughton	11.6%	$ 1.2	4.37%	May 2018
Promenade at Manassas	22.8%	5.7	3.07%	November 2018
650 Bald Hill	20.8%	2.9	4.02%	April 2020
Eden Square	22.8%	5.1	3.52%	June 2020
Gotham Plaza [(a)]	49.0%	10.0	2.97%	June 2023
Renaissance Portfolio	20.0%	32.0	3.07%	August 2023
Crossroads	49.0%	33.0	3.94%	October 2024
840 N. Michigan	88.4%	65.0	4.36%	February 2025
Georgetown Portfolio	50.0%	8.4	4.72%	December 2027
Total		$ 163.3		

(a) Our unconsolidated affiliate is a party to an interest rate LIBOR swap with a notional value of $20.4 million, which effectively fixes the interest rate at 3.49% and matures in June 2023.

CRITICAL ACCOUNTING POLICIES

Management's discussion and analysis of financial condition and results of operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with U.S. GAAP. The preparation of these Consolidated Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies affect the significant judgments and estimates used by us in the preparation of our Consolidated Financial Statements.

Valuation of Properties

On a quarterly basis, we review the carrying value of properties held for use and for sale as well as our development properties. We perform an impairment analysis by calculating and reviewing net operating income on a property-by-property basis. We evaluate leasing projections and perform other analyses to conclude whether an asset is impaired. We record impairment losses and reduce the carrying value of properties when indicators of impairment are present and the expected undiscounted cash flows related to those properties are less than their carrying amounts. In cases where we do not expect to recover our carrying costs on properties held for use, we reduce our carrying cost to fair value. For properties held for sale, we reduce our carrying value to the fair value less costs to sell.

See Note 8 of the Notes to the Consolidated Financial Statements for a discussion of impairments recognized during the periods presented.

Investments in and Advances to Unconsolidated Joint Ventures

We periodically review our investment in unconsolidated joint ventures for other than temporary declines in market value. Any decline that is not expected to be recovered in the next twelve months is considered other-than-temporary and an impairment charge is recorded as a reduction in the carrying value of the investment. No impairment charges related to our investment in unconsolidated joint ventures were recognized for the years ended December 31, 2017, 2016 and 2015.

Bad Debts

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of tenants to make payments on arrearages in billed rents, as well as the likelihood that tenants will not have the ability to make payments on unbilled rents including estimated expense recoveries. We also maintain a reserve for straight-line rent receivables. For the years ended December 31, 2017 and 2016, the allowance for doubtful accounts totaled $5.9 million and $5.7 million, respectively. If the financial condition
of our tenants were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Real Estate

Real estate assets are stated at cost less accumulated depreciation. Expenditures for acquisition, development, construction and improvement of properties, as well as significant renovations are capitalized. Interest costs are capitalized until construction is substantially complete. Construction in progress includes costs for significant property expansion and development. Depreciation is computed on the straight-line basis over estimated useful lives of 40 years for buildings, the shorter of the useful life or lease term for tenant improvements and five years for furniture, fixtures and equipment. Expenditures for maintenance and repairs are charged to operations as incurred.

Upon acquisitions of real estate, we assess the fair value of acquired assets (including land, buildings and improvements, and identified intangibles such as above and below market leases and acquired in-place leases and customer relationships) and acquired liabilities in accordance with the FASB Accounting Standards Codification ("ASC") *Topic 805 "Business Combinations"* and ASC *Topic 350 "Intangibles – Goodwill and Other,"* and allocate purchase price based on these assessments. We assess fair value based on 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.

Revenue Recognition and Accounts Receivable

Leases with tenants are accounted for as operating leases. Minimum rents are recognized on a straight-line basis over the non-cancelable term of the respective leases, beginning when the tenant takes possession of the space. Certain of these leases also provide for percentage rents based upon the level of sales achieved by the tenant. Percentage rent is recognized in the period when the tenants' sales breakpoint is met. In addition, leases typically provide for the reimbursement to us of real estate taxes, insurance and other property operating expenses. These reimbursements are recognized as revenue in the period the expenses are incurred.

We make estimates of the uncollectability of our accounts receivable related to tenant revenues. An allowance for doubtful accounts has been provided against certain tenant accounts receivable that are estimated to be uncollectible. See "Bad Debts" above. Once the amount is ultimately deemed to be uncollectible, it is written off.

Structured Financings

Real estate notes receivable investments and preferred equity investments ("Structured Financings") are intended to be held to maturity and are carried at cost. Interest income from Structured Financings are recognized on the effective interest method over the expected life of the loan. Under the effective interest method, interest or fees to be collected at the origination of the Structured Financing investment is recognized over the term of the loan as an adjustment to yield.

Allowances for Structured Financing investments are established based upon management's quarterly review of the investments. In performing this review, management considers the estimated net recoverable value of the investment as well as other factors, including the fair value of any collateral, the amount and status of any senior debt, and the prospects for the borrower. Because this determination is based upon projections of future economic events, which are inherently subjective, the amounts ultimately realized from the Structured Financings may differ materially from the carrying value at the balance sheet date. Interest income recognition is generally suspended for investments when, in the opinion of management, a full recovery of income and principal becomes doubtful. Income recognition is resumed when the suspended investment becomes contractually current and performance is demonstrated to be resumed.

Recently Issued Accounting Pronouncements

Reference is made to Note 1 for information about recently issued accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Information as of December 31, 2017

Our primary market risk exposure is to changes in interest rates related to our mortgage and other debt. See Note 7 in the Notes to Consolidated Financial Statements, for certain quantitative details related to our mortgage and other debt.

Currently, we manage our exposure to fluctuations in interest rates primarily through the use of fixed-rate debt and interest rate swap and cap agreements. As of December 31, 2017, we had total mortgage and other notes payable of $1,438.4 million, excluding the unamortized premium of $0.9 million and unamortized loan costs of $14.8 million, of which $899.7 million, or 62.5% was fixed-rate, inclusive of debt with rates fixed through the use of derivative financial instruments, and $538.7 million, or 37.5%, was variable-rate based upon LIBOR or Prime rates plus certain spreads. As of December 31, 2017, we were party to 27 interest rate swap and four interest rate cap agreements to hedge our exposure to changes in interest rates with respect to $504.0 million and $196.4 million of LIBOR-based variable-rate debt, respectively.

The following table sets forth information as of December 31, 2017 concerning our long-term debt obligations on a pro-rata share basis, including principal cash flows by scheduled maturity and weighted average interest rates of maturing amounts (dollars in millions):

Core Consolidated Mortgage and Other Debt

Year	Scheduled Amortization	Maturities	Total	Weighted-Average Interest Rate
2018	$ 3.1	$ 45.9	$ 49.0	4.2%
2019	3.0	—	3.0	—%
2020	3.1	91.5	94.6	2.7%
2021	3.2	200.0	203.2	2.7%
2022	3.4	50.0	53.4	3.0%
Thereafter	17.4	147.7	165.1	3.7%
	$ 33.2	$ 535.1	$ 568.3	

Fund Consolidated Mortgage and Other Debt

Year	Scheduled Amortization	Maturities	Total	Weighted-Average Interest Rate
2018	$ 0.7	$ 5.1	$ 5.8	3.6%
2019	0.8	46.0	46.8	4.2%
2020	0.5	111.8	112.3	3.9%
2021	0.5	11.3	11.8	3.5%
2022	0.4	10.1	10.5	3.4%
Thereafter	0.1	7.0	7.1	3.6%
	$ 3.0	$ 191.3	$ 194.3	

Mortgage Debt in Unconsolidated Partnerships (at our Pro-Rata Share)

	Scheduled Amortization	Maturities	Total	Weighted-Average Interest Rate
2018	$ 1.0	$ 6.9	$ 7.9	3.1%
2019	1.0	—	1.0	—%
2020	1.1	8.0	9.1	1.9%
2021	1.1	—	1.1	—%
2022	1.2	—	1.2	—%
Thereafter	2.6	140.4	143.0	3.9%
	$ 8.0	$ 155.3	$ 163.3	

In 2018, $94.4 million of our total consolidated debt and $7.9 million of our pro-rata share of unconsolidated outstanding debt will become due. In addition, $213.6 million of our total consolidated debt and $1.0 million of our pro-rata share of unconsolidated debt will become due in 2019. As we intend on refinancing some or all of such debt at the then-existing market interest rates, which may be greater than the current interest rate, our interest expense would increase by approximately $3.1 million annually if the interest rate on the refinanced debt increased by 100 basis points. After giving effect to noncontrolling interests, our share of this increase would be $1.0 million. Interest expense on our variable-rate debt of $538.7 million, net of variable to fixed-rate swap agreements currently in effect, as of December 31, 2017, would increase $5.4 million if LIBOR increased by 100 basis points. After giving effect to noncontrolling interests, our share of this increase would be $1.3 million. We may seek additional variable-rate financing if and when pricing and other commercial and financial terms warrant. As such, we would consider hedging against the interest rate risk related to such additional variable-rate debt through interest rate swaps and protection agreements, or other means.

Based on our outstanding debt balances as of December 31, 2017, the fair value of our total consolidated outstanding debt would decrease by approximately $15.9 million if interest rates increase by 1%. Conversely, if interest rates decrease by 1%, the fair value of our total outstanding debt would increase by approximately $17.3 million.

As of December 31, 2017, and December 31, 2016, we had consolidated notes receivable of $153.8 million and $276.2 million, respectively. We determined the estimated fair value of our notes receivable by discounting future cash receipts utilizing a discount rate equivalent to the rate at which similar notes receivable would be originated under conditions then existing.

Based on our outstanding notes receivable balances as of December 31, 2017, the fair value of our total outstanding notes receivable would decrease by approximately $1.9 million if interest rates increase by 1%. Conversely, if interest rates decrease by 1%, the fair value of our total outstanding notes receivable would increase by approximately $2.0 million.

Summarized Information as of December 31, 2016

As of December 31, 2016, we had total mortgage and other notes payable of $1,505.7 million, excluding the unamortized premium of $1.3 million and unamortized loan costs of $18.3 million, of which $860.5 million, or 57.1% was fixed-rate, inclusive of interest rate swaps, and $645.2 million, or 42.9%, was variable-rate based upon LIBOR plus certain spreads. As of December 31, 2016, we were party to 18 interest rate swap and four interest rate cap agreements to hedge our exposure to changes in interest rates with respect to $365.3 million and $196.4 million of LIBOR-based variable-rate debt, respectively.

Interest expense on our variable-rate debt of $645.2 million as of December 31, 2016, would have increased $6.5 million if LIBOR increased by 100 basis points. Based on our outstanding debt balances as of December 31, 2016, the fair value of our total outstanding debt would have decreased by approximately $20.3 million if interest rates increased by 1%. Conversely, if interest rates decreased by 1%, the fair value of our total outstanding debt would have increased by approximately $22.8 million.

Changes in Market Risk Exposures from 2016 to 2017

Our interest rate risk exposure from December 31, 2016, to December 31, 2017, has decreased on an absolute basis, as the $645.2 million of variable-rate debt as of December 31, 2016, has decreased to $538.7 million as of December 31, 2017. As a percentage of our overall debt, our interest rate risk exposure has decreased as our variable-rate debt accounted for 42.9% of our consolidated debt as of December 31, 2016, and decreased to 37.5% as of December 31, 2017.

ITEM 8. FINANCIAL STATEMENTS.

ACADIA REALTY TRUST AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of Acadia Realty Trust

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Acadia Realty Trust and subsidiaries (the "Company") as of December 31, 2017 and 2016, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2017 and the related notes and financial statement schedules listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017**,** in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2018, expressed an unqualified opinion thereon.

Basis for Opinion

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

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

/s/ BDO USA, LLP

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

New York, New York
February 27, 2018

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except per share amounts)	December 31, 2017	December 31, 2016
ASSETS		
Investments in real estate, at cost		
Operating real estate, net	$ 2,952,918	$ 2,551,448
Real estate under development	173,702	543,486
Net investments in real estate	3,126,620	3,094,934
Notes receivable, net	153,829	276,163
Investments in and advances to unconsolidated affiliates	302,070	272,028
Other assets, net	214,959	192,786
Cash and cash equivalents	74,823	71,805
Rents receivable, net	51,738	43,842
Restricted cash	10,846	22,904
Assets of properties held for sale	25,362	21,498
Total assets	$ 3,960,247	$ 3,995,960
LIABILITIES		
Mortgage and other notes payable, net	$ 909,174	$ 1,055,728
Unsecured notes payable, net	473,735	432,990
Unsecured line of credit	41,500	—
Accounts payable and other liabilities	210,052	208,672
Capital lease obligation	70,611	70,129
Dividends and distributions payable	24,244	36,625
Distributions in excess of income from, and investments in, unconsolidated affiliates	15,292	13,691
Total liabilities	1,744,608	1,817,835
Commitments and contingencies		
EQUITY		
Acadia Shareholders' Equity		
Common shares, $0.001 par value, authorized 200,000,000 and 100,000,000 shares, issued and outstanding 83,708,140 and 83,597,741 shares, respectively	84	84
Additional paid-in capital	1,596,514	1,594,926
Accumulated other comprehensive loss	2,614	(798)
Distributions in excess of accumulated earnings	(32,013)	(5,635)
Total Acadia shareholders’ equity	1,567,199	1,588,577
Noncontrolling interests	648,440	589,548
Total equity	2,215,639	2,178,125
Total liabilities and equity	$ 3,960,247	$ 3,995,960

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

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(in thousands except per share amounts)	Year Ended December 31, 2017	2016	2015
Revenues			
Rental income	$ 198,941	$ 152,814	$ 158,632
Expense reimbursements	44,907	32,282	36,306
Other	6,414	4,843	4,125
Total revenues	250,262	189,939	199,063
Operating expenses			
Depreciation and amortization	104,934	70,011	60,751
General and administrative	33,756	40,648	30,368
Real estate taxes	35,946	25,630	25,384
Property operating	41,668	24,244	28,423
Other operating	2,184	7,517	4,675
Impairment charges	14,455	—	5,000
Total operating expenses	232,943	168,050	154,601
Operating income	17,319	21,889	44,462
Equity in earnings and gains of unconsolidated affiliates inclusive of gains on disposition of properties of $15,336, $35,950 and $24,043, respectively	23,371	39,449	37,330
Interest income	29,143	25,829	16,603
Interest expense	(58,978)	(34,645)	(37,297)
Gain on change in control and other	5,571	—	1,596
Income from continuing operations before income taxes	16,426	52,522	62,694
Income tax (provision) benefit	(1,004)	105	(1,787)
Income from continuing operations before gain on disposition of properties	15,422	52,627	60,907
Gain on disposition of properties, net of tax	48,886	81,965	89,063
Net income	64,308	134,592	149,970
Net income attributable to noncontrolling interests	(2,838)	(61,816)	(84,262)
Net income attributable to Acadia	$ 61,470	$ 72,776	$ 65,708
Basic and diluted earnings per share	$ 0.73	$ 0.94	$ 0.94

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

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)	Year Ended December 31, 2017	2016	2015
Net income	$ 64,308	$ 134,592	$ 149,970
Other comprehensive income (loss):			
Unrealized income (loss) on valuation of swap agreements	634	(646)	(5,061)
Reclassification of realized interest on swap agreements	3,317	4,576	5,524
Other comprehensive income	3,951	3,930	463
Comprehensive income	68,259	138,522	150,433
Comprehensive income attributable to noncontrolling interests	(3,377)	(62,081)	(85,183)
Comprehensive income attributable to Acadia	$ 64,882	$ 76,441	$ 65,250

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

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Years Ended December 31, 2017, 2016 and 2015

	Acadia Shareholders							
(in thousands, except per share amounts)	Common Shares	Share Amount	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	(Distributions in Excess of Accumulated Earnings) Retained Earnings	Total Common Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at January 1, 2017	**83,598**	**$ 84**	**$ 1,594,926**	**$ (798)**	**$ (5,635)**	**$ 1,588,577**	**$ 589,548**	**$ 2,178,125**
Conversion of OP Units to Common Shares by limited partners of the Operating Partnership	87	—	1,541	—	—	1,541	(1,541)	—
Dividends/distributions declared ($1.05 per Common Share/OP Unit)	—	—	—	—	(87,848)	(87,848)	(6,453)	(94,301)
Employee and trustee stock compensation, net	23	—	698	—	—	698	10,457	11,155
Noncontrolling interest distributions	—	—	—	—	—	—	(32,805)	(32,805)
Noncontrolling interest contributions	—	—	—	—	—	—	85,206	85,206
Reallocation of noncontrolling interests	—	—	(651)	—	—	(651)	651	—
Comprehensive income	—	—	—	3,412	61,470	64,882	3,377	68,259
Balance at December 31, 2017	**83,708**	**$ 84**	**$ 1,596,514**	**$ 2,614**	**$ (32,013)**	**$ 1,567,199**	**$ 648,440**	**$ 2,215,639**
Balance at January 1, 2016	**70,258**	**$ 70**	**$ 1,092,239**	**$ (4,463)**	**$ 12,642**	**$ 1,100,488**	**$ 420,866**	**$ 1,521,354**
Conversion of OP Units to Common Shares by limited partners of the Operating Partnership	351	1	7,891	—	—	7,892	(7,892)	—
Issuance of Common Shares, net of issuance costs	12,961	13	450,117	—	—	450,130	—	450,130
Issuance of OP Units to acquire real estate	—	—	—	—	—	—	31,429	31,429
Dividends/distributions declared ($1.16 per Common Share/OP Unit)	—	—	—	—	(91,053)	(91,053)	(6,753)	(97,806)
Acquisition of noncontrolling interests	—	—	7,546	—	—	7,546	(25,925)	(18,379)
Employee and trustee stock compensation, net	28	—	926	—	—	926	12,768	13,694
Change in control of previously unconsolidated investment	—	—	—	—	—	—	(75,713)	(75,713)
Windfall tax benefit	—	—	555	—	—	555	—	555
Noncontrolling interest distributions	—	—	—	—	—	—	(80,769)	(80,769)
Noncontrolling interest contributions	—	—	—	—	—	—	295,108	295,108
Comprehensive income	—	—	—	3,665	72,776	76,441	62,081	138,522
Reallocation of noncontrolling interests	—	—	35,652	—	—	35,652	(35,652)	—
Balance at December 31, 2016	**83,598**	**$ 84**	**$ 1,594,926**	**$ (798)**	**$ (5,635)**	**$ 1,588,577**	**$ 589,548**	**$ 2,178,125**

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Years Ended December 31, 2017, 2016 and 2015

(in thousands, except per share amounts)	Acadia Shareholders							
	Common Shares	**Share Amount**	**Additional Paid-in Capital**	**Accumulated Other Comprehensive (Loss) Income**	**(Distributions in Excess of Accumulated Earnings) Retained Earnings**	**Total Common Shareholders' Equity**	**Noncontrolling Interests**	**Total Equity**
(Continued)								
Balance at January 1, 2015	**68,109**	**$ 68**	**$ 1,027,861**	**$ (4,005)**	**$ 31,617**	**$ 1,055,541**	**$ 380,416**	**$ 1,435,957**
Conversion of OP Units to Common Shares by limited partners of the Operating Partnership	101	—	2,451	—	—	2,451	(2,451)	—
Issuance of Common Shares, net of issuance costs	1,973	2	64,415	—	—	64,417	—	64,417
Acquisition of noncontrolling interests	—	—	(4,409)	—	—	(4,409)	(3,561)	(7,970)
Dividends/distributions declared ($1.22 per Common Share/OP Unit)	—	—	—	—	(84,683)	(84,683)	(5,983)	(90,666)
Employee and trustee stock compensation, net	75	—	1,921	—	—	1,921	6,723	8,644
Noncontrolling interest distributions	—	—	—	—	—	—	(74,950)	(74,950)
Noncontrolling interest contributions	—	—	—	—	—	—	35,489	35,489
Comprehensive (loss) income	—	—	—	(458)	65,708	65,250	85,183	150,433
Balance at December 31, 2015	**70,258**	**$ 70**	**$ 1,092,239**	**$ (4,463)**	**$ 12,642**	**$ 1,100,488**	**$ 420,866**	**$ 1,521,354**

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

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31, 2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 64,308	$ 134,592	$ 149,970
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on disposition of properties	(48,886)	(81,965)	(89,063)
Gain on change in control	(5,571)	—	—
Depreciation and amortization	104,934	70,011	60,751
Distributions of operating income from unconsolidated affiliates	9,249	7,256	12,291
Equity in earnings and gains of unconsolidated affiliates	(23,371)	(39,449)	(37,330)
Stock compensation expense	11,155	13,695	7,438
Amortization of financing costs	5,985	3,204	3,537
Impairment charges	14,455	—	5,000
Other, net	(10,610)	(8,095)	(6,483)
Changes in assets and liabilities:			
Other liabilities	(4,285)	26,532	5,354
Prepaid expenses and other assets	(6,498)	(11,677)	12,690
Rents receivable, net	(11,274)	(4,847)	(5,673)
Restricted cash	11,474	1,912	(6,168)
Accounts payable and accrued expenses	8,768	591	1,284
Net cash provided by operating activities	**119,833**	**111,760**	**113,598**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of real estate	(200,429)	(495,644)	(338,700)
Development and property improvement costs	(108,142)	(149,434)	(164,315)
Issuance of or advances on notes receivable	(10,600)	(157,352)	(48,500)
Proceeds from the disposition of properties	260,711	150,378	168,895
Investments in and advances to unconsolidated affiliates	(6,535)	(72,098)	(24,168)
Return of capital from unconsolidated affiliates	23,946	54,444	11,892
Proceeds from notes receivable	32,000	42,819	15,984
Deposits for properties under contract	(2,000)	1,424	(5,776)
Proceeds from disposition of properties of unconsolidated affiliates	26,045	24,586	38,392
Payment of deferred leasing costs	(5,202)	(7,515)	(8,207)
Change in control of previously unconsolidated (consolidated) affiliate	288	(2,578)	—
Net cash provided by (used in) investing activities	**10,082**	**(610,970)**	**(354,503)**

ACADIA REALTY TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Continued)	Year Ended December 31, 2017	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments on mortgage and other notes	(306,119)	(394,864)	(148,423)
Principal payments on unsecured debt	(277,134)	(541,790)	(234,815)
Proceeds received on mortgage and other notes	156,344	222,071	90,234
Proceeds from unsecured debt	359,625	666,716	417,425
Proceeds from issuance of Common Shares, net of issuance costs of $0, $9,238 and $1,150, respectively	—	450,130	63,234
Capital contributions from noncontrolling interests	85,206	295,108	35,489
Distributions to noncontrolling interests	(39,942)	(105,994)	(84,610)
Dividends paid to Common Shareholders	(99,527)	(91,334)	(86,353)
Deferred financing and other costs	(6,211)	(11,678)	(4,376)
Loan proceeds held as restricted cash	861	9,874	48,676
Purchase of convertible notes payable	—	—	(380)
Net cash (used in) provided by financing activities	**(126,897)**	**498,239**	**96,101**
Increase (decrease) in cash and cash equivalents	3,018	(971)	(144,804)
Cash and cash equivalents, beginning of the year	71,805	72,776	217,580
Cash and cash equivalents, end of the year	$ 74,823	$ 71,805	$ 72,776
Supplemental disclosure of cash flow information			
Cash paid during the period for interest, net of capitalized interest of $13,509, $21,109 and $16,447, respectively	$ 49,942	$ 42,279	$ 47,960
Cash paid for income taxes, net of (refunds)	$ 875	$ 2,036	$ 2,038
Supplemental disclosure of non-cash investing activities			
Acquisition of real estate through assumption of debt	$ —	$ 120,672	$ 91,885
Acquisition of real estate through issuance of OP Units	$ —	$ 29,336	$ —
Acquisition of capital lease obligation	$ —	$ 76,461	$ —
Mortgage debt financed at time of acquisition	$ —	$ 63,900	$ —
Assumption of accounts payable and accrued expenses through acquisition of real estate	$ 2,173	$ 3,587	$ —
Assumption of prepaid expenses and other assets through acquisition of real estate		$ 2,226	$ —
Disposition of air rights through issuance of notes receivable	$ —		$ (29,539)
Acquisition of real estate through assumption of restricted cash	$ —		$ (28,912)
Acquisition of real estate through conversion of note receivable	$ 9,000	$ —	$ 13,386
Acquisition of undivided interest in a property through conversion of notes receivable	$ 60,695	$ —	$ —
Change in control of previously unconsolidated (consolidated) investment			
(Increase) decrease in real estate, net	$ (39,322)	$ 90,559	$ —
Gain on change in control	5,571	—	—
Decrease in notes receivable	32,010	—	—
Decrease (increase) in investments in and advances to unconsolidated affiliates	4,159	(21,421)	—
Decrease in noncontrolling interest	—	(75,713)	—
Change in other assets and liabilities	(2,130)	3,997	—
Increase (decrease) in cash upon change of control	$ 288	$ (2,578)	$ —

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

1. Organization, Basis of Presentation and Summary of Significant Accounting Policies

Organization

Acadia Realty Trust and subsidiaries (collectively, the "Company") is a fully-integrated equity real estate investment trust ("REIT") focused on the ownership, acquisition, development, and management of retail properties located primarily in high-barrier-to-entry, supply-constrained, densely-populated metropolitan areas in the United States.

All of the Company's assets are held by, and all of its operations are conducted through, Acadia Realty Limited Partnership (the "Operating Partnership") and entities in which the Operating Partnership owns an interest. As of December 31, 2017 and December 31, 2016, the Company controlled approximately 95% of the Operating Partnership as the sole general partner and is entitled to share, in proportion to its percentage interest, in the cash distributions and profits and losses of the Operating Partnership. The limited partners primarily represent entities or individuals that contributed their interests in certain properties or entities to the Operating Partnership in exchange for common or preferred units of limited partnership interest ("Common OP Units" or "Preferred OP Units") and employees who have been awarded restricted Common OP Units ("LTIP Units") as long-term incentive compensation (Note 13). Limited partners holding Common OP and LTIP Units are generally entitled to exchange their units on a one-for-one basis for common shares of beneficial interest of the Company ("Common Shares"). This structure is referred to as an umbrella partnership REIT or "UPREIT."

As of December 31, 2017, the Company has ownership interests in 118 properties within its core portfolio, which consist of those properties either 100% owned, or partially owned through joint venture interests, by the Operating Partnership, or subsidiaries thereof, not including those properties owned through its funds ("Core Portfolio"). The Company also has ownership interests in 58 properties within its opportunity funds, Acadia Strategic Opportunity Fund II, LLC ("Fund II"), Acadia Strategic Opportunity Fund III LLC ("Fund III"), Acadia Strategic Opportunity Fund IV LLC ("Fund IV"), and Acadia Strategic Opportunity Fund V LLC ("Fund V"). Acadia Strategic Opportunity Fund I, LP ("Fund I," together with Funds II, III, IV, and V, the "Funds") was liquidated in 2015. The 176 Core Portfolio and Fund properties primarily consist of street and urban retail, and suburban shopping centers. In addition, the Company, together with the investors in the Funds, invest in operating companies through Acadia Mervyn Investors I, LLC ("Mervyns I"), Acadia Mervyn Investors II, LLC ("Mervyns II") and Fund II, all on a non-recourse basis. The Company consolidates the Funds as it has (i) the power to direct the activities that most significantly impact the Funds' economic performance, (ii) is obligated to absorb the Funds' losses and (iii) has the right to receive benefits from the Funds that could potentially be significant.

The Operating Partnership is the sole general partner or managing member of the Funds and Mervyns I and II and earns fees or priority distributions for asset management, property management, construction, development, leasing, and legal services. Cash flows from the Funds and Mervyns I and II are distributed pro-rata to their respective partners and members (including the Operating Partnership) until each receives a certain cumulative return ("Preferred Return") and the return of all capital contributions. Thereafter, remaining cash flow is distributed 20% to the Operating Partnership ("Promote") and 80% to the partners or members (including the Operating Partnership). All transactions between the Funds and the Operating Partnership have been eliminated in consolidation.

The following table summarizes the general terms and Operating Partnership's equity interests in the Funds and Mervyns II (dollars in millions):

Entity	Formation Date	Operating Partnership Share of Capital	Capital Called as of December 31, 2017	Unfunded Commitment	Equity Interest Held By Operating Partnership [(a)]	Preferred Return	Total Distributions as of December 31, 2017 [(b)]
Fund II and Mervyns II	6/2004	28.33%	$ 347.1	$ —	28.33%	8%	$ 131.6
Fund III	5/2007	24.54%	411.5	38.5	24.54%	6%	551.9
Fund IV	5/2012	23.12%	412.7	117.3	23.12%	6%	131.5
Fund V	8/2016	20.10%	45.8	474.2	20.10%	6%	—

(a) Amount represents the current economic ownership at December 31, 2017, which could differ from the stated legal ownership based upon the cumulative preferred returns of the respective fund.
(b) Represents the total for the Funds, including the Operating Partnership and noncontrolling interests' shares.

Basis of Presentation

Segments

At December 31, 2017, the Company had three reportable operating segments: Core Portfolio, Funds and Structured Financing. The Company's chief operating decision maker may review operational and financial data on a property basis and does not differentiate properties on a geographical basis for purposes of allocating resources or capital. Each property is considered a separate operating segment; however, each property on a stand-alone basis represents less than 10% of revenues, profit or loss, and assets of the combined reported operating segment and meets the majority of the aggregations criteria under the applicable standard.

Principles of Consolidation

The consolidated financial statements include the consolidated accounts of the Company and its investments in partnerships and limited liability companies in which the Company has control in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810 "Consolidation" ("ASC Topic 810"). The ownership interests of other investors in these entities are recorded as noncontrolling interests. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in entities for which the Company has the ability to exercise significant influence over, but does not have financial or operating control, are accounted for using the equity method of accounting. Accordingly, the Company's share of the earnings (or losses) of these entities are included in consolidated net income.

Cost Method Investments

The Company has certain investments to which it applies the cost method of accounting. The Company recognizes as income distributions from net accumulated earnings of the investee since the date of acquisition. The net accumulated earnings of an investee subsequent to the date of investment are recognized by the Company only to the extent distributed by the investee. Distributions received in excess of earnings subsequent to the date of investment are considered a return of investment and are recorded as reductions of cost of the investment. For the periods presented, there have been no events or changes in circumstances that may have a significant adverse effect on the fair value of the Company's cost-method investments.

Out-of-Period Adjustments

During the year ended December 31, 2016, the Company identified and recorded out-of-period adjustments related to accounting for certain leases whose tenants have early termination and renewal options and for interest expense related to a loan that is in default. The Company's management concluded that these non-cash adjustments are not material to the consolidated financial statements for any of the periods presented. The net impact of the adjustments on the consolidated statement of income for the year ended December 31, 2016 is reflected as a decrease to rental income of $2.1 million, an increase to depreciation and amortization expense of $1.7 million, an increase in interest expense of $0.7 million and an increase to equity in earnings of unconsolidated affiliates of $0.2 million, resulting in a net decrease to net income of $4.2 million, of which $1.6 million was attributable to noncontrolling interests.

During the second quarter of 2016, management determined that certain transactions involving the issuance of Common Shares of the Company and Common OP Units, Preferred OP Units, and LTIP Units of the Operating Partnership, should have resulted in an adjustment to the Operating Partnership's non-controlling interest ("OPU NCI") and the Company's Additional Paid-in-Capital ("APIC") to reflect the difference between the fair value of the consideration received or paid and the book value of the Common Shares, Common OP Units, Preferred OP Units, and LTIP Units involving these changes in ownership (the "Rebalancing"). During the year ended December 31, 2016, the Company increased its APIC with an offsetting reduction to the OPU NCI of approximately $35.7 million, of which approximately $31.8 million of this Rebalancing related to prior years. Management concluded that the Rebalancing adjustments were not meaningful to the Company's financial position for any of the prior years, and the quarterly periods in 2016, and as such, this cumulative change was recorded in the consolidated balance sheet and statement of shareholder's equity in the second quarter of 2016 as an out-of-period adjustment. The misclassification had no impact on the previously reported consolidated assets, liabilities or total equity or on the consolidated statements of income, comprehensive income, or cash flows.

Use of Estimates

GAAP requires the Company's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The most significant assumptions and estimates relate to the valuation of real estate, depreciable lives, revenue recognition and the collectability of notes receivable and rents receivable. Application of these estimates

and assumptions requires the exercise of judgment as to future uncertainties and, as a result, actual results could differ from these estimates.

Summary of Significant Accounting Policies

Real Estate

Land, buildings, and personal property are carried at cost less accumulated depreciation. Improvements and significant renovations that extend the useful life of the properties are capitalized, while replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. Real estate under development includes costs for significant property expansion and development.

Depreciation is computed on the straight-line basis over estimated useful lives of the assets as follows:

Buildings and improvements	Useful lives of 40 years for buildings and 15 years for improvements
Furniture and fixtures	Useful lives, ranging from five years to 20 years
Tenant improvements	Shorter of economic life or lease terms

Purchase Accounting – Upon acquisitions of real estate, the Company assesses the fair value of acquired assets and assumed liabilities (including land, buildings and improvements, and identified intangibles such as above- and below-market leases and acquired in-place leases and customer relationships) and acquired liabilities in accordance with *ASC Topic 805, "Business Combinations"* and *ASC Topic 350 "Intangibles – Goodwill and Other,"* and allocates the acquisition price based on these assessments.

The Company assesses fair value of its tangible assets acquired and assumed liabilities based on estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information at the measurement period. 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.

In determining the value of above- and below-market leases, the Company estimates the present value difference between contractual rent obligations and estimated market rate of leases at the time of the transaction. To the extent there were fixed-rate options at below-market rental rates, the Company included these along with the current term below-market rent in arriving at the fair value of the acquired leases. The discounted difference between contract and market rents is being amortized to rental income over the remaining applicable lease term, inclusive of any option periods.

In determining the value of acquired in-place leases and customer relationships, the Company considers market conditions at the time of the transaction and values the costs to execute similar leases during the expected lease-up period from vacancy to existing occupancy, including carrying costs. The value assigned to in-place leases and tenant relationships is amortized over the estimated remaining term of the leases. If a lease were to be terminated prior to its scheduled expiration, all unamortized costs relating to that lease would be written off.

The Company estimates the value of any assumption of mortgage debt based on market conditions at the time of acquisitions including prevailing interest rates, terms and ability to obtain financing for a similar asset. Mortgage debt discounts or premiums are amortized into interest expense over the remaining term of the related debt instrument.

Real Estate Under Development – The Company capitalizes certain costs related to the development of real estate. Interest and real estate taxes incurred during the period of the construction, expansion or development of real estate are capitalized and depreciated over the estimated useful life of the building. The Company will cease the capitalization of these costs when construction activities are substantially completed and the property is available for occupancy by tenants, but no later than one year from the completion of major construction activity at which time the project is placed in service and depreciation commences. If the Company suspends substantially all activities related to development of a qualifying asset, the Company will cease capitalization of interest and taxes until activities are resumed.

Real Estate Impairment – The Company reviews its real estate and real estate under development for impairment when there is an event or a change in circumstances that indicates that the carrying amount may not be recoverable. In cases where the Company does not expect to recover its carrying costs on properties held for use, the Company reduces its carrying costs to fair value. The determination of anticipated undiscounted cash flows is inherently subjective, requiring significant estimates made by management, and considers the most likely expected course of action at the balance sheet date based on current plans, intended holding periods and available market information. If the Company is evaluating the potential sale of an asset, the undiscounted future cash flows

analysis is probability-weighted based upon management's best estimate of the likelihood of the alternative courses of action as of the balance sheet date. 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. If an impairment is indicated, an impairment loss is recognized based on the excess of the carrying amount of the asset over its fair value. See Note 8 for information about impairment charges incurred during the periods presented.

Dispositions of Real Estate – The Company recognizes property sales in accordance with *ASC Topic 970* "*Real Estate.*" Sales of real estate include the sale of land, operating properties and investments in real estate joint ventures. Gains from dispositions are recognized using the full accrual or partial sale methods, provided that various criteria relating to the terms of sale and any subsequent involvement by the Company with the asset sold are met.

Real Estate Held for Sale – The Company generally considers assets to be held for sale when it has entered into a contract to sell the property, all material due diligence requirements have been satisfied, and management believes it is probable that the disposition will occur within one year. Assets that are classified as held for sale are recorded at the lower of their carrying amount or fair value, less cost to sell.

Notes Receivable

Notes receivable include certain loans that are held for investment and are collateralized by real estate-related investments and may be subordinate to other senior loans. Notes receivable are recorded at stated principal amounts or at initial investment less accretive yield for loans purchased at a discount, which is accreted over the life of the note. The Company defers loan origination and commitment fees, net of origination costs, and amortizes them over the term of the related loan. The Company evaluates the collectability of both principal and interest based upon an assessment of the underlying collateral value to determine whether it is impaired. A reserve is recorded when, based upon current information and events, it is probable that the Company will be unable to collect all amounts due according to the existing contractual terms. The amount of the reserve is calculated by comparing the recorded investment to the value of the underlying collateral. As the underlying collateral for a majority of the notes receivable is real estate-related investments, the same valuation techniques are used to value the collateral as those used to determine the fair value of real estate investments for impairment purposes. Given the small number of notes outstanding, the Company does not provide for an additional reserve based on the grouping of loans, as the Company believes the characteristics of its notes are not sufficiently similar to allow an evaluation of these notes as a group for a possible loan loss allowance. As such, all of the Company's notes are evaluated individually for this purpose. Interest income on performing notes is accrued as earned. A note is placed on non-accrual status when, based upon current information and events, it is probable that the Company will not be able to collect all amounts due according to the existing contractual terms. Recognition of interest income on an accrual basis on non-performing notes is resumed when it is probable that the Company will be able to collect amounts due according to the contractual terms.

Investments in and Advances to Unconsolidated Joint Ventures

Some of the Company's joint ventures obtain non-recourse third-party financing on their property investments, contractually limiting the Company's exposure to losses. The Company recognizes income for distributions in excess of its investment where there is no recourse to the Company and no intention or obligation to contribute additional capital. For investments in which there is recourse to the Company or an obligation or intention to contribute additional capital exists, distributions in excess of the investment are recorded as a liability.

When characterizing distributions from equity investees within the Company's consolidated statements of cash flows, all distributions received are first applied as returns on investment to the extent there are cumulative earnings related to the respective investment and are classified as cash inflows from operating activities. If cumulative distributions are in excess of cumulative earnings, distributions are considered return of investment. In such cases, the distribution is classified as cash inflows from investing activities.

To the extent that the Company's carrying basis in an unconsolidated affiliate is different from the basis reflected at the joint venture level, the basis difference is amortized over the life of the related assets and included in the Company's share of equity in net income (loss) of investments in unconsolidated affiliates the joint venture.

The Company periodically reviews its investments in unconsolidated joint ventures for other-than-temporary losses in investment value. Any decline that is not expected to be recovered based on the underlying assets of the investment, is considered other than temporary and an impairment charge is recorded as a reduction in the carrying value of the investment. During the periods presented there were no impairment charges related to the Company's investments in unconsolidated joint ventures.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed the limits insured by the Federal Deposit Insurance Corporation.

Restricted Cash

Restricted cash consists principally of cash held for real estate taxes, construction costs, property maintenance, insurance, minimum occupancy and property operating income requirements at specific properties as required by certain loan agreements.

Deferred Costs

Fees and costs paid in the successful negotiation of leases are deferred and amortized on a straight-line basis over the terms of the respective leases. Fees and costs incurred in connection with obtaining financing are deferred and amortized as a component of interest expense over the term of the related debt obligation on a straight-line basis, which approximates the effective interest method. The Company capitalizes salaries, commissions and benefits related to time spent by leasing and legal department personnel involved in originating leases.

Derivative Instruments and Hedging Activities

The Company measures derivative instruments at fair value and records them as assets or liabilities, depending on its rights or obligations under the applicable derivative contract. Derivatives that are not designated as hedges must be adjusted to fair value through earnings. For a derivative designated and that qualified as a cash flow hedge, the effective portion of the change in fair value of the derivative is recognized in Other comprehensive (loss) income until the hedged item is recognized in earnings. The ineffective portion of a derivative’s change in fair value is immediately recognized in earnings.

Although the Company's derivative contracts are subject to master netting arrangements, which serve as credit mitigants to both the Company and its counterparties under certain situations, the Company does not net its derivative fair values or any existing rights or obligations to cash collateral on the consolidated balance sheets. The Company does not use derivatives for trading or speculative purposes. For the periods presented, all of the Company's derivatives qualified and were designated as cash flow hedges, and none of its derivatives were deemed ineffective.

Noncontrolling Interests

Noncontrolling interests represent the portion of equity that the Company does not own in those entities it consolidates. The Company identifies its noncontrolling interests separately within the equity section on the Company’s consolidated balance sheets. The amounts of consolidated net earnings attributable to the Company and to the noncontrolling interests are presented separately on the Company’s consolidated statements of income. Noncontrolling interests also include amounts related to common and preferred OP Units issued to unrelated third parties in connection with certain property acquisitions. In addition, the Company periodically issues common OP Units to certain employees of the Company under its share-based incentive program. Unit holders generally have the right to redeem their units for shares of the Company's common stock subject to blackout and other limitations. Common and restricted OP Units are included in the caption Noncontrolling interest within the equity section on the Company’s consolidated balance sheets.

Revenue Recognition and Accounts Receivable

Minimum rents from tenants are recognized using the straight-line method over the non-cancelable lease term of the respective leases. Lease termination fees are recognized upon the effective termination of a tenant’s lease when the Company has no further obligations under the lease. As of December 31, 2017 and 2016, unbilled rents receivable relating to the straight-lining of rents of $37.3 million and $34.9 million, respectively, are included in Rents Receivable, net on the accompanying consolidated balance sheets. Certain of these leases also provide for percentage rents based upon the level of sales achieved by the tenant. Percentage rent is recognized in the period when the tenants’ sales breakpoint is met. In addition, leases typically provide for the reimbursement to the Company of real estate taxes, insurance and other property operating expenses. These reimbursements are recognized as revenue in the period the related expenses are incurred.

The Company makes estimates of the uncollectability of its accounts receivable related to tenant revenues. An allowance for doubtful accounts has been provided against certain tenant accounts receivable that are estimated to be uncollectible. Once the

amount is ultimately deemed to be uncollectible, it is written off. Rents receivable at December 31, 2017 and 2016 are shown net of an allowance for doubtful accounts of $5.9 million and $5.7 million, respectively.

Stock-Based Compensation

Stock-based compensation expense for all equity-classified stock-based compensation awards is based on the grant date fair value estimated in accordance with current accounting guidance for share-based payments. The Company recognizes these compensation costs for only those shares or units expected to vest on a straight-line or graded-vesting basis, as appropriate, over the requisite service period of the award. The Company includes stock-based compensation within the Additional paid-in capital caption of equity.

Income Taxes

The Company has made an election to be taxed, and believes it qualifies, as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). To maintain REIT status for Federal income tax purposes, the Company is generally required to distribute at least 90% of its REIT taxable income to its shareholders as well as comply with certain other income, asset and organizational requirements as defined in the Code. Accordingly, the Company is generally not subject to Federal corporate income tax to the extent that it distributes 100% of its REIT taxable income each year.

In connection with the REIT Modernization Act, the Company is permitted to participate in certain activities and still maintain its qualification as a REIT, so long as these activities are conducted in entities that elect to be treated as taxable subsidiaries under the Code. As such, the Company is subject to Federal and state income taxes on the income from these activities. The Protecting Americans from Tax Hikes Act (PATH Act) was enacted in December 2015, and included numerous law changes applicable to REITs. The provisions have various effective dates beginning as early as 2016. These changes did not materially impact the Company's operations or consolidated financial statements.

The Tax Cuts and Jobs Act was enacted in December 2017 and is generally effective for tax years beginning in 2018. This new legislation is not expected to have a material adverse effect on the Company's business and contains several potentially favorable provisions. However, the Company has recorded an reduction of $2.0 million to its deferred tax assets to reflect the lower Federal corporate tax rate and other provisions effective in 2018.

Although it may qualify for REIT status for Federal income tax purposes, the Company is subject to state income or franchise taxes in certain states in which some of its properties are located. In addition, taxable income from non-REIT activities managed through the Company's taxable REIT subsidiaries ("TRS") is fully subject to Federal, state and local income taxes.

The Company accounts for TRS income taxes under the liability method as required by ASC Topic 740, "Income Taxes." Under the liability method, deferred income taxes are recognized for the temporary differences between the GAAP basis and tax basis of the TRS income, assets and liabilities.

The Company records net deferred tax assets to the extent it believes it is more likely than not that these assets will be realized and would record a valuation allowance to reduce deferred tax assets when it has determined that an uncertainty exists regarding their realization, which would increase the provision for income taxes. In making such determination, the Company considers all available positive and negative evidence, including forecasts of future taxable income, the reversal of other existing temporary differences, available net operating loss carry-forwards, tax planning strategies and recent results of operations. Several of these considerations require assumptions and significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates that the Company is utilizing to manage its business. To the extent facts and circumstances change in the future, adjustments to the valuation allowances may be required.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers.* ASU 2014-09 is a comprehensive new revenue recognition model requiring a company to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. ASU 2014-09 does not apply to the Company's lease revenues, but will apply to reimbursed tenant costs. Additionally, this guidance modifies disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 for all entities by one year, until years beginning in 2018, with early adoption permitted but not before 2017. Entities may adopt ASU 2014-09 using either a full retrospective approach reflecting the application of the standard in each prior reporting period with the

option to elect certain practical expedients or a modified retrospective approach with the cumulative effect recognized at the date of adoption. Substantially all of the Company's revenue is derived from its leases and therefore falls outside of the scope of this guidance. With respect to its fee-derived revenue, the Company does not anticipate any significant changes to the timing of the Company's revenue recognition; however, the recognition of gains on sales of properties may be impacted prospectively under limited circumstances under which collectability may not be reasonably assured or if the Company has continuing involvement with a sold property. The Company intends to implement the standard using the modified retrospective approach with the cumulative effect recognized in retained earnings at the date of application.

In February 2016, the FASB issued ASU No. 2016-02, *Leases.* ASU 2016-02 outlines a new model for accounting by lessees, whereby their rights and obligations under substantially all leases, existing and new, would be capitalized and recorded on the balance sheet. As a lessee, the Company is party to various equipment, ground, and office leases with future payment obligations aggregating $207.2 million at December 31, 2017 (Note 11) for which the Company expects to record right-of-use assets upon adoption of ASU 2016-02. For lessors, however, the accounting remains largely unchanged from the current model, with the distinction between operating and financing leases retained, but updated to align with certain changes to the lessee model and the new revenue recognition standard discussed above. The new guidance also requires that internal leasing costs be expensed as incurred, as opposed to capitalized and deferred. The Company expects that it will no longer capitalize a significant portion of internal leasing costs that were previously capitalized. The Company capitalized $1.0 million, $1.1 million and $1.4 million of internal leasing costs during the years ended December 31, 2017, 2016 and 2015, respectively. ASU 2016-02 will also require extensive quantitative and qualitative disclosures and is effective beginning after December 15, 2018, but early adoption is permitted.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses.* ASU 2016-13 introduces a new model for estimating credit losses for certain types of financial instruments, including loans receivable, held-to-maturity debt securities, and net investments in direct financing leases, amongst other financial instruments. ASU 2016-13 also modifies the impairment model for available-for-sale debt securities and expands the disclosure requirements regarding an entity's assumptions, models, and methods for estimating the allowance for losses. ASU 2016-13 is effective for periods beginning after December 15, 2019, with adoption permitted for fiscal years beginning after December 15, 2018. Retrospective adjustments shall be applied through a cumulative-effect adjustment to retained earnings. The adoption of ASU 2016-13 is not expected to have a material impact on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows – Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on certain specific cash flow issues, including, but not limited to, debt prepayment or extinguishment costs, contingent consideration payments made after a business combination and distributions received from equity method investees. ASU 2016-15 is effective for periods beginning after December 15, 2017, with early adoption permitted and shall be applied retrospectively where practicable. The Company expects to elect the "cumulative distribution approach" whereby distributions received from equity method investments would be classified as cash flows from operations to the extent of equity earnings and then as cash flows from investing activities thereafter. Upon the adoption of ASU 2016-15, the Company expects to reclassify $6.3 million and $0 of its cash inflows from investing activities to cash flows from operating activities in its historical presentation of cash flows related to its equity method investments for the years ended December 31, 2017 and 2016, respectively.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations – Clarifying the Definition of a Business.* ASU 2017-01 clarifies that to be considered a business, the elements must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The new standard illustrates the circumstances under which real estate with in-place leases would be considered a business and provides guidance for the identification of assets and liabilities in purchase accounting. ASU 2017-01 is effective for periods beginning after December 15, 2017 and early adoption is permitted. It is expected that the new standard will reduce the number of future real estate acquisitions that will be accounted for as business combinations and, therefore, reduce the amount of acquisition costs that will be expensed. The Company expensed $2.1 million and $8.2 million of acquisition costs during the year ended December 31, 2017 and 2016, respectively.

In January 2017, the FASB issued ASU No. 2017-03 *Accounting Changes and Error Corrections (Topic 250) and Investments – Equity Method and Joint Ventures (Topic 323).* ASU 2017-03 amends certain SEC guidance in the FASB Accounting Standards Codification in response to SEC staff announcements made during 2016 Emerging Issues Task Force ("EITF") meetings which addressed (i) the additional qualitative disclosures that a registrant is expected to provide when it cannot reasonably estimate the impact that ASUs 2014-09, 2016-02 and 2016-13 will have in applying the guidance in Staff Accounting Bulletin Topic 11.M and (ii) guidance in ASC 323 related to the amendments made by ASU 2014-01 regarding use of the proportional amortization method in accounting for investments in qualified affordable housing projects (announcement made at the November 17, 2016, EITF meeting). The adoption of ASU 2017-03 is not expected to have a material impact on the Company's consolidated financial statements.

In February 2017, the FASB issued ASU 2017-05, *Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets*, which amends the guidance on nonfinancial assets in ASC 610-20. The amendments clarify that (i) a financial asset is within the scope of ASC 610-20 if it meets the definition of an in substance nonfinancial asset and may include nonfinancial assets transferred within a legal entity to a counter-party, (ii) an entity should identify each distinct nonfinancial asset or in substance nonfinancial asset promised to a counter-party and de-recognize each asset when a counter-party obtains control of it, and (iii) an entity should allocate consideration to each distinct asset by applying the guidance in ASC 606 on allocating the transaction price to performance obligations. Further, ASU 2017-05 provides guidance on accounting for partial sales of nonfinancial assets. The amendments are effective at the same time as the amendments in ASU 2014-09. The adoption of ASU 2017-05 is not expected to have a material impact on the Company's consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*, which clarifies the scope of modification accounting with respect to changes to the terms or conditions of a share-based payment award. Modification accounting would not apply if a change to an award does not affect the total current fair value (or other applicable measurement), vesting conditions, or the classification of the award. For all entities, ASU 2017-09 is effective prospectively for awards modified in fiscal years beginning after December 15, 2017, and interim periods within those annual periods and early adoption is permitted. The adoption of ASU 2017-09 is not expected to have a material impact on the Company's consolidated financial statements because the Company has not historically had significant modifications of its awards.

In August 2017, the Financial Accounting Standards Board issued ASU 2017-12, *Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities*. The purpose of this updated guidance is to better align a company’s financial reporting for hedging activities with the economic objectives of those activities. ASU 2017-12 is effective for fiscal years beginning after December 15, 2018, with early adoption, including adoption in an interim period, permitted. The Company plans to adopt ASU 2017-12 effective January 1, 2018. ASU 2017-12 requires a modified retrospective transition method in which the Company will recognize the cumulative effect of the change on the opening balance of each affected component of equity in the statement of financial position as of the date of adoption. The adoption will not have a material impact on the Company’s consolidated financial statements.

2. Real Estate

The Company's consolidated real estate is comprised of the following (in thousands):

	December 31, 2017	December 31, 2016
Land	$ 658,835	$ 693,252
Buildings and improvements	2,406,488	1,916,288
Tenant improvements	131,850	132,220
Construction in progress	18,642	19,789
Properties under capital lease	76,965	76,965
Total	3,292,780	2,838,514
Less: Accumulated depreciation	(339,862)	(287,066)
Operating real estate, net	2,952,918	2,551,448
Real estate under development, at cost	173,702	543,486
Net investments in real estate	$ 3,126,620	$ 3,094,934

Acquisitions and Conversions

During the years ended December 31, 2017 and December 31, 2016, the Company acquired the following consolidated retail properties (dollars in thousands):

Property and Location	Percent Acquired	Date of Acquisition	Purchase Price	Debt Assumed
2017 Acquisitions and Conversions				
Core				
Market Square Shopping Center - Wilmington, DE (Conversion) (Note 4)	100%	Nov 16, 2017	$ 42,800	$ —
Subtotal Core			42,800	—
Fund IV				
Lincoln Place - Fairview Heights, IL	100%	Mar 13, 2017	35,350	—
Shaw's Plaza - Windham, ME (Conversion) (Note 3)	100%	Jun 30, 2017	9,142	—
Subtotal Fund IV			44,492	—
Fund V				
Plaza Santa Fe - Santa Fe, NM	100%	Jun 5, 2017	35,220	—
Hickory Ridge - Hickory, NC	100%	Jul 27, 2017	44,020	—
New Towne Plaza - Canton, MI	100%	Aug 4, 2017	26,000	—
Fairlane Green - Allen Park, MI	100%	Dec 20, 2017	62,000	—
Subtotal Fund V			167,240	—
Total 2017 Acquisitions and Conversions			**$ 254,532**	**$ —**
2016 Acquisitions				
Core Portfolio				
991 Madison Avenue - New York, NY [(a)]	100%	Mar 26, 2016	$ 76,628	$ —
165 Newbury Street - Boston, MA	100%	May 13, 2016	6,250	—
Concord & Milwaukee - Chicago, IL	100%	Jul 28, 2016	6,000	2,902
151 North State Street - Chicago, IL	100%	Aug 10, 2016	30,500	14,556
State & Washington - Chicago, IL	100%	Aug 22, 2016	70,250	25,650
North & Kingsbury - Chicago, IL	100%	Aug 29, 2016	34,000	13,409
Sullivan Center - Chicago, IL	100%	Aug 31, 2016	146,939	—
California & Armitage - Chicago, IL	100%	Sep 12, 2016	9,250	2,692
555 9th Street - San Francisco, CA	100%	Nov 2, 2016	139,775	60,000
Subtotal Core Portfolio			519,592	119,209
Fund IV				
Restaurants at Fort Point - Boston, MA	100%	Jan 14, 2016	11,500	—
1964 Union Street - San Francisco, CA [(a)]	90%	Jan 28, 2016	2,250	1,463
Wake Forest Crossing - Wake Forest, NC	100%	Sep 27, 2016	36,600	—
Airport Mall - Bangor, ME	100%	Oct 28, 2016	10,250	—
Colonie Plaza - Albany, NY	100%	Oct 28, 2016	15,000	—
Dauphin Plaza - Harrisburg, PA	100%	Oct 28, 2016	16,000	—
JFK Plaza - Waterville, ME	100%	Oct 28, 2016	6,500	—
Mayfair Shopping Center - Philadelphia, PA	100%	Oct 28, 2016	16,600	—
Shaw's Plaza - Waterville, ME	100%	Oct 28, 2016	13,800	—
Wells Plaza - Wells, ME	100%	Oct 28, 2016	5,250	—
717 N Michigan - Chicago, IL	100%	Dec 1, 2016	103,500	—
Subtotal Fund IV			237,250	1,463
Total 2016 Acquisitions			**$ 756,842**	**$ 120,672**

(a) These acquisitions were accounted for as asset acquisitions as the underlying properties did not meet the definition of a business.

All of the above acquisitions and conversions were deemed to be business combinations except 991 Madison Avenue and 1964 Union Street. The Company expensed $2.1 million of acquisition costs for the year ended December 31, 2017, of which $1.2 million related to the Core Portfolio and $0.9 million related to the Funds and $8.2 million of acquisition costs for the year ended December 31, 2016, of which $5.5 million related to the Core Portfolio and $2.7 million related to the Funds.

Revenues, net loss and loss per share from the Company's consolidated 2017 acquisitions and conversions totaled $10.2 million, $3.5 million and $0.04, respectively for the year ended December 31, 2017. Revenues, net loss and loss per share from the Company's consolidated 2016 acquisitions totaled $15.3 million, $4.7 million and $0.06, respectively for the year ended December 31, 2016.

Purchase Price Allocations

The purchase prices for the business combinations were allocated to the acquired assets and assumed liabilities based on their estimated fair values at the dates of acquisition. The following table summarizes the allocation of the purchase price of properties acquired during the years ended December 31, 2017 and December 31, 2016 (in thousands):

	Year Ended December 31, 2017	Year Ended December 31, 2016
Net Assets Acquired		
Land	$ 48,138	$ 225,729
Buildings and improvements	173,576	458,525
Other assets	84	3,481
Acquisition-related intangible assets (in Acquired lease intangibles, net)	44,269	63,606
Acquisition-related intangible liabilities (in Acquired lease intangibles, net)	(11,535)	(72,985)
Above and below market debt assumed (included in Mortgages and other notes payable, net)	—	(119,601)
Net assets acquired	$ 254,532	$ 558,755
Consideration		
Cash	$ 200,429	$ 439,546
Conversion of note receivable	41,010	—
Debt assumed	—	119,209
Liabilities assumed	3,363	—
Existing interest in previously unconsolidated investment	4,159	—
Change in control of previously unconsolidated investment	5,571	—
Total Consideration	$ 254,532	$ 558,755

Dispositions

During the years ended December 31, 2017 and December 31, 2016, the Company disposed of the following consolidated properties (in thousands):

Property and Location	Owner	Date Sold	Sale Price	Gain/(Loss) on Sale
2017 Dispositions				
New Hyde Park Shopping Center - New Hyde Park, NY	Fund III	Jul 6, 2017	$ 22,075	$ 6,433
216th Street - New York, NY	Fund II	Sep 11, 2017	30,579	6,543
City Point Condominium Tower I - Brooklyn, NY	Fund II	Oct 13, 2017	96,000	(810)
1151 Third Avenue - New York, NY	Fund IV	Nov 16, 2017	27,000	5,183
260 E 161st Street - Bronx, NY	Fund II	Dec 13, 2017	105,684	31,537
Total 2017 Dispositions			**$ 281,338**	**$ 48,886**
2016 Dispositions				
Cortlandt Town Center (65%) - Mohegan Lake, NY (Note 4)	Fund III	Jan 28, 2016	$ 107,250	$ 65,393
Heritage Shops - Chicago, IL	Fund III	Apr 26, 2016	46,500	16,572
Total 2016 Dispositions			**$ 153,750**	**$ 81,965**

The Company has recognized impairment charges during the periods presented related to certain properties classified as held for sale and or sold (Note 8).

The aggregate rental revenue, expenses and pre-tax income reported within continuing operations for the aforementioned consolidated properties that were sold during the years ended December 31, 2017, 2016 and 2015 were as follows (in thousands):

	Year Ended December 31,		
	2017	**2016**	**2015**
Rental revenues	$ 13,021	$ 16,946	$ 31,935
Expenses	(18,964)	(13,653)	(27,265)
Loss on extinguishment of debt	(1,380)	(81)	(111)
(Loss) income from continuing operations of disposed properties before gain on disposition of properties	(7,323)	3,212	4,559
Gain on disposition of properties, net of tax	48,886	81,965	89,063
Net income attributable to noncontrolling interests	(30,072)	(70,850)	(1,732)
Net income attributable to Acadia	$ 11,491	$ 14,327	$ 91,890

Properties Held For Sale

At December 31, 2017, the Company had one property in Fund II classified as held-for-sale, Sherman Avenue, with total assets of $25.4 million and recognized an impairment charge of $10.6 million inclusive of an amount attributable to a noncontrolling interest of $7.6 million (Note 8). This property had a net loss of $12.0 million and $0.8 million and $0.0 for the years ended December 31, 2017, 2016, and 2015, respectively. At December 31, 2015, the property was under development.

At December 31, 2016, the Company had one property in Fund II classified as held-for-sale with total assets of $21.5 million and subject to a mortgage of $25.5 million.

Pro Forma Financial Information (Unaudited)

The following unaudited pro forma consolidated operating data is presented for the year ended December 31, 2017, as if the acquisitions of the properties acquired during that period were completed on January 1, 2016 and as if the acquisition of the properties acquired during the year ended December 31, 2016 were completed on January 1, 2015. The related acquisition expenses of $2.1 million and $8.2 million reported during the years ended December 31, 2017 and 2016, respectively have been reflected as pro forma charges at January 1, 2016 and January 1, 2015, respectively. The unaudited supplemental pro forma operating data is not necessarily indicative of what the actual results of operations of the Company would have been, assuming the transactions had been completed as set forth above, nor do they purport to represent the Company's results of operations for future periods.

	Year Ended December 31,		
	2017	**2016**	**2015**
Pro forma revenues	$ 266,485	$ 247,843	$ 243,237
Pro forma income from continuing operations	21,878	63,681	52,442
Pro forma net income attributable to Acadia	64,107	82,485	58,232
Pro forma basic and diluted earnings per share	0.77	1.02	0.79

Real Estate Under Development and Construction in Progress

Real estate under development represents the Company's consolidated properties that have not yet been placed into service while undergoing substantial development or construction.

Depreciation and amortization expense for the year ended December 31, 2017 includes $2.0 million of accelerated depreciation related to a building under development that was demolished.

Development activity for the Company's consolidated properties comprised the following during the periods presented (dollars in thousands):

	December 31, 2016		Year Ended December 31, 2017			December 31, 2017	
	Number of Properties	**Carrying Value**	**Transfers In**	**Capitalized Costs**	**Transfers Out**	**Number of Properties**	**Carrying Value**
Core	1	$ 3,499	$ 22,422	$ 819	$ 4,843	2	$ 21,897
Fund II	2	443,012	—	6,851	444,955	—	4,908
Fund III	3	50,452	—	22,572	9,085	2	63,939
Fund IV	4	46,523	80,508	2,158	46,231	1	82,958
Total	10	$ 543,486	$ 102,930	$ 32,400	$ 505,114	5	$ 173,702

During the year ended December 31, 2017, the Company placed substantially all of Fund II's City Point project into service as well as three Fund IV properties, reclassified Fund II's Sherman Avenue property as held for sale and placed one Core property into development. In addition to the consolidated projects noted above, the Company had one unconsolidated project remaining in development after placing three of its four unconsolidated Fund IV development properties into service during the year ended December 31, 2017.

Construction in progress pertains to construction activity at the Company's operating properties which are in service and continue to operate during the construction period.

3. Notes Receivable, Net

The Company's notes receivable, net were collateralized either by the underlying properties or the borrower's ownership interest in the entities that own the properties, and were as follows (dollars in thousands):

	December 31,	December 31,	December 31, 2017		
Description	**2017**	**2016**	**Number**	**Maturity Date**	**Interest Rate**
Core Portfolio	$ 101,695	$ 216,400	3	June 2018 - April 2019	6.0% - 8.1%
Fund II	31,778	31,007	1	May 2020	2.5%
Fund III	5,106	4,506	1	July 2020	18.0%
Fund IV	15,250	24,250	1	February 2021	15.3%
	$ 153,829	$ 276,163	6		

During the year ended December 31, 2017, the Company:

- recovered the full value of a $12.0 million Core note receivable, which was previously in default, plus accrued interest and fees aggregating $16.8 million as further described below;
- exchanged $92.7 million of Core notes receivable plus accrued interest thereon of $1.8 million for additional undivided interests in the Market Square and Town Center properties (Note 4);
- funded an additional $10.0 million on an existing Core note receivable, which had a total commitment of $20.0 million, and was subsequently repaid in full during the fourth quarter;
- entered into an agreement to extend the maturity of a $15.0 million Core note receivable to June 1, 2018;
- increased the balance of a Fund II note receivable by the interest accrued of $0.8 million;
- advanced an additional $0.6 million on a Fund III note receivable; and
- exchanged a $9.0 million Fund IV note receivable plus accrued interest of $0.1 million thereon for an investment in a shopping center in Windham, Maine (Note 2).

During the year ended December 31, 2016, the Company:

- issued one Core note receivable and three Fund IV notes receivable aggregating $47.5 million with a weighted-average effective interest rate of 9.8%, which were collateralized by four mixed-use real estate properties;
- received total collections of $42.8 million, including full repayment of five notes issued in prior periods aggregating $29.6 million; and
- restructured a $30.9 million Core mezzanine loan, which bore interest at 15.0%, and replaced it with a new $153.4 million loan collateralized by a first mortgage in the borrower's tenancy-in-common interest. The loan bears interest at 8.1% (Note 4).

At December 31, 2016, one of the Core notes receivable in the amount of $12.0 million was in default. As discussed above, the Company recovered its full carrying value of principal and interest and recognized additional interest income and expense reimbursements of $2.2 million in the first quarter of 2017 and $1.4 million in the second quarter of 2017 upon settlement of this transaction.

The Company monitors the credit quality of its notes receivable on an ongoing basis and considers indicators of credit quality such as loan payment activity, the estimated fair value of the underlying collateral, the seniority of the Company's loan in relation to other debt secured by the collateral and the prospects of the borrower.

Earnings from these notes and mortgages receivable are reported within the Company's Structured Financing segment (Note 12).

4. Investments In and Advances to Unconsolidated Affiliates

The Company accounts for its investments in and advances to unconsolidated affiliates primarily under the equity method of accounting as it has the ability to exercise significant influence, but does not have financial or operating control over the investment, which is maintained by each of the unaffiliated partners who co-invest with the Company. The Company's investments in and advances to unconsolidated affiliates consist of the following (dollars in thousands):

Fund	Property	Nominal Ownership Interest December 31, 2017	December 31, 2017	December 31, 2016
Core:				
	840 N. Michigan [(a)]	88.43%	$ 69,846	$ 74,131
	Renaissance Portfolio	20%	35,041	36,437
	Gotham Plaza	49%	29,416	29,421
	Market Square [(a, b)]	100%	—	5,469
	Town Center [(a, b)]	61.11%	78,801	15,286
	Georgetown Portfolio	50%	3,479	4,287
			216,583	165,031
Mervyns I & II:	KLA/Mervyn's, LLC [(c)]	10.5%	—	—
Fund III:				
	Fund III Other Portfolio	90%	167	8,108
	Self Storage Management [(d)]	95%	206	241
			373	8,349
Fund IV:				
	Broughton Street Portfolio [(e)]	50%	48,335	54,839
	Fund IV Other Portfolio	90%	20,199	21,817
	650 Bald Hill Road	90%	13,609	18,842
			82,143	95,498
Various Funds:	Due from Related Parties [(f)]		2,415	2,193
	Other [(g)]		556	957
	Investments in and advances to unconsolidated affiliates		**$ 302,070**	**$ 272,028**
Core:				
	Crossroads [(h)]	49%	$ 15,292	$ 13,691
	Distributions in excess of income from, and investments in, unconsolidated affiliates		**$ 15,292**	**$ 13,691**

(a) Represents a tenancy-in-common interest.
(b) During May and November 2017, as discussed below, the Company increased its ownership in Market Square and Town Center, which was formerly included under the caption "Brandywine Portfolio."
(c) Distributions have exceeded the Company's non-recourse investment, therefore the carrying value is zero.
(d) Represents a variable interest entity.
(e) The Company is entitled to a 15% return on its cumulative capital contribution which was $15.4 million and $14.5 million at December 31, 2017 and December 31, 2016, respectively. In addition, the Company is entitled to a 9% preferred return on a portion of its equity, which was $36.8 million and $45.4 million at December 31, 2017 and December 31, 2016, respectively.
(f) Represents deferred fees.
(g) Includes a cost-method investment in Albertson's (Note 8) and other investments.

(h) Distributions have exceeded the Company's investment; however, the Company recognizes a liability balance as it may be required to fund future obligations of the entity.

Core Portfolio

The Company owns a 49% interest in a 311,000 square foot shopping center located in White Plains, New York ("Crossroads"), a 50% interest in a 28,000 square foot retail portfolio located in Georgetown, Washington D.C. (the "Georgetown Portfolio"), an 88.43% tenancy-in-common interest in an 87,000 square foot retail property located in Chicago, Illinois ("840 N. Michigan"), and a 49% interest in an approximately 123,000 square foot retail property located in Manhattan, New York ("Gotham Plaza").

Acquisition of Unconsolidated Investment

On January 4, 2017, an entity in which the Company owns a 20% noncontrolling interest (the "Renaissance Portfolio"), acquired a 6,200 square foot property in Alexandria, Virginia referred to as ("907 King Street") for $3.0 million. The Renaissance Portfolio is now a 213,000 square-foot portfolio of 18 mixed-use properties, 16 of which are located in Georgetown, Washington D.C. and two of which are located in Alexandria, Virginia.

Brandywine Portfolio, Market Square and Town Center

The Company owns an interest in an approximately one million square foot retail portfolio (the "Brandywine Portfolio" joint venture) located in Wilmington, Delaware, which includes two properties referred to as "Market Square" and "Town Center." Prior to the second quarter of 2016, the Company had a controlling interest in the Brandywine Portfolio, and it was therefore consolidated within the Company's financial statements. During April 2016, the arrangement with the partners of the Brandywine Portfolio was modified to change the legal ownership from a partnership to a tenancy-in-common interest, as well as to provide certain participating rights to the outside partners. As a result of these modifications, the Company de-consolidated the Brandywine Portfolio and accounted for its interest under the equity method of accounting effective May 1, 2016. Furthermore, as the owners of the Brandywine Portfolio had consistent ownership interests before and after the modification and the underlying net assets were unchanged, the Company reflected the change from consolidation to equity method based upon its historical cost. The Brandywine Portfolio and Market Square ventures do not include the property held by Brandywine Holdings, an entity consolidated by the Company.

Additionally, in April 2016, the Company repaid the outstanding balance of $140.0 million of non-recourse debt collateralized by the Brandywine Portfolio and provided a note receivable collateralized by the partners' tenancy-in-common interest in the Brandywine Portfolio for their proportionate share of the repayment. On May 1, 2017, the Company exchanged $16.0 million of the $153.4 million notes receivable (the "Brandywine Notes Receivable") (Note 3) plus accrued interest of $0.3 million for one of the partner's 38.89% tenancy-in-common interests in Market Square. The Company already had a 22.22% interest in Market Square and continued to apply the equity method of accounting for its aggregate 61.11% noncontrolling interest in Market Square and its 22.22% interest in Town Center through November 16, 2017. The incremental investment in Market Square was recorded at $16.3 million and the excess of this amount over the venture's book value associated with this interest, or $9.8 million, was being amortized over the remaining depreciable lives of the venture's assets through November 16, 2017. On November 16, 2017, the Company exchanged an additional $16.0 million of Brandywine Notes Receivable plus accrued interest of $0.6 million for the remaining 38.89% interest in Market Square, thereby obtaining a 100% controlling interest in the property. The exchange was deemed to be a business combination and as a result, the property was consolidated and a gain on change of control of $5.6 million was recorded (Note 2).

On November 16, 2017, the Company exchanged $60.7 million of the Brandywine Notes Receivable plus accrued interest of $0.9 million for one of the partner's 38.89% tenancy-in-common interests in Town Center. The incremental investment in Town Center was recorded at $61.6 million and the excess of this amount over the venture's book value associated with this interest, or $34.5 million, will be amortized over the remaining depreciable lives of the venture's assets. The Company already had a 22.22% interest in Town Center and continues to apply the equity method of accounting for its aggregate 61.11% noncontrolling interest in Town Center.

At December 31, 2017, a $60.7 million of Brandywine Note Receivable remains (Note 3), which is collateralized by the remaining 38.89% undivided interest in Town Center.

Fund Investments

Fund III Other Portfolio includes the Company's investment in Arundel Plaza (through its date of sale). Fund IV Other Portfolio includes the Company's investment in Promenade at Manassas, Eden Square, 2819 Kennedy Boulevard (through its date of sale) and 1701 Belmont Avenue (through its date of sale). Self-Storage Management, a Fund III investment, was determined to be a variable interest entity. Management has evaluated the applicability of ASC Topic 810 to this joint venture and determined that the Company is not the primary beneficiary and, therefore, consolidation of this venture is not required.

Mervyn's I & II

In 2017, Mervyn's I and Mervyn's II received a total of $1.1 million in distributions from certain investments. The Company had already reduced the carrying amount of its investments in Mervyn's I and Mervyn's II to zero, and consequently the entire amount received has been reflected as equity in earnings and gains of unconsolidated affiliates in the consolidated statements of income.

Albertson's

"Other" includes Fund II's cost method investment in Albertson's supermarkets among other investments. In 2017, the Company received $2.4 million in distributions from Albertson's. The Company reduced the carrying amount of the investment to zero and reflected the remaining $2.0 million as equity in earnings and gains of unconsolidated affiliates in the consolidated statements of income.

Dispositions of Unconsolidated Investments

On January 31, 2017, Fund IV completed the disposition of 2819 Kennedy Boulevard, for $19.0 million less $8.4 million debt repayment for net proceeds of $10.6 million, resulting in a gain on disposition of $6.3 million at the property level, of which the Fund's share was $6.2 million, which is included in equity in earnings and gains from unconsolidated affiliates in the consolidated statements of income. The Operating Partnership's proportionate share of the gain was $1.4 million, net of noncontrolling interests.

On February 15, 2017, Fund III completed the disposition of Arundel Plaza, for $28.8 million less $10.0 million debt repayments for net proceeds of $18.8 million, resulting in a gain on disposition of $8.2 million at the property level, of which the Fund's share was $5.3 million, which is included in equity in earnings and gains from unconsolidated affiliates in the consolidated statements of income. The Operating Partnership's proportionate share of the gain was $1.3 million, net of noncontrolling interests.

On June 30, 2017, Fund IV completed the disposition of 1701 Belmont Avenue, for $5.6 million less $2.9 million debt repayments for net proceeds of $2.7 million, resulting in a gain on disposition of $3.3 million at the property level, of which the Fund's share was $3.3 million, which is included in equity in earnings and gains from unconsolidated affiliates in the consolidated statements of income. The Operating Partnership's proportionate share of the gain was $0.8 million, net of noncontrolling interests.

On October 3 and December 21, 2017, Fund IV's Broughton Street Portfolio venture sold a total of five properties for aggregate proceeds of $11.0 million resulting in a net gain of $1.2 million at the property level, of which the Fund's share was $0.6 million, which is included in equity in earnings and gains from unconsolidated affiliates in the consolidated financial statements. The Operating Partnership's proportionate share of the gain was $0.1 million, net of noncontrolling interests. At December 31, 2017, the Broughton Street portfolio had 18 remaining properties; however, during January 2018, two additional Broughton Street Portfolio properties were sold (Note 17).

On January 28, 2016, Fund III completed the disposition of a 65% interest in Cortlandt Town Center for $107.3 million resulting in a gain of $65.4 million and the deconsolidation of its remaining interest (Note 2). On December 21, 2016, Fund III completed the disposition of its remaining 35% interest in Cortlandt Town Center for $57.8 million less $32.6 million debt repayment for a net sales price of $25.2 million resulting in a gain on sale of $36.0 million, of which the Operating Partnership's share was $8.8 million, which is included in equity in earnings and gains from unconsolidated affiliates in the consolidated financial statements.

Fees from Unconsolidated Affiliates

The Company earned property management, construction, development, legal and leasing fees from its investments in unconsolidated partnerships totaling $1.3 million, $1.2 million, and $0.3 million for the year ended December 31, 2017, 2016, and 2015 respectively, which is included in other revenues in the consolidated financial statements.

In addition, the Company paid to certain unaffiliated partners of its joint ventures, $2.0 million, $2.4 million and $2.5 million during the year ended December 31, 2017, 2016, and 2015 respectively, for leasing commissions, development, management, construction and overhead fees.

Summarized Financial Information of Unconsolidated Affiliates

The following combined and condensed Balance Sheets and Statements of Income, in each period, summarize the financial information of the Company's investments in unconsolidated affiliates (in thousands):

	December 31,	
	2017	**2016**
Combined and Condensed Balance Sheets		
Assets:		
Rental property, net	$ 518,900	$ 576,505
Real estate under development	26,681	18,884
Investment in unconsolidated affiliates	6,853	6,853
Other assets	100,901	75,254
Total assets	$ 653,335	$ 677,496
Liabilities and partners' equity:		
Mortgage notes payable	$ 405,652	$ 407,344
Other liabilities	61,932	30,117
Partners' equity	185,751	240,035
Total liabilities and partners' equity	$ 653,335	$ 677,496
Company's share of accumulated equity	$ 185,533	$ 191,049
Basis differential	95,358	61,827
Deferred fees, net of portion related to the Company's interest	3,472	3,268
Amounts receivable by the Company	2,415	2,193
Investments in and advances to unconsolidated affiliates, net of Company's share of distributions in excess of income from and investments in unconsolidated affiliates	$ 286,778	$ 258,337

	Year Ended December 31,		
	2017	**2016**	**2015**
Combined and Condensed Statements of Income			
Total revenues	$ 83,222	$ 84,218	$ 43,990
Operating and other expenses	(24,711)	(25,724)	(13,721)
Interest expense	(18,733)	(16,300)	(9,178)
Equity in earnings of unconsolidated affiliates	—	—	66,655
Depreciation and amortization	(24,192)	(35,432)	(12,154)
Loss on debt extinguishment	(154)	—	—
Gain (loss) on disposition of properties	18,957	(1,340)	32,623
Net income attributable to unconsolidated affiliates	$ 34,389	$ 5,422	$ 108,215
Company's share of equity in net income of unconsolidated affiliates	$ 26,039	$ 40,538	$ 37,722
Basis differential amortization	(2,668)	(1,089)	(392)
Company's equity in earnings of unconsolidated affiliates	$ 23,371	$ 39,449	$ 37,330

5. Other Assets, Net and Accounts Payable and Other Liabilities

Other assets, net and accounts payable and other liabilities are comprised of the following for the periods presented:

	December 31,	
(in thousands)	**2017**	**2016**
Other assets, net:		
Lease intangibles, net (Note 6)	$ 127,571	$ 114,584
Deferred charges, net [(a)]	24,589	25,221
Prepaid expenses	16,838	14,351
Other receivables	11,356	9,514
Accrued interest receivable	11,668	9,354
Deposits	6,296	4,412
Due from seller	4,300	4,300
Deferred tax assets	2,096	3,733
Derivative financial instruments (Note 8)	4,402	2,921
Due from related parties	1,479	1,655
Corporate assets	2,369	1,241
Income taxes receivable	1,995	1,500
	$ 214,959	$ 192,786
(a) Deferred charges, net:		
Deferred leasing and other costs	$ 41,020	$ 40,728
Deferred financing costs	7,786	5,915
	48,806	46,643
Accumulated amortization	(24,217)	(21,422)
Deferred charges, net	$ 24,589	$ 25,221
Accounts payable and other liabilities:		
Lease intangibles, net (Note 6)	$ 104,478	$ 105,028
Accounts payable and accrued expenses	61,420	48,290
Deferred income	31,306	35,267
Tenant security deposits, escrow and other	10,029	14,975
Derivative financial instruments (Note 8)	1,467	3,590
Income taxes payable	176	1,287
Other	1,176	235
	$ 210,052	$ 208,672

6. Lease Intangibles

Upon acquisitions of real estate, the Company assesses the fair value of acquired assets (including land, buildings and improvements, and identified intangibles such as above- and below-market leases, including below- market options and acquired in-place leases) and assumed liabilities. The lease intangibles are amortized over the remaining terms of the respective leases, including option periods where applicable.

Intangible assets and liabilities are summarized as follows (in thousands):

	December 31, 2017			December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable Intangible Assets						
In-place lease intangible assets	$ 193,821	$ (72,749)	$ 121,072	$ 156,420	$ (47,827)	$ 108,593
Above-market rent	16,786	(10,287)	6,499	16,649	(10,658)	5,991
	$ 210,607	$ (83,036)	$ 127,571	$ 173,069	$ (58,485)	$ 114,584
Amortizable Intangible Liabilities						
Below-market rent	$ (147,232)	$ 43,391	$ (103,841)	$ (137,032)	$ 32,004	$ (105,028)
Above-market ground lease	(671)	34	(637)	—	—	—
	$ (147,903)	$ 43,425	$ (104,478)	$ (137,032)	$ 32,004	$ (105,028)

During the year ended December 31, 2017, the Company acquired in-place lease intangible assets of $41.6 million, above-market rents of $2.7 million, below-market rents of $10.9 million, and an above-market ground lease of $0.7 million with weighted-average useful lives of 4.1, 4.8, 12.1, and 11.5 years, respectively. Amortization of in-place lease intangible assets is recorded in depreciation and amortization expense and amortization of above-market rent and below-market rent is recorded as a reduction to and increase to rental income, respectively, in the consolidated statements of income. Amortization of above-market ground leases are recorded as a reduction to rent expense in the consolidated statements of income.

The scheduled amortization of acquired lease intangible assets and assumed liabilities as of December 31, 2017 is as follows (in thousands):

Years Ending December 31,	Net Increase in Lease Revenues	Increase to Amortization	Reduction of Rent Expense	Net Income (Expense)
2018	$ 10,005	$ (29,005)	$ 58	$ (18,942)
2019	9,642	(21,678)	58	(11,978)
2020	8,655	(16,797)	58	(8,084)
2021	7,503	(12,524)	58	(4,963)
2022	7,185	(8,778)	58	(1,535)
Thereafter	54,352	(32,290)	347	22,409
Total	$ 97,342	$ (121,072)	$ 637	$ (23,093)

7. Debt

A summary of the Company's consolidated indebtedness is as follows (dollars in thousands):

	Interest Rate at December 31,		Maturity Date at	Carrying Value at December 31,	
	2017	2016	December 31, 2017	2017	2016
Mortgages Payable					
Core Fixed Rate	3.88%-5.89%	3.88%-6.65%	February 2024 - April 2035	$ 179,870	$ 234,875
Core Variable Rate - Swapped [a]	1.71%-3.77%	1.71%-3.77%	July 2018 - July 2027	74,152	82,250
Total Core Mortgages Payable				**254,022**	**317,125**
Fund II Fixed Rate	1.00%-4.75%	1.00%-5.80%	August 2019 - May 2020	205,262	249,762
Fund II Variable Rate	LIBOR+1.39%	LIBOR+0.62%-LIBOR+2.50%	November 2021	—	142,750
Fund II Variable Rate - Swapped [a]	2.88%	2.88%	November 2021	19,560	19,779
Total Fund II Mortgages Payable				**224,822**	**412,291**
Fund III Variable Rate	Prime+0.50% - LIBOR+4.65%	Prime+0.50%-LIBOR+4.65%	May 2018 - December 2021	**65,866**	**83,467**
Fund IV Fixed Rate	3.4%-4.50%	3.4%-4.50%	October 2025-June 2026	10,503	10,503
Fund IV Variable Rate	LIBOR+1.70%-LIBOR+3.95%	LIBOR+1.70%-LIBOR+3.95%	January 2018 - April 2022	250,584	233,139
Fund IV Variable Rate - Swapped [a]	1.78%	1.78%	May 2019 - April 2022	86,851	14,509
Total Fund IV Mortgages Payable				**347,938**	**258,151**
Fund V Variable Rate	LIBOR+2.25%	—	October 2020	**28,613**	**—**
Net unamortized debt issuance costs				(12,943)	(16,642)
Unamortized premium				856	1,336
Total Mortgages Payable				**$ 909,174**	**$ 1,055,728**
Unsecured Notes Payable					
Core Unsecured Term Loans	LIBOR+1.30%-LIBOR+1.60%	LIBOR+1.30%-LIBOR+1.60%	July 2020 - December 2022	$ —	$ 51,194
Core Variable Rate Unsecured Term Loans - Swapped [a]	1.24%-3.77%	1.24%-3.77%	July 2018 - March 2025	300,000	248,806
Total Core Unsecured Notes Payable				300,000	300,000
Fund II Unsecured Notes Payable	LIBOR+1.40%	—	September 2020	31,500	—
Fund IV Term Loan/Subscription Facility	LIBOR+1.65%-LIBOR+2.75%	LIBOR+1.65%-LIBOR+2.75%	December 2018 - October 2019	40,825	134,636
Fund V Subscription Facility	LIBOR+1.60%	—	May 2020	103,300	—
Net unamortized debt issuance costs				(1,890)	(1,646)
Total Unsecured Notes Payable				**$ 473,735**	**$ 432,990**
Unsecured Line of Credit					
Core Unsecured Line of Credit	LIBOR+1.40%	LIBOR+1.40%	June 2020	$ 18,048	$ —
Core Unsecured Line of Credit - Swapped [a]	1.24%-3.77%	—	July 2018 - March 2025	23,452	—
Total Unsecured Line of Credit				**$ 41,500**	**$ —**
Total Debt - Fixed Rate [b]				$ 899,650	$ 860,486
Total Debt - Variable Rate [c]				538,736	645,185
Total Debt				1,438,386	1,505,671
Net unamortized debt issuance costs				(14,833)	(18,289)
Unamortized premium				856	1,336
Total Indebtedness				**$ 1,424,409**	**$ 1,488,718**

(a) At December 31, 2017, the stated rates ranged from LIBOR + 1.65% to LIBOR +1.90% for Core variable-rate debt; LIBOR + 1.39% for Fund II variable-rate debt; PRIME + 0.50% to LIBOR +4.65% for Fund III variable-rate debt; LIBOR + 1.70% to LIBOR +3.95% for Fund IV variable-rate debt, LIBOR + 2.25% for Fund V and LIBOR + 1.30% to LIBOR +1.60% for Core variable-rate unsecured notes.
(b) Includes $504,018 and $365,343, respectively, of variable-rate debt that has been fixed with interest rate swap agreements as of the periods presented.
(c) Includes $141.1 million and $186.6 million, respectively, of variable-rate debt that is subject to interest cap agreements.

Mortgages Payable

During the year ended December 31, 2017, the Company obtained eleven new non-recourse mortgages totaling $162.9 million with a weighted-average interest rate of LIBOR + 3.47% collateralized by eleven properties, which mature between February 14, 2020 and December 1, 2022. The Company entered into interest rate swap contracts to effectively fix the variable portion of the interest rates of eight of these obligations with a notional value of $73.3 million at a weighted-average rate of 2.11%. During 2017, the Company repaid thirteen mortgages in full, which had a total balance of $280.8 million and a weighted-average interest rate of 3.90%, and made scheduled principal payments of $1.0 million. At December 31, 2017 and December 31, 2016, the Company's mortgages were collateralized by 42 and 39 properties, respectively, and the related tenant leases. Certain loans are cross-collateralized and contain cross-default provisions. The loan agreements contain customary representations, covenants and events of default. Certain loan agreements require the Company to comply with affirmative and negative covenants, including the maintenance of debt service coverage and leverage ratios. A portion of the Company's variable-rate mortgage debt has been effectively fixed through certain cash flow hedge transactions (Note 8).

The mortgage loan related to Brandywine Holdings in the Company's Core Portfolio amounted to $26.3 million and was in default at December 31, 2017 and December 31, 2016. This loan bears interest at 5.99%, excluding default interest of 5%, and is collateralized by a property, in which the Company holds a 22% controlling interest. During the year ended December 31, 2015, the Company recognized an impairment charge on this property (Note 8). In April 2017, the lender on this mortgage initiated a lawsuit against the Company for the full balance of the principal, accrued interest as well as penalties and fees aggregating approximately $32.1 million. The Company's management believes that the mortgage is not recourse to the Company and that the suit is without merit.

See Note 17 for information about additional financing obtained after December 31, 2017.

Unsecured Notes Payable

Unsecured notes payable for which total availability was $70.3 million and $9.9 million at December 31, 2017 and December 31, 2016, respectively, are comprised of the following:

- In the Core portfolio there are outstanding at both December 31, 2017 and December 31, 2016 $300.0 million of unsecured term loans including a $150.0 million term loan and three $50.0 million term loans. All of the Core term loans are swapped to fixed rates. The Core unsecured term loans were refinanced in February 2018 (Note 17).
- During 2017, Fund II obtained a $40.0 million term loan secured by the real estate assets of City Point Phase II with an interest rate of LIBOR plus 140 basis points and maturing in September 2020. The Fund II loan is also guaranteed by the Company and the Operating Partnership. The outstanding balance and total available credit of the Fund II term loan was $31.5 million and $8.5 million, respectively, at December 31, 2017.
- At Fund IV there are a $41.8 million bridge facility and a $21.5 million subscription line. The outstanding balance of the Fund IV bridge facility was $40.8 million and $40.1 million at December 31, 2017 and December 31, 2016, respectively. Total availability was $1.0 million and $0 at December 31, 2017 and December 31, 2016. The outstanding balance of the Fund IV subscription line was $0.0 million and $94.5 million and total available credit was $14.1 million and $5.5 million at December 31, 2017 and December 31, 2016, reflecting letters of credit of $7.4 million and $0, respectively.
- During 2017, Fund V obtained a $150.0 million subscription line collateralized by Fund V's unfunded capital commitments with an interest rate of LIBOR plus 160 basis points and maturing in May 2020. The Fund V subscription line is also guaranteed by the Operating Partnership. The outstanding balance and total available credit of the Fund V subscription line was $103.3 million and $46.7 million, respectively, at December 31, 2017.

Unsecured Line of Credit

The Company had a total of $96.2 million and $138.7 million available under its $150.0 million Core unsecured revolving line of credit reflecting borrowings of $41.5 million and $0 and letters of credit of $12.3 million and $11.3 million at December 31, 2017 and December 31, 2016, respectively. At December 31, 2017 a portion of the Core unsecured revolving line of credit was swapped to a fixed rate. The Core unsecured revolving line of credit was refinanced in February 2018 (Note 17).

Scheduled Debt Principal Payments

The scheduled principal repayments of the Company's consolidated indebtedness, as of December 31, 2017 are as follows (in thousands):

Year Ending December 31,		
2018	$	94,400
2019		213,573
2020		576,379
2021		255,027
2022		98,840
Thereafter		200,167
		1,438,386
Unamortized fair market value of assumed debt		856
Net unamortized debt issuance costs		(14,833)
Total indebtedness	$	1,424,409

See Note 4 for information about liabilities of the Company's unconsolidated affiliates.

8. Financial Instruments and Fair Value Measurements

The fair value of an asset is defined as the exit price, which is the amount that would either be received when an asset is sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance establishes a three-tier fair value hierarchy based on the inputs used in measuring fair value. These tiers are: Level 1, for which quoted market prices for identical instruments are available in active markets, such as money market funds, equity securities, and U.S. Treasury securities; Level 2, for which there are inputs other than quoted prices included within Level 1 that are observable for the instrument, such as certain derivative instruments including interest rate caps and interest rate swaps; and Level 3, for financial instruments or other assets/liabilities that do not fall into Level 1 or Level 2 and for which little or no market data exists, therefore requiring the Company to develop its own assumptions.

Items Measured at Fair Value on a Recurring Basis

The methods and assumptions described below were used to estimate the fair value of each class of financial instrument. For significant Level 3 items, the Company has also provided the unobservable inputs along with their weighted-average ranges.

Money Market Funds — The Company has money market funds, which are included in Cash and cash equivalents in the consolidated financial statements, are comprised of government securities and/or U.S. Treasury bills. These funds were classified as Level 1 as we used quoted prices from active markets to determine their fair values.

Derivative Assets — The Company has derivative assets, which are included in Other assets, net in the consolidated financial statements, are comprised of interest rate swaps and caps. The derivative instruments were measured at fair value using readily observable market inputs, such as quotations on interest rates, and were classified as Level 2 as these instruments are custom, over-the-counter contracts with various bank counterparties that are not traded in an active market. See "Derivative Financial Instruments," below.

Derivative Liabilities — The Company has derivative liabilities, which are included in Accounts payable and other liabilities in the consolidated financial statements, are comprised of interest rate swaps and caps. These derivative instruments were measured at fair value using readily observable market inputs, such as quotations on interest rates, and were classified as Level 2 because they are custom, over-the-counter contracts with various bank counterparties that are not traded in an active market. See "Derivative Financial Instruments," below.

The Company did not have any transfers into or out of Level 1, Level 2, and Level 3 measurements during the years ended December 31, 2017, 2016 or 2015.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis (in thousands):

	December 31, 2017			December 31, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Money Market Funds	$ 3	$ —	$ —	$ 20,001	$ —	$ —
Derivative financial instruments	—	4,402	—	—	2,921	—
Liabilities						
Derivative financial instruments	—	1,467	—	—	3,590	—

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Items Measured at Fair Value on a Nonrecurring Basis (Including Impairment Charges)

During the year ended December 31, 2017, the Company recognized an impairment charge of $3.8 million, inclusive of an amount attributable to a noncontrolling interest of $2.7 million, on Fund II's City Point Condominium Tower I property, which was classified as held for sale at September 30, 2017, in order to reduce the carrying value of the property to its estimated fair value. In addition, the Company recognized an impairment charge of $10.6 million, inclusive of an amount attributable to a noncontrolling interest of $7.6 million, on a property classified as held for sale at December 31, 2017 (Note 2), in order to reduce the carrying value of the property to its estimated fair value. These fair value measurements approximated the estimated selling prices less estimated costs to sell.

The Company did not record any impairment charges during the year ended December 31, 2016. During the year ended December 31, 2015, as a result of the loss of a key anchor tenant at a property located in Wilmington, Delaware, the Company recorded an impairment charge of $5.0 million on its Brandywine Holdings property, which is included in the consolidated statement of income for the year ended December 31, 2015. The Operating Partnership's share of this charge, net of the noncontrolling interest, was $1.1 million. The property is collateral for $26.3 million of non-recourse mortgage debt which matured July 1, 2016 and is currently in default (Note 7).

Derivative Financial Instruments

The Company had the following interest rate swaps for the periods presented (dollars in thousands):

Derivative Instrument	Aggregate Notional Amount	Effective Date	Maturity Date	Strike Rate Low		Strike Rate High	Balance Sheet Location	Fair Value December 31, 2017	Fair Value December 31, 2016
Core									
Interest Rate Swaps	$ 149,036	Oct 2011 - March 2015	July 2018 - Mar 2025	1.38%	—	3.77%	Other Liabilities	$ (1,438)	$ (3,218)
Interest Rate Swaps	248,571	Sep 2012 - July 2017	July 2020 - July 2027	1.24%	—	3.77%	Other Assets	4,076	2,609
	$ 397,607							$ 2,638	$ (609)
Fund II									
Interest Rate Swap	$ 19,560	October 2014	November 2021	2.88%	—	2.88%	Other Liabilities	$ (29)	$ (228)
Interest Rate Cap	29,500	April 2013	April 2018	4.00%	—	4.00%	Other Assets	—	—
	$ 49,060							$ (29)	$ (228)
Fund III									
Interest Rate Cap	$ 58,000	Dec 2016	Jan 2020	3.00%	—	3.00%	Other Assets	$ 14	$ 127
Fund IV									
Interest Rate Swaps	$ 86,851	May 2014 - March 2017	May 2019 - April 2022	1.78%	—	2.11%	Other Assets	$ 295	$ —
Interest Rate Swaps	—	May 2014 - March 2017	May 2019 - April 2022	1.78%	—	2.11%	Other Liabilities	—	$ (144)
Interest Rate Caps	108,900	July 2016 - November 2016	August 2019 - December 2019	3.00%	—	3.00%	Other Assets	17	185
	$ 195,751							$ 312	$ 41
Total asset derivatives								$ 4,402	$ 2,921
Total liability derivatives								$ (1,467)	$ (3,590)

All of the Company's derivative instruments have been designated as cash flow hedges and hedge the future cash outflows on variable-rate debt (Note 7). It is estimated that approximately $0.6 million included in accumulated other comprehensive (loss) income related to derivatives will be reclassified to interest expense in the 2018 results of operation. As of December 31, 2017 and 2016, no derivatives were designated as fair value hedges or hedges of net investments in foreign operations. Additionally, the Company does not use derivatives for trading or speculative purposes and currently does not have any derivatives that are not designated hedges.

Risk Management Objective of Using Derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company manages economic risks, including interest rate, liquidity and credit risk, primarily by managing the amount, sources and duration of its debt funding and, from time to time, through the use of derivative financial instruments. The Company enters into derivative financial instruments to manage exposures that result in the receipt or payment of future known and uncertain cash amounts, the values of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's investments and borrowings.

The Company is exposed to credit risk in the event of non-performance by the counterparties to the Swaps if the derivative position has a positive balance. The Company believes it mitigates its credit risk by entering into Swaps with major financial institutions. The Company continually monitors and actively manages interest costs on its variable-rate debt portfolio and may enter into additional interest rate swap positions or other derivative interest rate instruments based on market conditions. The Company has not entered, and does not plan to enter, into any derivative financial instruments for trading or speculative purposes.

The following table presents the location in the financial statements of the income (losses) recognized related to the Company's cash flow hedges (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Amount of (loss) income related to the effective portion recognized in other comprehensive income	$ 634	$ (646)	$ (5,061)
Amount of loss related to the effective portion subsequently reclassified to earnings	—	—	—
Amount of gain (loss) related to the ineffective portion and amount excluded from effectiveness testing	—	—	—

Credit Risk-Related Contingent Features

The Company has agreements with each of its Swap counterparties that contain a provision whereby if the Company defaults on certain of its unsecured indebtedness the Company could also be declared in default on its swaps, resulting in an acceleration of payment under the swaps.

Other Financial Instruments

The Company's other financial instruments had the following carrying values and fair values as of the dates shown (dollars in thousands):

		December 31, 2017		December 31, 2016	
	Level	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Notes Receivable [(a)]	3	$ 153,829	$ 151,712	$ 276,163	$ 272,052
Mortgage and Other Notes Payable, net [(a)]	3	909,174	921,891	1,055,728	1,077,926
Investment in non-traded equity securities [(b)]	3	411	22,824	802	25,194
Unsecured notes payable and Unsecured line of credit, net [(c)]	2	515,235	515,330	434,636	435,779

(a) The Company determined the estimated fair value of these financial instruments using a discounted cash flow model with rates that take into account the credit of the borrower or tenant, where applicable, and interest rate risk. The Company also considered the value of the underlying collateral, taking into account the quality of the collateral, the credit quality of the borrower, the time until maturity and the current market interest rate environment.
(b) Represents Fund II's cost-method investment in Albertson's supermarkets (Note 4).
(c) The Company determined the estimated fair value of the unsecured notes payable and unsecured line of credit using quoted market prices in an open market with limited trading volume where available. In cases where there was no trading volume, the Company determined the estimated fair value using a discounted cash flow model using a rate that reflects the average yield of similar market participants.

The Company's cash and cash equivalents, restricted cash, accounts receivable, accounts payable and certain financial instruments included in other assets and other liabilities had fair values that approximated their carrying values at December 31, 2017.

9. Commitments and Contingencies

The Company is involved in various matters of litigation arising in the normal course of business. While the Company is unable to predict with certainty the amounts involved, the Company's management and counsel are of the opinion that, when such litigation is resolved, the Company's resulting liability, if any, will not have a significant effect on the Company's consolidated financial position, results of operations, or liquidity. The Company's policy is to accrue legal expenses as they are incurred.

Commitments and Guaranties

In conjunction with the development and expansion of various properties, the Company has entered into agreements with general contractors for the construction or development of properties aggregating approximately $92.2 million and $85.4 million as of December 31, 2017 and December 31, 2016, respectively.

At each of December 31, 2017 and December 31, 2016, the Company had letters of credit outstanding of $19.7 million and $11.3 million, respectively. The Company has not recorded any obligation associated with these letters of credit. The majority of the letters of credit are collateral for existing indebtedness and other obligations of the Company.

10. Shareholders' Equity, Noncontrolling Interests and Other Comprehensive Income

Common Shares

The Company completed the following transactions in its common shares during the year ended December 31, 2017:

- The Company withheld 4,314 Restricted Shares to pay the employees' statutory minimum income taxes due on the value of the portion of their Restricted Shares that vested.
- The Company recognized Common Share and Common OP Unit-based compensation totaling $8.4 million in connection with Restricted Shares and Units (Note 13).
- At the May 10 Shareholder Meeting, Shareholders approved an amendment to the Company's Declaration of Trust to increase the authorized share capital of the Company from 100 million shares of beneficial interest to 200 million shares which became effective on July 24, 2017.

The Company completed the following transactions in its common shares during the year ended December 31, 2016:

- The Company issued 4,500,000 Common Shares under its at-the-market ("ATM") equity programs, generating gross proceeds of $157.6 million and net proceeds of $155.7 million. The Company has established a new ATM equity program, effective July 2016, with an additional aggregate offering amount of up to $250.0 million of gross proceeds from the sale of Common Shares, replacing its $200.0 million program that was launched in 2014. As of December 31, 2016 and December 31, 2017, there was $218.0 million remaining under this $250.0 million program.
- The Company entered into a forward sale agreement to issue 3,600,000 Common Shares for gross proceeds of $126.8 million and net proceeds of $124.5 million. As of December 31, 2016, these shares have been physically settled.
- The Company issued 4,830,000 Common Shares in a public offering, generating gross proceeds of $175.2 million and net proceeds of $172.1 million.
- The Company withheld 3,152 Restricted Shares to pay the employees' statutory minimum income taxes due on the value of the portion of their Restricted Shares that vested.
- The Company recognized accrued Common Share and Common OP Unit-based compensation totaling $10.9 million in connection with the vesting of Restricted Shares and Units (Note 13).

Share Repurchases

The Company has a share repurchase program that authorizes management, at its discretion, to repurchase up to $20.0 million of its outstanding Common Shares. The program may be discontinued or extended at any time. There were no Common Shares repurchased by the Company during the year ended December 31, 2017 or the year ended December 31, 2016. Under this program the Company has repurchased 2.1 million Common Shares, none of which were repurchased after December 2001. As of December 31, 2017, management may repurchase up to approximately $7.5 million of the Company's outstanding Common Shares under this program. During 2018, the Company revised its share repurchase program (Note 17).

Dividends and Distributions

On November 8, 2017, the Board of Trustees declared an increase of $0.01 to the $0.27 per Common Share regular quarterly cash dividend, which was paid on January 13, 2018 to holders of record as of December 29, 2017.

On November 8, 2016, the Board of Trustees declared an increase of $0.01 to the regular quarterly cash dividend of $0.25 to $0.26 per Common Share, which was paid on January 13, 2017 to holders of record as of December 30, 2016. In addition, on November 8, 2016, the Board of Trustees declared a special cash dividend of $0.15 per Common Share with the same record and payment date as the regular quarterly dividend. The special dividend is a result of the taxable capital gains for 2016 arising from property dispositions within the Funds.

Accumulated Other Comprehensive Income

The following table sets forth the activity in accumulated other comprehensive (loss) income for the year ended December 31, 2017 and 2016 (in thousands):

	Gains or Losses on Derivative Instruments
Balance at January 1, 2017	**$ (798)**
Other comprehensive loss before reclassifications	634
Reclassification of realized interest on swap agreements	3,317
Net current period other comprehensive loss	3,951
Net current period other comprehensive loss attributable to noncontrolling interests	(539)
Balance at December 31, 2017	**$ 2,614**
Balance at January 1, 2016	**$ (4,463)**
Other comprehensive loss before reclassifications	(646)
Reclassification of realized interest on swap agreements	4,576
Net current period other comprehensive loss	3,930
Net current period other comprehensive loss attributable to noncontrolling interests	(265)
Balance at December 31, 2016	**$ (798)**

Noncontrolling Interests

The following table summarizes the change in the noncontrolling interests for the year ended December 31, 2017 and 2016 (dollars in thousands):

	Noncontrolling Interests in Operating Partnership [a]	Noncontrolling Interests in Partially-Owned Affiliates [b]	Total
Balance at January 1, 2017	**$ 95,422**	**$ 494,126**	**$ 589,548**
Distributions declared of $1.05 per Common OP Unit	(6,453)	—	(6,453)
Net income (loss) for the period January 1 through December 31, 2017	4,159	(1,321)	2,838
Conversion of 5,000 Preferred and 81,453 Common OP Units to Common Shares by limited partners of the Operating Partnership	(1,541)	—	(1,541)
Other comprehensive income - unrealized loss on valuation of swap agreements	85	(232)	(147)
Reclassification of realized interest expense on swap agreements	141	545	686
Noncontrolling interest contributions	—	85,206	85,206
Noncontrolling interest distributions	—	(32,805)	(32,805)
Employee Long-term Incentive Plan Unit Awards	10,457	—	10,457
Rebalancing adjustment [d]	651	—	651
Balance at December 31, 2017	**$ 102,921**	**$ 545,519**	**$ 648,440**
Balance at January 1, 2016	**$ 96,340**	**$ 324,526**	**$ 420,866**
Distributions declared of $1.16 per Common OP Unit	(6,753)	—	(6,753)
Net income for the period January 1 through December 31, 2016	5,002	56,814	61,816
Conversion of 351,250 Common OP Units to Common Shares by limited partners of the Operating Partnership	(7,892)	—	(7,892)
Issuance of Common and Preferred OP Units to acquire real estate	31,429	—	31,429
Acquisition of noncontrolling interests [c]	—	(25,925)	(25,925)
Other comprehensive income - unrealized loss on valuation of swap agreements	(43)	(289)	(332)
Change in control of previously unconsolidated investment	—	(75,713)	(75,713)
Reclassification of realized interest expense on swap agreements	223	374	597
Noncontrolling interest contributions	—	295,108	295,108
Noncontrolling interest distributions	—	(80,769)	(80,769)
Employee Long-term Incentive Plan Unit Awards	12,768	—	12,768
Rebalancing adjustment [d]	(35,652)	—	(35,652)
Balance at December 31, 2016	**$ 95,422**	**$ 494,126**	**$ 589,548**

(a) Noncontrolling interests in the Operating Partnership are comprised of (i) the limited partners' 3,328,873 and 3,308,875 Common OP Units at December 31, 2017 and 2016, respectively; (ii) 188 Series A Preferred OP Units at December 31, 2017 and 2016; (iii) 136,593 and 141,593 Series C Preferred OP Units at December 31, 2017 and 2016, respectively; and (iv) 2,274,147 and 1,997,099 LTIP units as of December 31, 2017 and 2016, respectively, as discussed in Share Incentive Plan (Note 13). Distributions declared for Preferred OP Units are reflected in net income in the table above.

(b) Noncontrolling interests in partially-owned affiliates comprise third-party interests in Funds II, III, IV and V, and Mervyns I and II, and six other subsidiaries.

(c) During the first quarter of 2016, the Company acquired an additional 8.3% interest in Fund II from a limited partner for $18.4 million, giving the Company an aggregate 28.33% interest. Amount in the table above represents the book value of this transaction.

(d) Adjustment reflects the difference between the fair value of the consideration received or paid and the book value of the Common Shares, Common OP Units, Preferred OP Units, and LTIP Units involving changes in ownership (the "Rebalancing").

Preferred OP Units

There were no issuances of Preferred OP Units and 5,000 Series C Preferred OP Units were exchanged for common shares of the Company during the year ended December 31, 2017.

In 1999 the Operating Partnership issued 1,580 Series A Preferred OP Units in connection with the acquisition of a property, which have a stated value of $1,000 per unit, and are entitled to a preferred quarterly distribution of the greater of (i) $22.50 (9% annually) per Series A Preferred OP Unit or (ii) the quarterly distribution attributable to a Series A Preferred OP Unit if such unit was converted into a Common OP Unit. Through December 31, 2016, 1,392 Series A Preferred OP Units were converted into 185,600 Common OP Units and then into Common Shares. The 188 remaining Series A Preferred OP Units are currently convertible into Common OP Units based on the stated value divided by $7.50. Either the Company or the holders can currently call for the conversion of the Series A Preferred OP Units at the lesser of $7.50 or the market price of the Common Shares as of the conversion date.

During the first quarter of 2016, the Operating Partnership issued 442,478 Common OP Units and 141,593 Series C Preferred OP Units to a third party to acquire Gotham Plaza (Note 4). The Series C Preferred OP Units have a value of $100.00 per unit and are entitled to a preferred quarterly distribution of $0.9375 per unit and are convertible into Common OP Units at a rate based on the share price at the time of conversion. If the share price is below $28.80 on the conversion date, each Series C Preferred OP Unit will be convertible into 3.4722 Common OP Units. If the share price is between $28.80 and $35.20 on the conversion date, each Series C Preferred OP Unit will be convertible into a number of Common OP Units equal to $100.00 divided by the closing share price. If the share price is above $35.20 on the conversion date, each Series C Preferred OP Unit will be convertible into 2.8409 Common OP Units. The Series C Preferred OP Units have a mandatory conversion date of December 31, 2025, at which time all units that have not been converted will automatically be converted into Common OP Units based on the same calculations.

11. Leases

Operating Leases

The Company is engaged in the operation of shopping centers and other retail properties that are either owned or, with respect to certain shopping centers, operated under long-term ground leases that expire at various dates through June 20, 2066, with renewal options. Space in the shopping centers is leased to tenants pursuant to agreements that provide for terms ranging generally from one month to ninety-nine years and generally provide for additional rents based on certain operating expenses as well as tenants' sales volumes.

The Company leases land at seven of its shopping centers, which are accounted for as operating leases and generally provide the Company with renewal options. Ground rent expense was $1.4 million, $1.2 million and $1.7 million (including capitalized ground rent at a property under development of $0.1 million, $0.6 million and $0.9 million) for the years ended December 31, 2017, 2016 and 2015, respectively. The leases terminate at various dates between 2020 and 2066. These leases provide the Company with options to renew for additional terms aggregating from 25 to 71 years. The Company also leases space for its corporate office. Office rent expense under this lease was $1.0 million, $1.0 million and $1.4 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Capital Lease

During 2016, the Company entered into a 49-year master lease at 991 Madison Avenue, which is accounted for as a capital lease. During the years ended December 31, 2017 and 2016, payments for this lease totaled $2.5 million and $1.3 million respectively. The lease was initially valued at $76.6 million, which represents the total discounted payments to be made under the lease. The property under the capital lease is included in Note 2.

Lease Obligations

The scheduled future minimum (i) rental revenues from rental properties under the terms of all non-cancelable tenant leases, assuming no new or renegotiated leases or option extensions for such premises and (ii) rental payments under the terms of all non-cancelable operating and capital leases in which the Company is the lessee, principally for office space and ground leases, as of December 31, 2017, are summarized as follows (in thousands):

Year Ending December 31,	Minimum Rental Revenues	Minimum Rental Payments
2018	$ 165,893	$ 4,540
2019	163,576	4,560
2020	149,453	4,356
2021	130,834	4,302
2022	111,958	4,395
Thereafter	514,271	185,014
Total	$ 1,235,985	$ 207,167

A ground lease expiring during 2078 provides the Company with an option to purchase the underlying land during 2031. If the Company does not exercise the option, the rents that will be due are based on future values and as such are not determinable at this time. Accordingly, the above table does not include rents for this lease beyond 2031.

During the years ended December 31, 2017, 2016 and 2015, no single tenant collectively comprised more than 10% of the Company's consolidated total revenues.

12. Segment Reporting

The Company has three reportable segments: Core Portfolio, Funds and Structured Financing. The Company's Core Portfolio consists primarily of high-quality retail properties located primarily in high-barrier-to-entry, densely-populated metropolitan areas with a long-term investment horizon. The Company's Funds hold primarily retail real estate in which the Company co-invests with high-quality institutional investors. The Company's Structured Financing segment consists of earnings and expenses related to notes and mortgages receivable which are held within the Core Portfolio or the Funds (Note 3). Fees earned by the Company as the general partner or managing member of the Funds are eliminated in the Company's consolidated financial statements and are not presented in the Company's segments.

The following tables set forth certain segment information for the Company (in thousands):

	As of or for the Year Ended December 31, 2017				
	Core Portfolio	Funds	Structured Financing	Unallocated	Total
Revenues	$ 169,975	$ 80,287	$ —	$ —	$ 250,262
Depreciation and amortization	(61,705)	(43,229)	—	—	(104,934)
Property operating expenses, other operating and real estate taxes	(45,349)	(34,449)	—	—	(79,798)
Impairment charges	—	(14,455)	—	—	(14,455)
General and administrative expenses	—	—	—	(33,756)	(33,756)
Operating income	62,921	(11,846)	—	(33,756)	17,319
Gain on disposition of properties	—	48,886	—	—	48,886
Interest income	—	—	29,143	—	29,143
Equity in earnings of unconsolidated affiliates inclusive of gains on disposition of properties	3,735	19,636	—	—	23,371
Interest expense	(28,618)	(30,360)	—	—	(58,978)
Gain on change in control	5,571	—	—	—	5,571
Income tax provision	—	—	—	(1,004)	(1,004)
Net income	43,609	26,316	29,143	(34,760)	64,308
Net income attributable to noncontrolling interests	(1,107)	(1,731)	—	—	(2,838)
Net income attributable to Acadia	$ 42,502	$ 24,585	$ 29,143	$ (34,760)	$ 61,470
Real estate at cost	$ 2,032,485	$ 1,433,997	$ —	$ —	$ 3,466,482
Total assets	$ 2,305,663	$ 1,500,755	$ 153,829	$ —	$ 3,960,247
Cash paid for acquisition of real estate	$ —	$ 200,429	$ —	$ —	$ 200,429
Cash paid for development and property improvement costs	$ 49,339	$ 66,116	$ —	$ —	$ 115,455

	As of or for the Year Ended December 31, 2016				
	Core Portfolio	Funds	Structured Financing	Unallocated	Total
Revenues	$ 150,211	$ 39,728	$ —	$ —	$ 189,939
Depreciation and amortization	(54,582)	(15,429)	—	—	(70,011)
Property operating expenses, other operating and real estate taxes	(39,598)	(17,793)	—	—	(57,391)
General and administrative expenses	—	—	—	(40,648)	(40,648)
Operating income	56,031	6,506	—	(40,648)	21,889
Gain on disposition of properties	—	81,965	—	—	81,965
Interest income	—	—	25,829	—	25,829
Equity in earnings of unconsolidated affiliates inclusive of gains on disposition of properties	3,774	35,675	—	—	39,449
Interest expense	(27,435)	(7,210)	—	—	(34,645)
Income tax benefit	—	—	—	105	105
Net income	32,370	116,936	25,829	(40,543)	134,592
Net income attributable to noncontrolling interests	(3,411)	(58,405)	—	—	(61,816)
Net income attributable to Acadia	$ 28,959	$ 58,531	$ 25,829	$ (40,543)	$ 72,776
Real estate at cost	$ 1,982,763	$ 1,399,237	$ —	$ —	$ 3,382,000
Total assets	$ 2,271,620	$ 1,448,177	$ 276,163	$ —	$ 3,995,960
Cash paid for acquisition of real estate	$ 323,880	$ 171,764	$ —	$ —	$ 495,644
Cash paid for development and property improvement costs	$ 13,434	$ 136,000	$ —	$ —	$ 149,434

	As of or for the Year Ended December 31, 2015				
	Core Portfolio	Funds	Structured Financing	Unallocated	Total
Revenues	$ 150,015	$ 49,048	$ —	$ —	$ 199,063
Depreciation and amortization	(46,223)	(14,528)	—	—	(60,751)
Property operating expenses, other operating and real estate taxes	(37,259)	(21,223)	—	—	(58,482)
Impairment charges	(5,000)	—	—	—	(5,000)
General and administrative expenses	—	—	—	(30,368)	(30,368)
Operating income	61,533	13,297	—	(30,368)	44,462
Gain on disposition of properties	—	89,063	—	—	89,063
Interest income	—	—	16,603	—	16,603
Equity in earnings of unconsolidated affiliates inclusive of gains on disposition of properties	1,169	36,161	—	—	37,330
Other	—	—	1,596	—	1,596
Interest expense	(27,945)	(9,352)	—	—	(37,297)
Income tax provision	—	—	—	(1,787)	(1,787)
Net income	34,757	129,169	18,199	(32,155)	149,970
Net income attributable to noncontrolling interests	(140)	(84,122)	—	—	(84,262)
Net income attributable to Acadia	$ 34,617	$ 45,047	$ 18,199	$ (32,155)	$ 65,708
Real estate at cost	$ 1,572,681	$ 1,163,602	$ —	$ —	$ 2,736,283
Total assets	$ 1,662,092	$ 1,223,039	$ 147,188	$ —	$ 3,032,319
Cash paid for acquisition of real estate	$ 181,884	$ 156,816	$ —	$ —	$ 338,700
Cash paid for development and property improvement costs	$ 16,505	$ 147,810	$ —	$ —	$ 164,315

13. Share Incentive and Other Compensation

Share Incentive Plan

The Second Amended and Restated 2006 Incentive Plan (the "Share Incentive Plan") authorizes the Company to issue options, Restricted Shares, LTIP Units and other securities (collectively "Awards") to, among others, the Company's officers, trustees and employees. At December 31, 2017 a total of 1,756,317 shares remained available to be issued under the Share Incentive Plan.

Restricted Shares and LTIP Units

During the year ended December 31, 2017, the Company issued 306,635 LTIP Units and 7,628 Restricted Share Units to employees of the Company pursuant to the Share Incentive Plan. These awards were measured at their fair value on the grant date, which was established as the market price of the Company's Common Shares as of the close of trading on the day preceding the grant date. The total value of the above Restricted Share Units and LTIP Units as of the grant date was $9.5 million, of which $2.2 million was recognized as compensation expense in 2016, and $7.3 million will be recognized as compensation expense over the remaining vesting period. Total long-term incentive compensation expense, including the expense related to the Share Incentive Plan, was $8.4 million and $10.9 million for the year ended December 31, 2017 and 2016, respectively and is recorded in General and Administrative on the Consolidated Statements of Income.

In addition, members of the Board of Trustees (the "Board") have been issued shares and units under the Share Incentive Plan. During 2017, the Company issued 11,814 Restricted Shares and 11,105 LTIP Units to Trustees of the Company in connection with Trustee fees. Vesting with respect to 3,864 of the Restricted Shares and 5,805 of the LTIP Units will be on the first anniversary of the date of issuance and 7,950 of the Restricted Shares and 5,300 of the LTIP Units vest over three years with 33% vesting on each of the next three anniversaries of the issuance date. The Restricted Shares do not carry voting rights or other rights of Common Shares until vesting and may not be transferred, assigned or pledged until the recipients have a vested non-forfeitable right to such shares. Dividends are not paid currently on unvested Restricted Shares, but are paid cumulatively from the issuance date through the applicable vesting date of such Restricted Shares. Total trustee fee expense, including the expense related to the Share Incentive Plan, was $1.2 million and $1.1 million for the year ended December 31, 2017 and 2016, respectively.

In 2009, the Company adopted the Long Term Investment Alignment Program (the "Program") pursuant to which the Company may grant awards to employees, entitling them to receive up to 25% of any potential future payments of Promote to the Operating Partnership from Funds III and IV. The Company has granted such awards to employees representing 25% of the potential Promote payments from Fund III to the Operating Partnership and 14.4% of the potential Promote payments from Fund IV to the Operating Partnership. Payments to senior executives under the Program require further Board approval at the time any potential payments are due pursuant to these grants. Compensation relating to these awards will be recognized in each reporting period in which Board approval is granted.

As payments to other employees are not subject to further Board approval, compensation relating to these awards will be recorded based on the estimated fair value at each reporting period in accordance with ASC Topic 718, *Compensation– Stock Compensation.* The awards in connection with Fund IV were determined to have no intrinsic value as of December 31, 2017.

Compensation expense of $0.6 million and $5 million was recognized for the year ended December 31, 2017 and 2016, respectively, related to the Program in connection with Fund III.

A summary of the status of the Company's unvested Restricted Shares and LTIP Units is presented below:

Unvested Restricted Shares and LTIP Units	Common Restricted Shares	Weighted Grant-Date Fair Value	LTIP Units	Weighted Grant-Date Fair Value
Unvested at January 1, 2016	**49,899**	**$ 25.90**	**1,020,121**	**$ 23.92**
Granted	21,675	33.35	359,484	34.40
Vested	(24,886)	29.17	(522,680)	26.08
Forfeited	(189)	35.37	(48)	35.37
Unvested at December 31, 2016	**46,499**	**27.58**	**856,877**	**26.99**
Granted	19,442	29.85	310,551	31.80
Vested	(23,430)	30.47	(257,124)	28.27
Forfeited	(1,184)	32.65	(205)	32.49
Unvested at December 31, 2017	**41,327**	**$ 26.92**	**910,099**	**$ 28.28**

The weighted-average grant date fair value for Restricted Shares and LTIP Units granted for the year ended December 31, 2017 and the year ended December 31, 2016 were $31.69 and $34.34, respectively. As of December 31, 2017, there was $14.3 million of total unrecognized compensation cost related to unvested share-based compensation arrangements granted under the Share Incentive Plan. That cost is expected to be recognized over a weighted-average period of 2.2 years. The total fair value of Restricted Shares that vested for each of the year ended December 31, 2017 and the year ended December 31, 2016, was $0.7 million. The total fair value of LTIP Units that vested during the year ended December 31, 2017 and the year ended December 31, 2016, was $7.3 million and $13.6 million, respectively.

Other Plans

On a combined basis, the Company incurred a total of $0.2 million related to the following employee benefit plans for each of the years ended December 31, 2017 and 2016, respectively:

Employee Share Purchase Plan

The Acadia Realty Trust Employee Share Purchase Plan (the "Purchase Plan"), allows eligible employees of the Company to purchase Common Shares through payroll deductions. The Purchase Plan provides for employees to purchase Common Shares on a quarterly basis at a 15% discount to the closing price of the Company's Common Shares on either the first day or the last day of the quarter, whichever is lower. A participant may not purchase more the $25,000 in Common Shares per year. Compensation expense will be recognized by the Company to the extent of the above discount to the closing price of the Common Shares with respect to the applicable quarter. During the years ended December 31, 2017 and 2016, a total of 4,514 and 4,016 Common Shares, respectively, were purchased by employees under the Purchase Plan.

Deferred Share Plan

During May of 2006, the Company adopted a Trustee Deferral and Distribution Election, under which the participating Trustees earn deferred compensation.

Employee 401(k) Plan

The Company maintains a 401(k) plan for employees under which the Company currently matches 50% of a plan participant's contribution up to 6% of the employee's annual salary. A plan participant may contribute up to a maximum of 15% of their compensation, up to $18,000, for the year ended December 31, 2017.

14. Federal Income Taxes

The Company has elected to qualify as a REIT in accordance with Sections 856 through 860 of the Code, and intends at all times to qualify as a REIT under the Code. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it currently distribute at least 90% of its annual REIT taxable income to its shareholders. As a REIT, the Company generally will not be subject to corporate Federal income tax, provided that distributions to its shareholders equal at least the amount of its REIT taxable income as defined under the Code. As the Company distributed sufficient taxable income for the years ended December 31, 2017, 2016 and 2015, no U.S. Federal income or excise taxes were incurred. If the Company fails to qualify as a REIT in any taxable year, it will be subject to Federal income taxes at the regular corporate rates (including any applicable alternative minimum tax) and may not be able to qualify as a REIT for the four subsequent taxable years. Even though the Company qualifies for taxation as a REIT, the Company is subject to certain state and local taxes on its income and property and Federal income and excise taxes on any undistributed taxable income. In addition, taxable income from non-REIT activities managed through the Company's TRS's is subject to Federal, state and local income taxes. For taxable years beginning after 2017, no more than 20% of the value of our total assets may consist of the securities of one or more taxable REIT subsidiaries.

In the normal course of business, the Company or one or more of its subsidiaries is subject to examination by Federal, state and local jurisdictions as well as certain jurisdictions outside the United States, in which it operates, where applicable. The Company expects to recognize interest and penalties related to uncertain tax positions, if any, as income tax expense. For the three years ended December 31, 2017, the Company recognized no material adjustments regarding its tax accounting treatment for uncertain tax provisions. As of December 31, 2017, the tax years that remain subject to examination by the major tax jurisdictions under applicable statutes of limitations are generally the year 2014 and forward.

Reconciliation of Net Income to Taxable Income

Reconciliation of GAAP net income attributable to Acadia to taxable income is as follows:

	Year Ended December 31,		
(in thousands)	**2017**	**2016**	**2015**
Net income attributable to Acadia	$ 61,470	$ 72,776	$ 65,708
Deferred cancellation of indebtedness income	2,050	2,050	2,050
Deferred rental and other income [(a)]	(934)	1,610	82
Book/tax difference - depreciation and amortization [(a)]	21,334	15,189	9,983
Straight-line rent and above- and below-market rent adjustments [(a)]	(10,559)	(7,882)	(8,041)
Book/tax differences - equity-based compensation	5,325	10,307	5,833
Joint venture equity in earnings, net [(a)]	9,114	(2,011)	5,776
Impairment charges and reserves	—	769	(714)
Acquisition costs [(a)]	1,135	5,116	1,190
Gains	(5,181)	—	(760)
Book/tax differences - miscellaneous	930	(4,924)	2,573
Taxable income	$ 84,684	$ 93,000	$ 83,680
Distributions declared	$ 87,848	$ 91,053	$ 84,683

(a) Adjustments from certain subsidiaries and affiliates, which are consolidated for financial reporting but not for tax reporting, are included in the reconciliation item "Joint venture equity in earnings, net."

Characterization of Distributions

The Company has determined that the cash distributed to the shareholders for the periods presented is characterized as follows for Federal income tax purposes:

	Year Ended December 31,					
	2017		2016		2015	
	Per Share	%	Per Share	%	Per Share	%
Ordinary income	$ 0.82	78%	$ 0.77	66%	$ 0.83	68%
Qualified dividend	—	—%	—	—%	—	—%
Capital gain	0.23	22%	0.39	34%	0.39	32%
Total	$ 1.05	100%	$ 1.16	100%	$ 1.22	100%

Taxable REIT Subsidiaries

Income taxes have been provided for using the liability method as required by ASC Topic 740, "Income Taxes." The Company's TRS income and provision for income taxes associated with the TRS for the periods presented are summarized as follows (in thousands):

	Year Ended December 31,		
	2017	2016	2015
TRS income (loss) before income taxes	$ (3,604)	$ (1,583)	$ 1,008
(Provision) benefit for income taxes:			
Federal	(982)	378	(526)
State and local	423	97	(134)
TRS net income (loss) before noncontrolling interests	(4,163)	(1,108)	348
Noncontrolling interests	8	(9)	(208)
TRS net income (loss)	$ (4,155)	$ (1,117)	$ 140

The income tax provision for the Company differs from the amount computed by applying the statutory Federal income tax rate to income before income taxes as follows. Amounts are not adjusted for temporary book/tax differences (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Federal tax provision (benefit) at statutory tax rate	$ (1,225)	$ (538)	$ 343
TRS state and local taxes, net of Federal benefit	(190)	(84)	53
Tax effect of:			
Permanent differences, net	1,131	1,663	396
Prior year (over) under-accrual, net	(1,541)	—	938
Effect of Tax Cuts and Jobs Act	1,982	—	—
Other	404	(1,516)	(131)
REIT state and local income and franchise taxes	443	370	188
Total provision (benefit) for income taxes	$ 1,004	$ (105)	$ 1,787

As of December 31, 2017, and 2016, the Company's deferred tax assets (net of applicable reserves) in its taxable REIT subsidiaries consisted of the following: additional tax basis in RCP investments of $1.0 million and $1.7 million, deferred interest of $0 and $0.8 million and net operating loss carryovers of $1.1 million and $1.3 million, respectively.

15. Earnings Per Common Share

Basic earnings per Common Share is computed by dividing net income attributable to Common Shareholders by the weighted average Common Shares outstanding. During the periods presented, the Company had unvested LTIP Units which provide for non-forfeitable rights to dividend equivalent payments. Accordingly, these unvested LTIP Units are considered participating securities and are included in the computation of basic earnings per Common Share pursuant to the two-class method.

Diluted earnings per Common Share reflects the potential dilution of the conversion of obligations and the assumed exercises of securities including the effects of restricted share units ("Restricted Share Units") and share option awards issued under the Company's Share Incentive Plans (Note 13). The effect of such shares is excluded from the calculation of earnings per share when anti-dilutive as indicated in the table below.

The effect of the conversion of Common OP Units is not reflected in the computation of basic and diluted earnings per share, as they are exchangeable for Common Shares on a one-for-one basis. The income allocable to such units is allocated on this same basis and reflected as noncontrolling interests in the accompanying consolidated financial statements. As such, the assumed conversion of these units would have no net impact on the determination of diluted earnings per share.

	Year Ended December 31,		
(dollars in thousands)	**2017**	**2016**	**2015**
Numerator:			
Net income attributable to Acadia	$ 61,470	$ 72,776	$ 65,708
Less: net income attributable to participating securities	(642)	(793)	(927)
Income from continuing operations net of income attributable to participating securities	$ 60,828	$ 71,983	$ 64,781
Denominator:			
Weighted average shares for basic earnings per share	83,682,789	76,231,000	68,851,083
Effect of dilutive securities:			
Employee unvested restricted shares	2,682	12,550	18,556
Denominator for diluted earnings per share	83,685,471	76,243,550	68,869,639
Basic and diluted earnings per Common Share from continuing operations attributable to Acadia	$ 0.73	$ 0.94	$ 0.94
Anti-Dilutive Shares Excluded from Denominator:			
Series A Preferred OP Units	188	188	188
Series A Preferred OP Units - Common share equivalent	25,067	25,067	25,067
Series C Preferred OP Units	136,593	141,593	—
Series C Preferred OP Units - Common share equivalent	479,978	410,207	—

16. Summary of Quarterly Financial Information (Unaudited)

The quarterly results of operations of the Company for the years ended December 31, 2017 and 2016 are as follows (in thousands, except per share amounts):

	Three Months Ended [a,b,c,d]			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Revenues	$ 61,999	$ 59,504	$ 62,678	$ 66,081
Net income	19,971	6,108	13,285	24,944
Net (income) loss attributable to noncontrolling interests	(4,340)	5,952	(418)	(4,032)
Net income attributable to Acadia	15,631	12,060	12,867	20,912
Earnings per share attributable to Acadia:				
Basic	$ 0.18	$ 0.14	$ 0.15	$ 0.25
Diluted	0.18	0.14	0.15	0.25
Weighted average number of shares:				
Basic	83,635	83,662	83,700	83,733
Diluted	83,646	83,662	83,700	83,733
Cash dividends declared per Common Share	$ 0.26	$ 0.26	$ 0.26	$ 0.27

(a) The three months ended March 31, 2017 includes the Company's $2.7 million proportionate share of aggregate gains of $14.5 million on the sales of two unconsolidated properties (Note 4).
(b) The three months ended June 30, 2017 includes the Company's $0.8 million proportionate share of a $3.3 million gain on sale of an unconsolidated property (Note 4).
(c) The three months ended September 30, 2017 includes an aggregate $13.0 million gain on the sales of two consolidated properties (Note 2), of which $10.7 million was attributable to noncontrolling interests as well as an impairment charge of $3.8 million, inclusive of an amount attributable to a noncontrolling interest of $2.7 million (Note 8).
(d) The three months ended December 31, 2017 includes a $5.6 million gain on change in control of interests (Note 4), an aggregate $35.9 million gain on the sales of three consolidated properties (Note 2), of which $26.7 million was attributable to noncontrolling interests; and an impairment charge of $10.6 million, of which $7.6 million was attributable to noncontrolling interests (Note 8).

	Three Months Ended [a, b, c, d]			
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Revenues	$ 48,045	$ 43,918	$ 43,855	$ 54,121
Net income	73,875	26,155	326	34,236
Net (income) loss attributable to noncontrolling interests	(44,950)	(8,237)	5,786	(14,415)
Net income attributable to Acadia	28,925	17,918	6,112	19,821
Earnings per share attributable to Acadia:				
Basic	$ 0.40	$ 0.24	$ 0.08	$ 0.24
Diluted	0.40	0.24	0.08	0.24
Weighted average number of shares:				
Basic	70,756	72,896	78,449	82,728
Diluted	71,215	72,896	78,624	82,728
Cash dividends declared per Common Share	$ 0.25	$ 0.25	$ 0.25	$ 0.41

(a) The three months ended March 31, 2016 includes Fund III's $65.4 million gain on sale of its 65% consolidated interest in Cortlandt Town Center of which $49.4 million was attributable to noncontrolling interests (Note 2).
(b) The three months ended June 30, 2016 includes a $16.6 million gain on sale of Fund III's consolidated Heritage Shops property of which $12.5 million was attributable to noncontrolling interests (Note 2).
(c) The three months ended June 30, 2016, September 30, 2016 and December 31, 2016 reflect the impact of the de-consolidation of the Company's investment in the Brandywine portfolio, which was effective May 1, 2016 (Note 4).
(d) The three months ended December 31, 2016 reflect the impact of an out-of-period adjustment resulting in a net decrease to net income of $4.2 million, of which $1.6 million was attributable to noncontrolling interests (Note 1).

17. Subsequent Events

Acquisition

On February 21, 2018, Fund V acquired a shopping center located in Trussville, Alabama for $45.2 million. It is not practicable to disclose the preliminary purchase price allocation or consolidated pro forma financial information for this transaction given the short period of time between the acquisition date and the filing of this Report.

Financings

On January 24, 2018, Fund V obtained mortgage financing of $22.9 million for its recently acquired Plaza Santa Fe property (Note 2).

On January 29, 2018, Fund V obtained mortgage financing of $16.9 million for its recently acquired New Towne Plaza property (Note 2).

On February 20, 2018, the Company completed a $500.0 million senior unsecured credit facility (the “Credit Facility”), comprised of a $150.0 million senior unsecured revolving credit facility (the “Revolver”), and a $350.0 million senior unsecured term loan (the “Term Loan”). The Credit Facility refinanced the Company’s existing $300.0 million credit facility (comprised of the $150.0 million Core unsecured revolving line of credit and the $150.0 million term loan), $150.0 million in Core unsecured term loans (Note 7) and repaid a $40.4 million mortgage secured by its 664 North Michigan Property. The Revolver and Term Loans mature on March 31, 2022 and March 31, 2023, respectively.

Dispositions

On January 18, 2018, Fund IV's Broughton Street Portfolio venture (Note 4) sold its 108 W. Broughton and 110 W. Broughton Street properties for a total of $8.0 million.

Structured Financing

On January 24, 2018, the Company received full settlement of one of its Core notes receivable with a principal amount of $26.0 million (Note 3).

Other

On February 20, 2018, the Company's Board of Trustees elected to terminate the existing repurchase program and authorized a new Common Share repurchase program under which the Company may repurchase, from time to time, up to a maximum of $200.0 million of its common shares. The shares may be repurchased in the open market or in privately negotiated transactions. The common share repurchase program does not obligate the Company to repurchase any specific number of shares and may be suspended or terminated at any time at the Company's discretion without prior notice.

ACADIA REALTY TRUST
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Year	Charged to Expenses	Adjustments to Valuation Accounts	Deductions	Balance at End of Year
Year ended December 31, 2017:					
Allowance for deferred tax asset	$ 859	$ —	$ 671	$ —	$ 1,530
Allowance for uncollectible accounts	5,720	200	—	—	5,920
Allowance for notes receivable	—	—	—	—	—
Year ended December 31, 2016:					
Allowance for deferred tax asset	—	—	859	—	859
Allowance for uncollectible accounts	7,451	—	—	(1,731)	5,720
Allowance for notes receivable	—	—	—	—	—
Year ended December 31, 2015:					
Allowance for deferred tax asset	—	—	—	—	—
Allowance for uncollectible accounts	5,952	1,499	—	—	7,451
Allowance for notes receivable	—	—	—	—	—

ACADIA REALTY TRUST
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION

December 31, 2017

Description and Location	Encumbrances	Initial Cost to Company		Increase (Decrease) in Net Investments	Amount at Which Carried at December 31, 2017			Accumulated Depreciation	Date of Acquisition (a) Construction (c)		Life on which Depreciation in Latest Statement of Income is Compared
		Land	Buildings & Improvements		Land	Buildings & Improvements	Total				
Core Portfolio:											
Crescent Plaza Brockton, MA	—	1,147	7,425	3,194	1,147	10,619	11,766	7,749	1993	(a)	40 years
New Loudon Center Latham, NY	—	505	4,161	14,118	505	18,279	18,784	14,486	1993	(a)	40 years
Mark Plaza Edwardsville, PA	—	—	3,396	—	—	3,396	3,396	2,934	1993	(c)	40 years
Plaza 422 Lebanon, PA	—	190	3,004	2,765	190	5,769	5,959	5,192	1993	(c)	40 years
Route 6 Mall Honesdale, PA	—	1,664	—	12,446	1,664	12,446	14,110	9,234	1994	(c)	40 years
Abington Towne Center Abington, PA	—	799	3,197	2,870	799	6,067	6,866	3,890	1998	(a)	40 years
Bloomfield Town Square Bloomfield Hills, MI	—	3,207	13,774	23,557	3,207	37,331	40,538	21,396	1998	(a)	40 years
Elmwood Park Shopping Center Elmwood Park, NJ	—	3,248	12,992	15,857	3,798	28,299	32,097	19,237	1998	(a)	40 years
Merrillville Plaza Hobart, IN	—	4,288	17,152	5,661	4,288	22,813	27,101	12,260	1998	(a)	40 years
Marketplace of Absecon Absecon, NJ	—	2,573	10,294	4,900	2,577	15,190	17,767	8,107	1998	(a)	40 years
239 Greenwich Avenue Greenwich, CT	27,000	1,817	15,846	1,032	1,817	16,878	18,695	7,830	1998	(a)	40 years
Hobson West Plaza Naperville, IL	—	1,793	7,172	1,983	1,793	9,155	10,948	5,095	1998	(a)	40 years
Village Commons Shopping Center Smithtown, NY	—	3,229	12,917	4,265	3,229	17,182	20,411	9,389	1998	(a)	40 years
Town Line Plaza Rocky Hill, CT	—	878	3,510	7,736	907	11,217	12,124	9,062	1998	(a)	40 years
Branch Shopping Center Smithtown, NY	—	3,156	12,545	15,935	3,401	28,235	31,636	11,247	1998	(a)	40 years
Methuen Shopping Center Methuen, MA	—	956	3,826	1,260	961	5,081	6,042	2,518	1998	(a)	40 years
The Gateway Shopping Center South Burlington, VT	—	1,273	5,091	12,262	1,273	17,353	18,626	9,521	1999	(a)	40 years
Mad River Station Dayton, OH	—	2,350	9,404	2,102	2,350	11,506	13,856	5,597	1999	(a)	40 years
Pacesetter Park Shopping Center Ramapo, NY	—	1,475	5,899	3,602	1,475	9,501	10,976	4,976	1999	(a)	40 years
Brandywine Holdings Wilmington, DE	26,250	5,063	15,252	2,495	5,201	17,609	22,810	6,796	2003	(a)	40 years
Bartow Avenue Bronx, NY	—	1,691	5,803	1,184	1,691	6,987	8,678	2,958	2005	(c)	40 years
Amboy Road Staten Island, NY	—	—	11,909	2,483	—	14,392	14,392	6,564	2005	(a)	40 years
Chestnut Hill Philadelphia, PA	—	8,289	5,691	4,509	8,289	10,200	18,489	3,877	2006	(a)	40 years
2914 Third Avenue Bronx, NY	—	11,108	8,038	4,768	11,855	12,059	23,914	2,757	2006	(a)	40 years
West Shore Expressway Staten Island, NY	—	3,380	13,499	—	3,380	13,499	16,879	4,114	2007	(a)	40 years
West 54th Street Manhattan, NY	—	16,699	18,704	1,236	16,699	19,940	36,639	5,480	2007	(a)	40 years
5-7 East 17th Street Manhattan, NY	—	3,048	7,281	5,183	3,048	12,464	15,512	2,426	2008	(a)	40 years
651-671 W Diversey Chicago, IL	—	8,576	17,256	8	8,576	17,264	25,840	2,841	2011	(a)	40 years
15 Mercer Street New York, NY	—	1,887	2,483	—	1,887	2,483	4,370	404	2011	(a)	40 years
4401 White Plains Bronx, NY	—	1,581	5,054	—	1,581	5,054	6,635	800	2011	(a)	40 years
Chicago Street Retail Portfolio	—	17,527	49,501	5,544	17,565	55,007	72,572	11,383	2012	(a)	40 years

ACADIA REALTY TRUST
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION

		Initial Cost to Company			Amount at Which Carried at December 31, 2017						
Description and Location	Encumbrances	Land	Buildings & Improvements	Increase (Decrease) in Net Investments	Land	Buildings & Improvements	Total	Accumulated Depreciation	Date of Acquisition (a) Construction (c)		Life on which Depreciation in Latest Statement of Income is Compared
1520 Milwaukee Avenue Chicago, IL	—	2,110	1,306	2	2,110	1,308	3,418	193	2012	(a)	40 years
330-340 River St Cambridge, MA	11,644	8,404	14,235	—	8,404	14,235	22,639	2,179	2012	(a)	40 years
Rhode Island Place Shopping Center Washington, D.C.	—	7,458	15,968	1,708	7,458	17,676	25,134	2,709	2012	(a)	40 years
930 Rush Street Chicago, IL	—	4,933	14,587	—	4,933	14,587	19,520	2,097	2012	(a)	40 years
28 Jericho Turnpike Westbury, NY	14,402	6,220	24,416	—	6,220	24,416	30,636	3,575	2012	(a)	40 years
181 Main Street Westport, CT	—	1,908	12,158	333	1,908	12,491	14,399	1,612	2012	(a)	40 years
83 Spring Street Manhattan, NY	—	1,754	9,200	—	1,754	9,200	10,954	1,265	2012	(a)	40 years
60 Orange Street Bloomfield, NJ	7,522	3,609	10,790	—	3,609	10,790	14,399	1,562	2012	(a)	40 years
179-53 & 1801-03 Connecticut Avenue Washington, D.C.	—	11,690	10,135	802	11,690	10,937	22,627	1,522	2012	(a)	40 years
639 West Diversey Chicago, IL	—	4,429	6,102	779	4,429	6,881	11,310	1,069	2012	(a)	40 years
664 North Michigan Chicago, IL	40,584	15,240	65,331	—	15,240	65,331	80,571	7,973	2013	(a)	40 years
8-12 E. Walton Chicago, IL	—	5,398	15,601	939	5,398	16,540	21,938	1,879	2013	(a)	40 years
3200-3204 M Street Washington, DC	—	6,899	4,249	168	6,899	4,417	11,316	547	2013	(a)	40 years
868 Broadway Manhattan, NY	—	3,519	9,247	5	3,519	9,252	12,771	942	2013	(a)	40 years
313-315 Bowery Manhattan, NY	—	—	5,516	—	—	5,516	5,516	893	2013	(a)	40 years
120 West Broadway Manhattan, NY	—	—	32,819	1,116	—	33,935	33,935	2,192	2013	(a)	40 years
11 E. Walton Chicago, IL	—	16,744	28,346	192	16,744	28,538	45,282	2,923	2014	(a)	40 years
61 Main St. Westport, CT	—	4,578	2,645	182	4,578	2,827	7,405	307	2014	(a)	40 years
865 W. North Avenue Chicago, IL	—	1,893	11,594	23	1,893	11,617	13,510	1,105	2014	(a)	40 years
152-154 Spring St. Manhattan, NY	—	8,544	27,001	—	8,544	27,001	35,545	2,509	2014	(a)	40 years
2520 Flatbush Ave Brooklyn, NY	—	6,613	10,419	193	6,613	10,612	17,225	1,026	2014	(a)	40 years
252-256 Greenwich Avenue Greenwich, CT	—	10,175	12,641	119	10,175	12,760	22,935	1,300	2014	(a)	40 years
Bedford Green Bedford Hills, NY	—	12,425	32,730	1,929	12,425	34,659	47,084	3,228	2014	(a)	40 years
131-135 Prince Street Manhattan, NY	—	—	57,536	135	—	57,671	57,671	8,969	2014	(a)	40 years
Shops at Grand Ave Queens, NY	—	20,264	33,131	312	20,264	33,443	53,707	2,746	2014	(a)	40 years
201 Needham St. Newton, MA	—	4,550	4,459	105	4,550	4,564	9,114	419	2014	(a)	40 years
City Center San Francisco, CA	—	36,063	109,098	2,604	36,063	111,702	147,765	7,731	2015	(a)	40 years
163 Highland Avenue Needham, MA	9,112	12,679	11,213	—	12,679	11,213	23,892	911	2015	(a)	40 years
Roosevelt Galleria Chicago, IL	—	4,838	14,574	—	4,838	14,574	19,412	856	2015	(a)	40 years
Route 202 Shopping Center Wilmington, DE	—	—	6,346	13	—	6,359	6,359	467	2015	(a)	40 years
991 Madison Avenue New York, NY	—	—	76,965	175	—	77,140	77,140	2,749	2016	(a)	40 years
165 Newbury Street Boston, MA	—	1,918	3,980	—	1,918	3,980	5,898	166	2016	(a)	40 years
Concord & Milwaukee Chicago, IL	2,802	2,739	2,746	—	2,739	2,746	5,485	103	2016	(a)	40 years
State & Washington Chicago, IL	24,974	3,907	70,943	—	3,907	70,943	74,850	2,365	2016	(a)	40 years

ACADIA REALTY TRUST
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION

Description and Location	Encumbrances	Initial Cost to Company		Increase (Decrease) in Net Investments	Amount at Which Carried at December 31, 2017			Accumulated Depreciation	Date of Acquisition (a) Construction (c)		Life on which Depreciation in Latest Statement of Income is Compared
		Land	Buildings & Improvements		Land	Buildings & Improvements	Total				
151 N. State Street Chicago, IL	14,179	1,941	25,529	—	1,941	25,529	27,470	904	2016	(a)	40 years
North & Kingsbury Chicago, IL	12,931	18,731	16,292	—	18,731	16,292	35,023	564	2016	(a)	40 years
Sullivan Center Chicago, IL	—	13,443	137,327	54	13,443	137,381	150,824	4,578	2016	(a)	40 years
California & Armitage Chicago, IL	2,622	6,770	2,292	2	6,770	2,294	9,064	84	2016	(a)	40 years
555 9th Street San Francisco, CA	60,000	75,591	73,268	—	75,591	73,268	148,859	2,154	2016	(a)	40 years
Market Square Wilmington, DE	—	8,100	31,221	157	8,100	31,379	39,479	75	2017	(a)	40 years
Undeveloped Land	—	100	—	—	100	—	100	—			
Fund II:											
City Point Brooklyn, NY	224,820	—	100,316	455,125	—	555,441	555,441	13,628	2007	(c)	40 years
Fund III:											
654 Broadway Manhattan, NY	—	9,040	3,654	2,883	9,040	6,537	15,577	921	2011	(a)	40 years
640 Broadway Manhattan, NY	49,470	12,503	19,960	12,921	12,503	32,881	45,384	4,694	2012	(a)	40 years
3104 M St. Washington, DC	4,419	750	2,115	5,139	750	7,254	8,004	283	2013	(c)	40 years
3780-3858 Nostrand Avenue Brooklyn, NY	10,617	6,229	11,216	6,139	6,229	17,355	23,584	2,157	2013	(a)	40 years
Fund IV:				—			—				
210 Bowery Manhattan, NY	10,919	1,875	5,625	17,104	1,875	22,729	24,604	142	2012	(c)	40 years
Paramus Plaza Paramus, NJ	18,454	11,052	7,037	11,560	11,052	18,597	29,649	1,739	2013	(a)	40 years
Lake Montclair Center Dumfries, VA	14,098	7,077	12,028	702	7,077	12,730	19,807	1,482	2013	(a)	40 years
938 W. North Avenue Chicago, IL	14,100	2,314	17,067	2,044	2,314	19,111	21,425	1,733	2013	(a)	40 years
27 E. 61st Street Manhattan, NY	—	4,813	14,438	6,693	4,813	21,131	25,944	131	2014	(c)	40 years
17 E. 71st Street Manhattan, NY	19,000	7,391	20,176	266	7,391	20,442	27,833	1,680	2014	(a)	40 years
Broughton St. Portfolio Savannah, GA	24,699	—	—	—	—	—	—	—	2014	(c)	40 years
1035 Third Ave Manhattan, NY	41,387	12,759	37,431	4,648	14,099	40,739	54,838	2,992	2015	(a)	40 years
801 Madison Avenue Manhattan, NY	—	4,178	28,470	4,474	4,178	32,945	37,123	206	2015	(c)	40 years
2208-2216 Fillmore Street San Francisco, CA	5,606	3,027	6,376	26	3,027	6,402	9,429	348	2015	(a)	40 years
146 Geary Street San Francisco, CA	27,700	9,500	28,500	7	9,500	28,507	38,007	1,544	2015	(a)	40 years
2207 Fillmore Street San Francisco, CA	1,120	1,498	1,735	119	1,498	1,854	3,352	93	2015	(a)	40 years
1861 Union St. San Francisco, CA	2,315	2,188	1,293	8	2,188	1,301	3,489	67	2015	(a)	40 years
1964 Union Street San Francisco, CA	1,463	563	1,688	2,577	563	4,265	4,828	44	2016	(c)	40 years
Restaurants at Fort Point Boston, MA	6,425	1,041	10,905	—	1,041	10,905	11,946	545	2016	(a)	40 years
Wakeforest Crossing Wake Forest, NC	24,000	7,570	24,829	196	7,570	25,025	32,595	989	2016	(a)	40 years
Airport Mall Bangor, ME	5,613	2,294	7,067	74	2,294	7,141	9,435	278	2016	(a)	40 years
Colonie Plaza Albany, NY	11,890	2,852	9,619	4	2,852	9,623	12,475	338	2016	(a)	40 years
Dauphin Plaza Harrisburg, PA	10,270	5,290	9,464	317	5,290	9,781	15,071	351	2016	(a)	40 years
JFK Plaza Waterville, ME	4,490	751	5,991	7	751	5,998	6,749	222	2016	(a)	40 years
Mayfair Shopping Center Philadelphia, PA	—	6,178	9,266	32	6,178	9,298	15,476	294	2016	(a)	40 years
Shaw's Plaza Waterville, ME	8,035	828	11,814	—	828	11,814	12,642	388	2016	(a)	40 years

ACADIA REALTY TRUST
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION

Description and Location	Encumbrances	Initial Cost to Company: Land	Initial Cost to Company: Buildings & Improvements	Increase (Decrease) in Net Investments	Amount at Which Carried at December 31, 2017: Land	Amount at Which Carried at December 31, 2017: Buildings & Improvements	Amount at Which Carried at December 31, 2017: Total	Accumulated Depreciation	Date of Acquisition (a) Construction (c)		Life on which Depreciation in Latest Statement of Income is Compared
Wells Plaza Wells, ME	3,368	1,892	2,585	—	1,892	2,585	4,477	124	2016	(a)	40 years
717 N. Michigan Chicago, IL	18,199	20,674	10,093	—	20,674	10,093	30,767	270	2016	(c)	40 years
Shaw's Plaza North Windham, ME	5,988	1,876	6,696	—	1,876	6,696	8,572	94	2017	(a)	40 years
Lincoln Place Fairview Heights, IL	23,100	7,149	22,201	55	7,149	22,256	29,405	545	2017	(a)	40 years
Fund V:											
Plaza Santa Fe Santa Fe, NM	—	—	28,214	—	—	28,214	28,214	452	2017	(a)	40 years
Hickory Ridge Hickory, NC	28,613	7,852	29,998	—	7,852	29,998	37,850	312	2017	(a)	40 years
New Towne Plaza Canton, MI	—	5,040	17,391	1	5,040	17,392	22,432	208	2017	(a)	40 years
Fairlane Green Allen Park, MI	—	18,121	37,626	—	18,121	37,626	55,747	—	2017	(a)	40 years
Real Estate Under Development	47,061	88,108	31,473	54,122	88,108	85,594	173,702	—			
Debt of Assets Held for Sale	—	—	—	—	—	—	—	—			
Unamortized Loan Costs	(12,943)	—	—	—	—	—	—	—			
Unamortized Premium	856	—	—	—	—	—	—	—			
Total	$ 909,174	$ 743,847	$ 1,960,389	$ 762,245	$ 746,943	$ 2,719,539	$ 3,466,482	$ 339,862			

Notes:

1. Depreciation on buildings and improvements reflected in the consolidated statements of income is calculated over the estimated useful life of the assets as follows: Buildings at 40 years and improvements at the shorter of lease term or useful life.

2. The aggregate gross cost of property included above for Federal income tax purposes was approximately $3.4 billion as of December 31, 2017.

The following table reconciles the activity for real estate properties from January 1, 2015 to December 31, 2017 (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Balance at beginning of year	$ 3,382,000	$ 2,736,283	$ 2,208,595
Other improvements	55,763	152,129	162,760
Property acquisitions	179,292	761,400	418,396
Property dispositions or held for sale assets	(189,895)	(134,332)	(66,359)
Prior year purchase price allocation adjustments	—	(9,844)	—
Deconsolidation of previously consolidated investments	—	(123,636)	—
Consolidation of previously unconsolidated investments	39,322	—	12,891
Balance at end of year	$ 3,466,482	$ 3,382,000	$ 2,736,283

ACADIA REALTY TRUST
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION

The following table reconciles accumulated depreciation from January 1, 2015 to December 31, 2017 (in thousands):

	Year Ended December 31,		
	2017	**2016**	**2015**
Balance at beginning of year	$ 287,066	$ 298,703	$ 256,015
Depreciation related to real estate	73,268	49,269	49,775
Property dispositions	(20,472)	(27,829)	(7,087)
Deconsolidation of previously consolidated investments	—	(33,077)	—
Balance at end of year	$ 339,862	$ 287,066	$ 298,703

ACADIA REALTY TRUST
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE

December 31, 2017

(in thousands)

Description	Effective Interest Rate	Final Maturity Date	Face Amount of Notes Receivable	Net Carrying Amount of Notes Receivable as of December 31, 2017
First Mortgage Loan	6.0%	6/1/2018	$ 15,000	$ 15,000
First Mortgage Loan	LIBOR + 7.1%	6/25/2018	26,000	26,000
First Mortgage Loan	8.1%	4/30/2019	153,400	60,695
Zero Coupon Loan	2.5%	5/31/2020	29,793	31,778
Mezzanine Loan	18.0%	7/1/2020	3,007	5,106
Preferred Equity	15.3%	2/3/2021	14,000	15,250
Total			$ 241,200	$ 153,829

The Company monitors the credit quality of its notes receivable on an ongoing basis and considers indicators of credit quality such as loan payment activity, the estimated fair value of the underlying collateral, the seniority of the Company's loan in relation to other debt secured by the collateral, the personal guarantees of the borrower and the prospects of the borrower.

The following table reconciles the activity for loans on real estate from January 1, 2015 to December 31, 2017 (in thousands):

	Reconciliation of Loans on Real Estate		
	Year Ended December 31,		
	2017	2016	2015
Balance at beginning of year	$ 276,163	$ 147,188	$ 102,286
Additions	11,371	171,794	48,500
Disposition of air rights through issuance of notes	—	—	29,539
Repayments	(32,000)	(42,819)	(15,984)
Conversion to real estate through receipt of deed or through foreclosure	(101,705)	—	(13,386)
Other	—	—	(3,767)
Balance at end of year	$ 153,829	$ 276,163	$ 147,188

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

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

We conducted an evaluation, under the supervision and with the participation of management including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2017 to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Management of Acadia Realty Trust is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Securities Exchange Act of 1934 Rule 13(a)-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2017 as required by the Securities Exchange Act of 1934 Rule 13(a)-15(c). In making this assessment, we used the criteria set forth in the framework in Internal Control–Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). Based on our evaluation under the COSO criteria, our management concluded that our internal control over financial reporting was effective as of December 31, 2017 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

BDO USA, LLP, an independent registered public accounting firm that audited our Financial Statements included in this Annual Report, has issued an attestation report on our internal control over financial reporting as of December 31, 2017, which appears in paragraph (b) of this Item 9A.

Acadia Realty Trust
Rye, New York
February 27, 2018

Changes in Internal Control Over Financial Reporting

During the three months ended December 31, 2017, there were no changes in the Company's internal control over financial reporting that materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of Acadia Realty Trust

Opinion on Internal Control over Financial Reporting

We have audited Acadia Realty Trust and subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the COSO criteria.

We also have 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 December 31, 2017 and 2016, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2017, and the related notes and schedules, and our report dated February 27, 2018, expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsbile 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 Item 9A, 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 U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, 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/ BDO USA, LLP
New York, New York
February 27, 2018

ITEM 9B. OTHER INFORMATION.

None.

PART III

In accordance with the rules of the SEC, certain information required by Part III is omitted and is incorporated by reference into this Form 10-K from our definitive proxy statement relating to our 2018 annual meeting of stockholders (our "2018 Proxy Statement") that we intend to file with the SEC no later than April 30, 2018.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information under the following headings in the 2018 Proxy Statement is incorporated herein by reference:

- "PROPOSAL 1 — ELECTION OF TRUSTEES"
- "MANAGEMENT"
- "SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE"

ITEM 11. EXECUTIVE COMPENSATION.

The information under the following headings in the 2018 Proxy Statement is incorporated herein by reference:

- "ACADIA REALTY TRUST COMPENSATION COMMITTEE REPORT"
- "COMPENSATION DISCUSSION AND ANALYSIS"
- "BOARD OF TRUSTEES COMPENSATION"
- "COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION"

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information under the heading "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" in the 2018 Proxy Statement is incorporated herein by reference.

The information under Item 5. of this Form 10-K under the heading "(c) Securities authorized for issuance under equity compensation plans" is incorporated herein by reference.

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

The information under the following headings in the 2018 Proxy Statement is incorporated herein by reference:

- "CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS"
- "PROPOSAL 1 — ELECTION OF TRUSTEES—Trustee Independence"

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The information under the heading "AUDIT COMMITTEE INFORMATION" in the 2018 Proxy Statement is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

1. Financial Statements: See "Index to Financial Statements" at Item 8.
2. Financial Statement Schedule: See "Schedule II—Valuation and Qualifying Accounts" at Item 8.
3. Financial Statement Schedule: See "Schedule III—Real Estate and Accumulated Depreciation" at Item 8.
4. Financial Statement Schedule: See "Schedule IV—Mortgage Loans on Real Estate" at Item 8.
5. Exhibits: The index of exhibits below is incorporated herein by reference.

The following is an index to all exhibits including (i) those filed with this Annual Report on Form 10-K and (ii) those incorporated by reference herein:

Exhibit No.	Description	Method of Filing
3.1	Declaration of Trust of the Company	Incorporated by reference to the copy thereof filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K filed for the year ended December 31, 2012.
3.2	First Amendment to Declaration of Trust of the Company	Incorporated by reference to the copy thereof filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K filed for the year ended December 31, 2012.
3.3	Second Amendment to Declaration of Trust of the Company	Incorporated by reference to the copy thereof filed as Exhibit 3.3 to the Company's Annual Report on Form 10-K filed for the year ended December 31, 2012.
3.4	Third Amendment to Declaration of Trust of the Company	Incorporated by reference to the copy thereof filed as Exhibit 3.4 to the Company's Annual Report on Form 10-K filed for the year ended December 31, 2012.
3.5	Fourth Amendment to Declaration of Trust	Incorporated by reference to the copy thereof filed as Exhibit 3.1 (a) to the Company's Quarterly Report on Form 10-Q filed for the quarter ended September 30, 1998.
3.6	Fifth Amendment to Declaration of Trust	Incorporated by reference to the copy thereof filed as Exhibit 3.4 to the Company's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2009.
3.7	Amended and Restated Bylaws of the Company	Incorporated by reference to the copy thereof filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 18, 2013.
3.8	Amendment No. 1 to Amended and Restated Bylaws of the Company	Incorporated by reference to the copy thereof filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on April 29, 2014.
3.9	Articles Supplementary	Incorporated by reference to the copy therefore filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 9, 2017.
10.1	Amended and Restated Acadia Realty Trust 2006 Share Incentive Plan [(a)]	Incorporated by reference to the copy thereof filed as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed on April 5, 2012.
10.2	Certain information regarding the compensation arrangements with certain officers of registrant	Incorporated by reference to the copy thereof filed as to Item 5.02 of the registrant's Form 8-K filed with the SEC on February 4, 2008.
10.3	Description of Long Term Investment Alignment Program	Incorporated by reference to page 20 to the Company's 2009 Annual Proxy Statement filed with the SEC April 9, 2009.
10.4	Registration Rights and Lock-Up Agreement (RD Capital Transaction)	Incorporated by reference to the copy thereof filed as Exhibit 99.1 (a) to the Company's Registration Statement on Form S-3 filed on March 3, 2000.
10.5	Contribution and Share Purchase Agreement dated as of April 15, 1998 among Mark Centers Trust, Mark Centers Limited Partnership, the Contributing Owners and Contributing Entities named therein, RD Properties, L.P. VI, RD Properties, L.P. VIA and RD Properties, L.P. VIB	Incorporated by reference to the copy thereof filed as Exhibit 10.1 to the Company's Form 8-K filed on April 20, 1998.

Exhibit No.	Description	Method of Filing
10.6	Amended and Restated Employment agreement between the Company and Kenneth F. Bernstein [a]	Incorporated by reference to the copy thereof filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 1, 2014.
10.7	Form of Amended and Restated Severance Agreement, effective as of February 26, 2018, with each of: Joel Braun, Executive Vice President and Chief Investment Officer; John Gottfried, Senior Vice President and Chief Financial Officer; Jason Blacksberg, Senior Vice President, General Counsel, Chief Compliance Officer and Secretary; Christopher Conlon, Executive Vice President and Chief Operating Officer and Joseph M. Napolitano, Senior Vice President and Chief Administrative Officer [a]	Filed herewith.
10.8	Revolving Credit Agreement Dated as of November 21, 2012 by and among Acadia Strategic Opportunity Fund IV LLC as Borrower, Acadia Realty Acquisition IV LLC as Borrowers Managing Member, Acadia Realty Limited Partnership as Guarantor, Acadia Realty Trust as Guarantor General Partner, Acadia Investors IV Inc. as Pledgor and Bank of America, N.A. as Administrative Agent, Structuring Agent, Sole Bookrunner, Sole Lead Arranger, Letter of Credit Issuer, and Lender	Incorporated by reference to the copy thereof filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K filed for the year ended December 31, 2012.
10.9	Amended and Restated Credit Agreement, dated as of February 20, 2018, among Acadia Realty Limited Partnership, as the Borrower, and Acadia Realty Trust and Certain Subsidiaries of Acadia Realty Limited Partnership from time to time party thereto, as Guarantors, Bank of America, N.A., as Administrative Agent, Swing Line Lender, L/C Issuer, and as a Lender, PNC Bank, National Association and Wells Fargo Bank, National Association, as Co-Documentation Agents, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as a Joint Lead Arranger and Sole Bookrunner and PNC Bank, National Association and Wells Fargo Securities, LLC, as Joint Lead Arrangers	Filed herewith.
10.10	Agreement and Plan Of Merger Dated as of December 22, 2005 by and among Acadia Realty Acquisition I, LLC, Ara Btc LLC, ARA MS LLC, ARA BS LLC, ARA BC LLC and ARA BH LLC, Acadia Investors, Inc., AII BTC LLC, AII MS LLC, AII BS LLC, AII BC LLC And AII BH LLC, Samuel Ginsburg 2000 Trust Agreement #1, Martin Ginsburg 2000 Trust Agreement #1, Martin Ginsburg, Samuel Ginsburg and Adam Ginsburg, and GDC SMG, LLC, GDC Beechwood, LLC, Aspen Cove Apartments, LLC and SMG Celebration, LLC	Incorporated by reference to the copy thereof filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on January 4, 2006.
10.11	Form of Assignments and Assumptions of Carried Interest with respect to the Company's Long-Term Incentive Alignment Program	Incorporated by reference to the copy thereof filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed for the quarter ended June 30, 2015.
10.12	Form of Omnibus Amendment to the Series of Assignments and Assumptions of Carried Interest with respect to the Company's Long-Term Incentive Alignment Program	Incorporated by reference to the copy thereof filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed for the quarter ended June 30, 2015.
10.13	Form of 2018 Long-Term Incentive Plan Award Agreement (Time Based Only)	Filed herewith
10.14	Form of 2018 Long-Term Incentive Plan Award Agreement (Time and Performance Based)	Filed herewith

Exhibit No.	Description	Method of Filing
21	List of Subsidiaries of Acadia Realty Trust	Filed herewith
23.1	Consent of Registered Public Accounting Firm to incorporation by reference its reports into Forms S-3 and Forms S-8	Filed herewith
31.1	Certification of Chief Executive Officer pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Amended and Restated Agreement of Limited Partnership of the Operating Partnership (not including immaterial amendments)	Incorporated by reference to the copy thereof filed as Exhibit 10.1 (c) to the Company's Registration Statement on Form S-3 filed on March 3, 2000.
99.2	Third Amendment to Amended and Restated Agreement of Limited Partnership of the Operating Partnership	Incorporated by reference to the copy thereof filed as Exhibit 99.2 to the Company's Quarterly Report on Form 10-Q filed for the quarter ended June 30, 2015.
99.3	Eighth Amendment to Amended and Restated Agreement of Limited Partnership of the Operating Partnership	Incorporated by reference to the copy thereof filed as Exhibit 10.8 to the Company's Registration Statement on Form S-3 filed on March 12, 2009.
99.4	Certificate of Designation of Series A Preferred Operating Partnership Units of Limited Partnership Interest of Acadia Realty Limited Partnership	Incorporated by reference to the copy thereof filed as Exhibit 99.5 to the Company's Quarterly Report on Form 10-Q filed for the quarter ended June 30, 1997.
101.INS	XBRL Instance Document	Filed herewith
101.SCH	XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	XBRL Taxonomy Extension Calculation Document	Filed herewith
101.DEF	XBRL Taxonomy Extension Definitions Document	Filed herewith
101.LAB	XBRL Taxonomy Extension Labels Document	Filed herewith
101.PRE	XBRL Taxonomy Extension Presentation Document	Filed herewith

(a) The referenced exhibit is a management contract or compensation plan or arrangement required to be filed as an exhibit pursuant to Item 15 (a)(3) of Form 10-K.

ITEM 16. Form 10-K SUMMARY.

None.

SIGNATURES

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

ACADIA REALTY TRUST
(Registrant)

By: /s/ Kenneth F. Bernstein
Kenneth F. Bernstein
Chief Executive Officer,
President and Trustee

By: /s/ John Gottfried
John Gottfried
Senior Vice President and
Chief Financial Officer

By: /s/ Richard Hartmann
Richard Hartmann
Senior Vice President and
Chief Accounting Officer

Dated: February 27, 2018

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

Signature	Title	Date
/s/ Kenneth F. Bernstein (Kenneth F. Bernstein)	Chief Executive Officer, President and Trustee (Principal Executive Officer)	February 27, 2018
/s/ John Gottfried (John Gottfried)	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 27, 2018
/s/ Richard Hartmann (Richard Hartmann)	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 27, 2018
/s/ Douglas Crocker II (Douglas Crocker II)	Trustee	February 27, 2018
/s/ Lorrence T. Kellar (Lorrence T. Kellar)	Trustee	February 27, 2018
/s/ Wendy Luscombe (Wendy Luscombe)	Trustee	February 27, 2018
/s/ William T. Spitz (William T. Spitz)	Trustee	February 27, 2018
/s/ Lynn Thurber (Lynn Thurber)	Trustee	February 27, 2018
/s/ Lee S. Wielansky (Lee S. Wielansky)	Trustee	February 27, 2018
/s/ C. David Zoba (C. David Zoba)	Trustee	February 27, 2018

SECOND AMENDED AND RESTATED SEVERANCE AGREEMENT

THIS SECOND AMENDED AND RESTATED SEVERANCE AGREEMENT (the "**Agreement**") is entered into as of _____, 2018, by and between _____, an individual residing in the State of _____ (the "**Senior Officer**") and **Acadia Realty Trust**, a Maryland real estate investment trust, and **Acadia Realty Limited Partnership**, a Delaware limited partnership, and **ARLP GS LLC**, a Delaware limited liability company, each with offices at 411 Theodore Fremd Avenue, Suite 400, Rye, New York 10580 (collectively, the "**Company**").

RECITALS

WHEREAS, the Company desires to employ the Senior Officer as [Senior Vice President] [Executive Vice President] & _____ and the Senior Officer desires to be employed by the Company as Senior Vice President [Executive Vice President] & _____; and

WHEREAS, the Company and Senior Officer previously entered into an Amended and Restated Severance Agreement dated _____ (the "**Original Severance Agreement**"); and

WHEREAS, Senior Officer and the Company desire to enter into this Agreement to modify and replace the Original Severance Agreement in its entirety.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreement set forth herein, the parties hereby agree as follows:

1. **Termination of Employment and Change in Control.**

(a) The Senior Officer's employment hereunder may be terminated at any time under the following circumstances:

(i) Cause. "**Cause**" means the Senior Officer has: (A) deliberately made a misrepresentation in connection with, or willfully failed to cooperate with, a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or willfully destroyed or failed to preserve documents or other materials known to be relevant to such investigation, or willfully induced others to fail to cooperate or to produce documents or other materials; (B) materially breached (other than as a result of the Senior Officer's incapacity due to physical or mental illness or death) his/her material duties hereunder, which breach is demonstrably willful and deliberate on Senior Officer's part, is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company and such breach is not cured within a reasonable period of time after written notice from the Company specifying such Breach (but in any event, no less than 90 days thereafter) in which Senior Officer is diligently pursuing cure; (C) engaged in conduct constituting a material act of willful misconduct in connection with the performance of his/her duties, including, without limitation, misappropriation of funds or property of the Company other than the occasional customary and de minimis use of Company property for personal purposes; (D) materially violated a material Company policy, including but not limited to a policy set forth in the Company's employee handbook; (E) disparaged the Company, its officers, trustees, employees or partners; (F) committed a felony or misdemeanor involving moral turpitude, deceit, dishonesty or fraud.

(ii) Death. The Senior Officer's employment hereunder shall terminate upon his/her death.

(iii) Disability. The Company shall have the right to terminate the Senior Officer's employment due to "**Disability**" in the event that there is a reasonable determination by the Company that the Senior Officer has become physically or mentally incapable of performing his/her duties under this Agreement and such disability has disabled the Senior Officer for a cumulative period of 180 days within a 12-month period.

(iv) Good Reason. The Senior Officer shall have the right to terminate his/her employment within the 90-day period following the Company's failure to cure any of the following events that shall constitute "**Good Reason**" if not cured within the 30-day period following written notice of such default to the Company by the Senior Officer (the "**Good Reason Cure Period**"): (A) upon the occurrence of any material breach of this Agreement by the Company; (B) without Senior Officer's consent, a material, adverse alteration in the nature of the Senior Officer's duties, responsibilities or authority, or in the 18-month period following a Change in Control only, upon the determination by the Senior Officer (which determination will be conclusive and binding upon the parties hereto provided it has been made in good faith and in all events will be presumed to have been made in good faith unless otherwise shown clear and convincing evidence) that a material negative change in circumstances has occurred following a Change in Control; (C) without Senior Officer's consent, upon a reduction in the Senior Officer's base salary or a reduction of 10% or greater in Senior Officer's other compensation and employee benefits (which includes a 10% or greater reduction in target cash and equity bonus, or a 10% or greater reduction in total bonus opportunity, but in all cases excludes any grants made under the Long-Term Incentive Alignment Program); or (D) if the Company relocates the Senior Officer's office requiring the Senior Officer to increase his/her commuting time by more than one hour, or in the 18-month period following a Change in Control only, upon the Company requiring the Senior Officer to travel away from the Senior Officer's office in the course of discharging the Senior Officer's responsibilities or duties hereunder at least 20% more than was required of the Senior Officer in any of the three full years immediately prior to the Change in Control, without, in either case, the Senior Officer's prior written consent. Any notice hereunder by the Senior Officer must be made within 90 days after the Senior Officer first knows or has reason to know about the occurrence of the event alleged to be Good Reason.

(v) Change in Control. For purposes of this Agreement "**Change in Control**" shall mean that any of the following events has occurred: (A) any "person" or "group" of persons, as such terms are used in Sections 13 and 14 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), other than any employee benefit plan sponsored by the Company, becomes the "beneficial owner", as such term is used in Section 13 of the Exchange Act (irrespective of any vesting or waiting periods) of (i) the Company's common shares of beneficial interest ("**Common Shares**") in an amount equal to 30% or more of the sum total of the Common Shares issued and outstanding immediately prior to such acquisition as if they were a single class and disregarding any equity raise in connection with the financing of such transaction; provided, however, that in determining whether a Change of Control has occurred, Common Shares which are acquired in an acquisition by (i) the Company or any of its subsidiaries or (ii) an employee benefit plan (or a trust forming a part thereof) maintained by the Company or any of its subsidiaries shall not constitute an acquisition which can cause a Change of Control; or (B) the approval of the dissolution or liquidation of the Company by the Board of Directors of the Company (the "**Board**"); or (C) the approval of the sale or other disposition of all or substantially all of its assets in one (1) or more transactions (including,

without limitation, the approval of a transaction or series of transactions to sell or dispose of all or substantially all of the assets in the Company's core business line to any "person" or "group" of persons, as such terms are used in Sections 13 and 14 of the Exchange Act); or (D) a turnover, during any two-year period, of the majority of the members of the Board, without the consent of the majority of the members of the Board as to the appointment of the new Board members.

(b) Notice of Termination. Any termination of the Senior Officer's employment by the Company or any such termination by the Senior Officer (other than on account of death) shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "**Notice of Termination**" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Senior Officer's employment under the provision so indicated. In the event of the termination of the Senior Officer's employment on account of death, written Notice of Termination shall be deemed to have been provided on the date of death.

2. **Compensation Upon Termination of Employment By the Company for Cause or Voluntarily By the Senior Officer.**

In the event the Company terminates the Senior Officer's employment for Cause, or the Senior Officer voluntarily terminates his/her employment, the Company shall pay the Senior Officer any unpaid annual base salary at the rate then in effect accrued through and including the date of termination and any accrued vacation pay ("**Unpaid Accrued Salary**"). In addition, in such event, the Senior Officer shall be entitled to exercise any options, which, as of the date of termination, have vested and are exercisable, as applicable, in accordance with the terms of the applicable option grant agreement or plan. All options, long-term incentive partnership interests ("**LTIP Units**"), other stock-based or other incentive awards, and any grants under the Long-Term Incentive Alignment Program ("**FIAP Awards**") to the Senior Officer which have not vested on the date of termination shall automatically terminate and be forfeited without any consideration therefor.

Except for any rights which the Senior Officer may have to Unpaid Accrued Salary through and including the date of termination (which shall be payable in full immediately upon such termination), and vested Awards, as defined in **Paragraph 3(b)** (which shall, in each case, continue to be exercisable in accordance with the terms of the applicable award agreement or plan and shall, in each case be nonforfeitable), the Company shall have no further obligations hereunder following such termination except that the Company's indemnifications obligations set forth herein shall survive.

3. **Compensation upon Termination of Employment without Cause or by the Senior Officer for Good Reason Outside of a Change in Control.**

In the event of termination of the Senior Officer's employment by the Company without Cause ("**Without Cause**") or by the Senior Officer for Good Reason not in connection with a Change in Control (each, an "**Involuntary Termination**") (for clarity, not covering any Disability or Death of Senior Officer, which is covered in **Paragraph 5** below), then the Company shall pay the Senior Officer any Unpaid Accrued Salary through and including the date of termination. In addition, the Company shall provide all of the following payments and/or benefits:

(a) Involuntary Termination Severance Amount and Benefits Continuation.

(i) The Company shall pay an amount equal to 2 times the sum of (A) the Senior Officer's salary at the then current annual base salary (before any reductions), plus (B) the Senior

Officer's Average Incentive Compensation. For purposes of this Agreement, "**Average Incentive Compensation**" shall mean the average of the annual cash bonus (whether electively taken as cash or equity) received by the Senior Officer for the two immediately preceding fiscal years;

(ii) The Company shall pay a portion of the Senior Officer's Average Incentive Compensation, pro-rated based on the number of days employed during the then current fiscal year;

(iii) The Company shall pay reimbursement of expenses incurred prior to date of termination (the "**Expense Reimbursement**");

(iv) If the Senior Officer was participating in the Company's group health plan (including medical, dental, and or visions plans) immediately prior to the date of termination and elects COBRA health continuation, then the Company shall pay to the Senior Officer a monthly cash payment for 12 months or the Senior Officer's COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly cost of COBRA coverage for the Senior Officer based on the Senior Officer's health plan immediately prior to the date of termination. The foregoing monthly payment shall be made within 15 days of the end of each month during the applicable coverage period.

With respect to the amounts payable pursuant to **Paragraph 3(a)(i)-(iii)** above, such amounts payable shall be paid within 60 days after the date of termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such amounts shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the date of termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

(b) Involuntary Termination Award Treatment.

(i) Time-Based Awards. Notwithstanding anything to the contrary in any applicable option agreement, LTIP Unit agreement, other stock-based or other incentive award agreement, or any FIAP Award ("**Award Agreements**"), all stock options and other stock, LTIP, FIAP or incentive-based awards ("**Awards**") held by the Senior Officer that are scheduled to vest solely based on the Senior Officer's continued employment through each applicable vesting date shall immediately accelerate and become fully exercisable or nonforfeitable as of the date of termination. The Senior Officer shall be entitled at his/her option, or the option of his/her estate or his/her personal representative, within 18 months of the date of such termination (or expiration of their initial term, if earlier), to exercise any options which have vested (including, without limitation, by acceleration in accordance with the terms hereof, the applicable option grant agreement or plan) and are exercisable in accordance with the terms of the applicable option grant agreement or plan and/or any other methods or procedures for exercise applicable to optionees or to require the Company (upon written notice delivered within 180 days following the date of the Senior Officer's termination), to repurchase all or any portion of the Senior Officer's vested options to purchase Common Shares at a price equal to the difference between the Repurchase Fair Market Value (as hereinafter defined) of the Common Shares for which the options to be repurchased are exercisable and the exercise price of such options as of the date of the Senior Officer's termination of employment. In the event of a conflict between any option grant agreement or plan and this Agreement, the terms of this Agreement shall control. For purposes of this Agreement, "**Repurchase Fair Market Value**" shall mean the average of the closing price on the New York Stock Exchange (or such other exchange on which the Common Shares

are primarily traded) of the Common Shares on each of the trading days within the twenty (20) days immediately preceding the date of termination of the Senior Officer's employment.

(ii) Performance-Based Awards. All Awards subject to performance-based vesting shall remain outstanding until the conclusion of the applicable performance period as set forth in the respective award grant agreement and shall otherwise continue to be governed by the terms and conditions of the applicable award grant agreement. For the avoidance of doubt, the terms of this Agreement shall not supersede the treatment of performance-based awards as so specified in the applicable award grant agreement.

4. **Compensation upon Termination of Employment without Cause or by the Senior Officer for Good Reason in Connection with a Change in Control.**

The provisions of this **Paragraph 4** set forth certain terms of an agreement reached between the Senior Officer and the Company regarding the Senior Officer's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Senior Officer's continued attention and dedication to his/her assigned duties and his/her objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of **Paragraph 3** regarding severance pay, benefits and equity award treatment upon an Involuntary Termination of employment, if such termination of employment Without Cause or for Good Reason occurs within 6 months prior to the occurrence of the first event constituting a Change in Control or within 18 months (as may be extended in accordance with the proviso hereto) following the consummation of a Change in Control (such period, the "**Change in Control Protection Period**"); provided that if the end of such 18 month period falls within any applicable Good Reason Cure Period, such 18 month period shall be extended to coincide with the expiration of such Good Reason Cure Period. The provisions of this **Section 4** no longer apply after the expiration of the Change in Control Protection Period until any subsequent Change in Control, if applicable.

In the event of termination of the Senior Officer's employment by the Company Without Cause or by the Senior Officer for Good Reason during the Change in Control Protection Period, then the Company shall pay the Senior Officer any Unpaid Accrued Salary through and including the date of termination. In addition, the Company shall provide all of the following payments and/or benefits:

(a) Change in Control Severance Amount and Benefits Continuation.

(i) The Company shall pay a lump sum in cash in an amount equal to 2.75 times the sum of (A) the Senior Officer's salary at the then current annual base salary (before any reductions), plus (B) the Senior Officer's Average Incentive Compensation;

(ii) The Company shall pay a portion of the Senior Officer's Average Incentive Compensation, pro-rated based on the number of days employed during the then current fiscal year;

(iii) The Company shall pay the Expense Reimbursement;

(iv) If the Senior Officer was participating in the Company's group health plan (including medical, dental, and or visions plans) immediately prior to the date of termination and elects COBRA health continuation, then the Company shall pay to the Senior Officer a monthly cash payment for 18 months or the Senior Officer's COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly cost of COBRA coverage for the Senior Officer based on

the Senior Officer's health plan immediately prior to the date of termination. The foregoing monthly payment shall be made within 15 days of the end of each month during the applicable coverage period

With respect to the amounts payable pursuant to **Paragraph 4(a)(i)-(iii)** above, such amounts shall be paid within 60 days after the date of termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid in the second calendar year by the last day of such 60-day period.

(b) Change in Control Award Treatment.

Notwithstanding anything to the contrary in any applicable Incentive Agreement, all Awards held by the Senior Officer that are scheduled to vest solely based on the Senior Officer's continued employment through each applicable vesting date shall immediately accelerate and become fully exercisable or nonforfeitable as of the consummation of a Change in Control. All Awards subject to performance-based vesting shall continue to be governed by the applicable Award Agreement. During the Change in Control Protection Period, the provisions set forth in **Paragraph 3(b)** above shall also apply to the treatment of outstanding Awards granted following a Change in Control for the period following the Change in Control upon termination Without Cause or by the Senior Officer for Good Reason.

5. **Compensation upon Termination of Employment due to Death or Disability.**

In the event of termination of the Senior Officer's employment due to Death or Disability at any time during the term of this Agreement, the Company shall provide the following payments and/or benefits:

(a) Death or Disability Severance Amount and Benefits Continuation.

(i) The Company shall pay an amount equal to 1 times the sum of (A) the Senior Officer's salary at the then current annual base salary (before any reductions), plus (B) the Senior Officer's Average Incentive Compensation;

(ii) The Company shall pay a portion of the Senior Officer's Average Incentive Compensation, pro-rated based on the number of days employed during the then current fiscal year;

(iii) The Company shall pay the Expense Reimbursement;

(iv) If the Senior Officer was participating in the Company's group health plan (including medical, dental, and or visions plans) immediately prior to the date of termination and elects COBRA health continuation, then the Company shall pay to the Senior Officer a monthly cash payment for 12 months or the Senior Officer's COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly the cost of COBRA coverage for the Senior Officer based on the Senior Officer's health plan immediately prior to the date of termination. The foregoing monthly payment shall be made within 15 days of the end of each month during the applicable coverage period.

With respect to the amounts payable pursuant to **Paragraph 5(a)(i)-(iii)** above, such amounts shall be paid within 60 days after the date of termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid in the second calendar year by the last day of such 60-day period.

(b) Death or Disability Award Treatment. The provisions set forth in **Paragraph 3(b)** above shall also apply to the treatment of outstanding awards upon termination of the Senior Officer's employment due to Death or Disability.

6. **Indemnification/Legal Fees.**

(a) Indemnification. In the event the Senior Officer is made party or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the Senior Officer's employment with or serving as an officer of the Company, whether or not the basis of such Proceeding is alleged action in an official capacity, the Company shall indemnify, hold harmless and defend the Senior Officer to the fullest extent authorized by Maryland law, as the same exists and may hereafter be amended, against any and all claims, demands, suits, judgments, assessments and settlements including all expenses incurred or suffered by the Senior Officer in connection therewith (including, without limitation, all legal fees incurred using counsel reasonably acceptable to the Senior Officer) and such indemnification shall continue as to the Senior Officer even after the Senior Officer is no longer employed by the Company and shall inure to the benefit of his/her heirs, executors, and administrators. To the extent allowed by applicable law, expenses incurred by the Senior Officer in connection with any Proceeding shall be paid by the Company in advance upon request of the Senior Officer that the Company pay such expenses; but only in the event that the Senior Officer shall have delivered in writing to the Company an undertaking to reimburse the Company for expenses with respect to which the Senior Officer is not entitled to indemnification. The provisions of this Paragraph shall remain in effect after this Agreement is terminated irrespective of the reasons for termination. The indemnification provisions of this Paragraph shall not supersede or reduce any indemnification provided to the Senior Officer under any separate agreement, or the by-laws of the Company since it is intended that this Agreement shall expand and extend the Senior Officer's rights to receive indemnity.

(b) Legal Fees. If any contest or dispute shall arise between the Company and the Senior Officer regarding or as a result of any provision of this Agreement, the Company shall reimburse the Senior Officer for all legal fees and expenses reasonably incurred by the Senior Officer in connection with such contest or dispute, but only if the Senior Officer is successful in respect of substantially all of the Senior Officer's claims pursued or defended in connection with such contest or dispute. Such reimbursement shall be made as soon as practicable, and not more than 60 days, following the resolution of such contest or dispute (whether or not appealed). Notwithstanding the foregoing, at any time after a Change in Control, if any contest or dispute shall arise between the Company and the Senior Officer regarding or as a result of any provision of this Agreement, all costs and expenses (including legal, accounting and other advisory fees and expenses of investigation) incurred by Senior Officer shall (upon written demand from Senior Officer) be paid by the Company (and Senior Officer shall be entitled, upon application to any court of competent jurisdiction, to the entry of a mandatory injunction, without the necessity of posting any bond with respect thereto, compelling the Company to make such payments) promptly on a current basis (either directly or reimbursing Senior Officer). In accordance with the foregoing, after a Change in Control, under no circumstances shall Senior Officer be obligated to pay or reimburse the Company for any attorneys' fees, costs, or expenses incurred by Senior Officer.

7. **Successors and Assigns, Term.**

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Senior Officer, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform

it if no such succession had taken place. Failure of the Company to obtain any such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Senior Officer to compensation and accelerated vesting from the Company in the same amount and on the same terms as he would be entitled to hereunder if the Senior Officer terminated his/her employment for Good Reason following a Change in Control hereunder in accordance with the terms as set forth in **Paragraph 1. (a)(iv)** except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the date of termination. In the event of such a breach of this Agreement, the Notice of Termination shall specify such date as the date of termination. As used in this Agreement, "**Company**" shall mean the Company as hereinbefore defined and any successor to all or substantially all of its business and/or its assets as aforesaid which executes and delivers the Agreement provided for in this **Paragraph 7** or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law. Any cash payments owed to the Senior Officer pursuant to this **Paragraph 7** shall be paid to the Senior Officer in a single sum without discount for early payment immediately prior to the consummation of the transaction with such successor. Nothing in this **Paragraph 7** shall be construed to interfere with the Company's right to implement or pursue such succession.

8. **Timing of and No Duplication of Payments.**

All payments payable to the Senior Officer pursuant to this Agreement shall be paid as soon as practicable after such amounts have become fully vested and determinable. In addition, the Senior Officer shall not be entitled to receive duplicate payments under any of the provisions of this Agreement.

9. **Modification or Waiver.**

No amendment, modification, waiver, termination or cancellation of this Agreement shall be binding or effective for any purpose unless it is made in a writing signed by the party against whom enforcement of such amendment, modification, waiver, termination or cancellation is sought. No course of dealing between or among the parties to this Agreement shall be deemed to affect or to modify, amend or discharge any provision or term of this Agreement. No delay on the part of the Company or the Senior Officer in the exercise of any of their respective rights or remedies shall operate as a waiver thereof, and no single or partial exercise by the Company or the Senior Officer of any such right or remedy shall preclude other or further exercise thereof. A waiver of right to remedy on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any other occasion.

The respective rights and obligations of the parties hereunder shall survive the Senior Officer's termination of employment and termination of this Agreement to the extent necessary for the intended preservation of such rights and obligations.

10. **Notices.**

All notices or other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand or delivered by a recognized delivery service or mailed, postage prepaid, by express, certified or registered mail, return receipt requested, and addressed to the Company at the address set forth above or the Senior Officer at his/her address as set forth in the Company records (or to such other address as shall have been previously provided in accordance with this **Paragraph 10**).

11. **Governing Law.**

This Agreement will be governed by and construed in accordance with the laws of the State of New York.

12. **Base Salary; Mitigation**

For purposes of this Agreement, in the event there is reduction in Senior Officer's base salary that would constitute the basis for termination for Good Reason, the base salary used to calculate the severance payable hereunder shall be the amount in effect immediately prior to such reduction. Senior Officer shall not be required to mitigate the amount of any payments or benefits provided to Senior Officer by securing other employment or otherwise, nor will such payments and/or benefits be reduced by reason of Senior Officer securing other employment or for any other reason. There will be no right of set-off or counterclaim in respect of any claim, debt or obligation against any payment to or benefit for Senior Officer provided for in this Agreement.

13. **Release Condition for Payments.**

Notwithstanding anything in this Agreement to the contrary, as a condition to receiving any severance payments or benefits under this Agreement, except in the case of Senior Officer's death, Senior Officer shall be required to sign a release and waiver in the form attached hereto as **Exhibit A** and such release and waiver shall have become irrevocable by Senior Officer.

14. **Severability.**

Whenever possible, each provision and term of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or term of this Agreement shall be held to be prohibited by or invalid under such applicable law, then, such provision or term shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provisions or term or the remaining provisions or terms of this Agreement.

15. **Legal Representation.**

Each of the Company and the Senior Officer has had an opportunity to discuss this Agreement with counsel.

16. **Counterparts.**

This Agreement may be executed in separate counterparts, each of which is deemed to be an original and both of which taken together shall constitute one and the same Agreement.

17. **Headings.**

The headings of the Paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof and shall not affect the construction or interpretation of this Agreement.

18. **Entire Agreement.**

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements and undertakings, both written and oral, among the parties with respect to the subject matter hereof.

19. **Survival of Agreements.**

The covenants made in **Paragraphs 1 through 6** each shall survive the termination of this Agreement.

20. **Binding Effect.**

This Agreement shall be binding on the Company, its successors and assigns, including any surviving entity resulting from a merger, consolidation or other corporate reorganization.

21. **Senior Officer's Covenants.**

The Senior Officer covenants and agrees that in the event he receives any compensation (other than compensation upon termination of employment by the Company for Cause or voluntarily by the Senior Officer) pursuant to this Agreement, he shall not solicit for employment any personnel above the position of Administrative Assistant employed by the Company at the time of his/her termination for a period of two years from his/her Date of Termination as long as such personnel is still employed by the Company. Nothing contained herein to the contrary, however, shall prevent the Senior Officer from providing a reference for any such personnel.

22. **Confidentiality.**

The Senior Officer and the Company agree to keep this Agreement confidential to the extent permitted by law. The Senior Officer agrees to keep confidential all information in his/her possession regarding the Company, its properties and its plans, which is not generally known to the public.

23. **Excess Parachute Payments.**

(a) Any provision in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the applicable regulations thereunder (the **"Aggregate Payments**"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Employee becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Employee receiving a higher After Tax Amount (as defined below) than the Employee would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c)

(b) For purposes of this Section, the "**After Tax Amount**" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Employee as a result of the Employee's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Employee shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be

made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(c) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to this Section shall be made by a nationally recognized accounting firm selected by the Company (the "**Accounting Firm**"), which shall provide detailed supporting calculations both to the Company and Senior Officer within fifteen (15) business days of the date of termination, if applicable, or at such earlier time as is reasonably requested by the Company or Executive. Any good faith determination by the Accounting Firm shall be binding upon the Company and the Employee. The Company and Senior Officer shall furnish such the Accounting Firm with such information and documents as the Accounting Firm may reasonably request in order to make its required determination.

24. **Compliance with Section 409A.**

(a) Generally. Except to the extent specifically provided in any separate written agreement between the Senior Officer and the Company, the Senior Officer shall - with respect to any and all amounts and benefits payable under this Agreement - be solely responsible for the satisfaction of any taxes (including applicable withholding and employment taxes, and taxes arising under Code Section 409A regarding deferred compensation and Code Section 4999 regarding golden parachute excise taxes). Although the Company intends and expects that this Agreement and its payments and benefits will not give rise to the taxes imposed under Code Section 409A, neither the Company nor its employees, directors or their agents shall have any obligation to pay, to mitigate, or to otherwise indemnify or hold the Senior Officer harmless from any or all of such taxes.

(b) Section 409A's Six-month Delay Rule. If, at the time of the Senior Officer's "separation from service" (within the meaning of Code Section 409A), the Senior Officer is a "specified employee" (within the meaning of Code Section 409A), the Company will not pay or provide any "Specified Benefits" (as defined herein) until after the end of the sixth calendar month beginning after the Senior Officer's separation from service (the "**409A Suspension Period**"). For purposes of this Agreement, "**Specified Benefits**" are any amounts or benefits that would be subject to Section 409A penalties if the Company were to pay or otherwise settle such amounts or benefits, pursuant to this Agreement, on account of the Senior Officer's separation from service. Within 14 calendar days after the end of the 409A Suspension Period, the Senior Officer shall be paid a lump sum payment in cash equal to any Specified Benefits delayed because of the preceding sentence, without interest. Thereafter, the Senior Officer shall receive any remaining payments or other benefits as if there had not been an earlier delay.

(c) Interpretation and Amendments. All payments and benefits provided to the Senior Officer through this Agreement are intended to be exempt from Section 409A of the Code, and the Company shall have complete discretion to interpret and construe this Agreement and any associated documents in any manner that establishes an exemption from (or otherwise conforms them to) the requirements of Section 409A. If, for any reason including imprecision in drafting, any provision of this Agreement does not accurately reflect its intended establishment of an exemption from (or compliance with) Code Section 409A), as demonstrated by consistent interpretations or other evidence of intent (by the Company in its sole and absolute discretion), the provision shall be considered ambiguous and shall be interpreted by the Company in a fashion consistent herewith, as determined in the sole and absolute discretion of the Company. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

25. **Prior Understandings.**

This Agreement embodies the entire contract between the parties hereto with respect to employment and severance and supersedes any and all prior agreements and understandings, written or oral, formal or informal by and between the Company and the Senior Officer.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

ACADIA REALTY TRUST

By:_____

ACADIA REALTY LIMITED PARTNERSHIP

By: Acadia Realty Trust, its General Partner

By:_____

ARLP GS LLC

By:_____

Exhibit 10.9

Published CUSIP Number: 00423GAD5

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of February 20, 2018

among

ACADIA REALTY LIMITED PARTNERSHIP,

as the Borrower,

and

ACADIA REALTY TRUST

and

CERTAIN SUBSIDIARIES OF
ACADIA REALTY LIMITED PARTNERSHIP
FROM TIME TO TIME PARTY HERETO,

as Guarantors

BANK OF AMERICA, N.A.,

as Administrative Agent and Swing Line Lender

PNC BANK, NATIONAL ASSOCIATION

WELLS FARGO BANK, NATIONAL ASSOCIATION,

and

TD BANK, N.A.

as Co-Documentation Agents

and

The Lenders and L/C Issuers Party Hereto

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,

as a Joint Lead Arranger and Sole Bookrunner

and

PNC CAPITAL MARKETS LLC

and

WELLS FARGO SECURITIES, LLC,

as Joint Lead Arrangers

TABLE OF CONTENTS

AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") is entered into as of February 20, 2018, among ACADIA REALTY LIMITED PARTNERSHIP, a Delaware limited partnership (the "Borrower"), ACADIA REALTY TRUST, a Maryland real estate investment trust (the "REIT") and certain subsidiaries of the Borrower from time to time party hereto, as Guarantors, each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), BANK OF AMERICA, N.A., PNC BANK, NATIONAL ASSOCIATION, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as L/C Issuers, and BANK OF AMERICA, N.A., as Administrative Agent and Swing Line Lender.

The Borrower, the REIT, the subsidiaries of the Borrower party thereto as guarantors, the lenders party thereto, the swing line lender party thereto, the letter of credit issuer party thereto and the Administrative Agent are party to that certain Credit Agreement, dated as of June 27, 2016 (as amended or otherwise modified prior to the date hereof, the "Existing Credit Agreement"). The parties hereto desire to amend and restate the Existing Credit Agreement in its entirety, but not as a novation, on the terms and subject to the conditions hereinafter set forth.

In consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree that the Existing Credit Agreement shall be, and hereby is, amended and restated in its entirety as follows, effective on and as of the Closing Date, and hereby further covenant and agree as follows:

Article I. DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Act" has the meaning specified in Section 11.18.

"Adjusted EBITDA" means, as of any date of determination, (i) EBITDA for the then most recently ended fiscal quarter minus (ii) the aggregate Annual Capital Expenditure Adjustment for all Properties owned by one or more members of the Consolidated Group, provided that with respect to any Non-Wholly Owned Consolidated Subsidiary, only the Consolidated Group Pro Rata Share of the aggregate Annual Capital Expenditure Adjustment attributable to Properties owned by such Non-Wholly Owned Consolidated Subsidiary shall be included in the calculation of Adjusted EBITDA, minus (iii) the Consolidated Group Pro Rata Share of the aggregate Annual Capital Expenditure Adjustment for all Properties owned by one or more Unconsolidated Affiliates.

"Administrative Agent" means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 11.02, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in substantially the form of Exhibit E-2 or any other form approved by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. For the avoidance of doubt, in no event shall any Arranger, the Bookrunner, the Administrative Agent, any Co-Documentation Agent or any Lender, in their capacities as such, be deemed to be an affiliate of the Borrower.

"Aggregate Deficit Amount" has the meaning specified in Section 10.11.

"Aggregate Excess Amount" has the meaning specified in Section 10.11.

"Agreement" has the meaning specified in the first introductory paragraph hereto.

"Annual Capital Expenditure Adjustment" means, for any Property, an amount equal to the product of (i) $0.20 *multiplied by* (ii) the aggregate net rentable area (determined on a square feet basis) of such Property.

"Applicable Percentage" means (a) in respect of the Term Facility, with respect to any Term Lender at any time, the percentage (carried out to the ninth decimal place) of the Term Facility represented by (i) on or prior to the Closing Date, such Term Lender's Term Commitment at such time, and (ii) thereafter, the principal amount of such Term Lender's Term Loans at such time and (b) in respect of the Revolving Credit Facility, with respect to any Revolving Credit Lender at any

time, the percentage (carried out to the ninth decimal place) of the Revolving Credit Facility represented by such Revolving Credit Lender's Revolving Credit Commitment at such time, subject to adjustment as provided in Section 2.17. If the commitment of each Revolving Credit Lender to make Revolving Credit Loans and the obligation of the L/C Issuers to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Revolving Credit Commitments have expired, then the Applicable Percentage of each Revolving Credit Lender in respect of the Revolving Credit Facility shall be determined based on the Applicable Percentage of such Revolving Credit Lender in respect of the Revolving Credit Facility most recently in effect, giving effect to any subsequent assignments made in accordance with the terms of this Agreement. The initial Applicable Percentage of each Lender in respect of each Facility is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption or New Lender Joinder Agreement pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means (i) at any time prior to the Investment Grade Pricing Effective Date, the Leverage-Based Applicable Rate in effect at such time and (ii) at any time on and after the Investment Grade Pricing Effective Date, the Ratings-Based Applicable Rate in effect at such time.

"Applicable Revolving Credit Percentage" means with respect to any Revolving Credit Lender at any time, such Revolving Credit Lender's Applicable Percentage in respect of the Revolving Credit Facility at such time.

"Appropriate Lender" means, at any time, (a) with respect to the Term Facility or the Revolving Credit Facility, a Lender that has a Commitment with respect to such Facility or holds a Term Loan or a Revolving Credit Loan, respectively, at such time, (b) with respect to the Letter of Credit Subfacility, (i) the L/C Issuers and (ii) if any Letters of Credit have been issued pursuant to Section 2.03(a), the Revolving Credit Lenders and (c) with respect to the Swing Line Subfacility, (i) the Swing Line Lender and (ii) if any Swing Line Loans are outstanding pursuant to Section 2.04(a), the Revolving Credit Lenders.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means MLPFS, Wells Fargo Securities, LLC and PNC Capital Markets LLC, in their capacities as joint lead arrangers for the Facilities.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit E-1 or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on

a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

"Audited Financial Statements" means the audited consolidated balance sheet of the REIT for the fiscal year ended December 31, 2016, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the REIT, including the notes thereto.

"Authorized Person" means any representative of the Borrower duly designated by the Borrower in accordance with the Borrower's Instruction Certificate, authorized to bind the Borrower in providing draw requests and requesting disbursements of Loan proceeds.

"Authorized Signer" means any representative of the Borrower duly designated by the Borrower in accordance with the Borrower's Instruction Certificate, authorized to bind the Borrower and to act for the Borrower for all purposes in connection with the Loan, including providing draw requests and requesting disbursements of Loan proceeds, obtaining information pertaining to the Loan, requesting any action under the Loan Documents, providing any certificates, and appointing and changing any Authorized Persons.

"Availability Period" means, in respect of the Revolving Credit Facility, the period from and including the Closing Date to the earliest of (a) the Maturity Date for the Revolving Credit Facility, (b) the date of termination of the Revolving Credit Facility pursuant to Section 2.06, and (c) the date of termination of the commitment of each Revolving Credit Lender to make Revolving Credit Loans and of the obligation of each L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bank of America" means Bank of America, N.A. and its successors.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate," and (c) the Eurodollar Rate plus 1.00%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Committed Loan" means a Committed Loan that is a Base Rate Loan.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Base Rate Revolving Credit Loan" means a Revolving Credit Loan that is a Base Rate Loan.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Bookrunner": MLPFS in its capacity as sole bookrunner for the credit facilities under this Agreement.

"Borrower" has the meaning specified in the first introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 6.02.

"Borrower Remittance Instructions" means, the Borrower's remittance instructions provided in the form attached hereto as Exhibit K. The Administrative Agent is authorized to follow the instructions in any Borrower Remittance Instructions delivered to the Administrative Agent until five (5) Business Days following receipt of a new Borrower Remittance Instructions accompanied by evidence, reasonably satisfactory to the Administrative Agent, of the authority of the Person executing such new Borrower Remittance Instructions.

"Borrower's Instruction Certificate" means a certificate provided by or on behalf of the Borrower in the form attached hereto as Exhibit J, designating certain Authorized Persons and Authorized Signers as set forth therein.

"Borrowing" means a Committed Borrowing or a Swing Line Borrowing, as the context may require.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

"Capitalization Rate" means six and one-quarter percent (6.25%).

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the L/C Issuers or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Administrative Agent and the applicable L/C Issuer(s) shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and such L/C Issuer(s). "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalents" means:

(a) United States dollars (including such dollars as are held as overnight bank deposits and demand deposits with banks);

(b) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency or instrumentality thereof and backed by the full faith and credit of the United States of America, in each case maturing within one year from the date of acquisition thereof;

(c) marketable direct obligations issued by any State of the United States of America or any political subdivision of any such State or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having a rating of at least A-2 from S&P or at least P-2 from Moody's;

(d) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-2 from S&P or at least P-2 from Moody's;

(e) time deposits, demand deposits, certificates of deposit, Eurodollar time deposits, time deposit accounts, term deposit accounts or bankers' acceptances maturing within one year from the date of acquisition thereof or overnight bank deposits, in each case, issued by any bank organized under the laws of the United States of America or any State thereof or the District of Columbia or any U.S. branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $1,000,000,000; and

(f) investments in money market funds which invest substantially all their assets in securities of the types described in clauses (a) through (e) above.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

"CERCLIS" means the Comprehensive Environmental Response, Compensation and Liability Information System maintained by the U.S. Environmental Protection Agency.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation (including, without limitation, Regulation D issued by the FRB) or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United

States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of 30% or more of the equity securities of the REIT entitled to vote for members of the board of directors or equivalent governing body of the REIT on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right);

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the REIT cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body;

(c) the passage of thirty days from the date upon which any Person or two or more Persons acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of the REIT, or control over the equity securities of the REIT entitled to vote for members of the board of directors or equivalent governing body of the REIT on a fully-diluted basis (and taking into account all such securities that such Person or group has the right to acquire pursuant to any option right) representing 25% or more of the combined voting power of such securities; or

(d) (i) the REIT shall cease to be the sole general partner of the Borrower or shall cease to own, directly, (x) 100% of the general partnership interests of the Borrower and (y) Equity Interests of the Borrower representing at least 90% of the total economic interests of the Equity Interests of the Borrower, in each case free and clear of all Liens (other than Permitted Equity Encumbrances) or (ii) any holder of a limited partnership interest in the Borrower is provided with or obtains voting rights with respect to such limited partnership interest that are more expansive in any respect than the voting rights afforded

to limited partners of the Borrower under the Organization Documents of the Borrower in effect on the Closing Date.

"Closing Date" means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 11.01.

"Code" means the Internal Revenue Code of 1986.

"Co-Documentation Agents" means, collectively, PNC Bank, National Association and Wells Fargo Bank, National Association, in their respective capacities as Co-Documentation Agents under the credit facility provided under this Agreement.

"Commitment" means a Term Commitment or a Revolving Credit Commitment, as the context may require.

"Commitment Increase Amendment" has the meaning specified in Section 2.15(f).

"Committed Borrowing" means a Revolving Credit Borrowing or a Term Borrowing, as the context may require.

"Committed Loan" means a Term Loan or a Revolving Credit Loan, as the context may require.

"Committed Loan Notice" means a notice of (a) a Committed Borrowing, (b) a conversion of Committed Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit A or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Group" means, collectively, the Loan Parties and their Consolidated Subsidiaries.

"Consolidated Group Pro Rata Share" means, with respect to any Unconsolidated Affiliate or any Non-Wholly Owned Consolidated Subsidiary, the percentage interest held by the REIT and its Wholly Owned Subsidiaries, in the aggregate, in such Person determined by calculating the percentage of Equity Interests of such Person owned by the REIT and its Wholly Owned Subsidiaries.

"Consolidated Subsidiaries" means, as to any Person, all Subsidiaries of such Person that are consolidated with such Person for financial reporting purposes under GAAP.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Creditor Parties" means, collectively, the Administrative Agent, the Lenders, the L/C Issuers and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05, and the other Persons to whom the Obligations are owing.

"Debt Rating" means, as of any date of determination, the rating assigned by a Rating Agency to the REIT's non-credit enhanced, senior unsecured long term debt as in effect on such date.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate, plus (ii) the Applicable Rate for Base Rate Loans under the Revolving Credit Facility (determined using the highest pricing level applied in the then applicable Pricing Grid), plus (iii) 2.00% per annum; provided, however, that (x) with respect to a Base Rate Loan, the Default Rate shall be an interest rate equal to (i) the Base Rate, plus (ii) the Applicable Rate for Base Rate Loans for the Facility under which such Loan was made (determined using the highest pricing level applied in the then applicable Pricing Grid), plus (iii) 2.00% per annum and (y) with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to (i) the Eurodollar Rate, plus (ii) the Applicable Rate for Eurodollar Rate Loans for the Facility under which such Loan was made (determined using the highest pricing level applied in the then applicable Pricing Grid), plus (iii) 2.00% per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate then applicable to Letter of Credit Fees, plus 2.00% per annum.

"Defaulting Lender" means, subject to Section 2.17(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within three Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative

Agent, any L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit, Swing Line Loans or amounts payable pursuant to Section 11.04(c)) within three Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, any L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, each L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Development Property" means a Property (a) the primary purpose of which is to be leased in the ordinary course of business or to be sold upon completion, (b) on which construction, redevelopment or material rehabilitation of material improvements has commenced and is continuing to be performed and (c) that is classified as "development in progress" on the Borrower's balance sheet or as a redevelopment project in any publicly filed financial and operating reporting supplement of the REIT, with any such Property remaining as a Development Property until the earlier of (i) such Property achieving an occupancy rate of 75% (based on net leasable area) and (ii) the first anniversary of the substantial completion of construction of such Property and material improvements as evidenced by a temporary or permanent certificate of occupancy; for the avoidance

of doubt, on the date of the earlier of the occurrence of clause (i) or clause (ii) such Property will become a Newly Stabilized Property.

"Direct Owner" means, as to any Unencumbered Property that is owned by or ground leased to a Subsidiary of the Borrower, the Subsidiary of the Borrower that directly owns or ground leases such Unencumbered Property.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Institution" means the competitors of the REIT and its Affiliates that have been specifically identified by name on the DQ List.

"Dollar" and "$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any political subdivision of the United States.

"DQ List" has the meaning specified in Section 11.06(g)(v).

"EBITDA" means, with respect to the Consolidated Group for any period, the sum of (a) Net Income for such period, in each case, excluding, without duplication, (i) any non-recurring or extraordinary gains and losses for such period, (ii) any income or gain and any loss in each case resulting from the early extinguishment of indebtedness during such period and (iii) any net income or gain or any loss resulting from a Swap Contract (including by virtue of a termination thereof) during such period, plus (b) an amount which, in the determination of Net Income for such period pursuant to clause (a) above, has been deducted for or in connection with: (i) Interest Expense (plus, amortization of deferred financing costs, to the extent included in the determination of Interest Expense per GAAP), (ii) income taxes, (iii) depreciation and amortization, all as determined in accordance with GAAP for such period, (iv) adjustments as a result of the straight lining of rents, (v) non-cash charges and (vi) transaction costs incurred in connection with the Loan Documents (and any amendment, consent, supplement or waiver thereto), plus (c) the Consolidated Group Pro Rata Share of the foregoing items attributable to the Consolidated Group's interests in Unconsolidated Affiliates; provided that with respect to any Non-Wholly Owned Consolidated Subsidiary, only the Consolidated Group Pro Rata Share of the foregoing items and components attributable to the Consolidated Group's interests in such Non-Wholly Owned Consolidated Subsidiary for such period shall be included in the calculation of EBITDA.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 11.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 11.06(b)(iii)). For the avoidance of doubt, no Disqualified Institution shall be an Eligible Assignee.

"Eligible Ground Lease" means a ground lease that on the date of determination (a) has a minimum remaining term of thirty (30) years, including extension options controlled exclusively by the tenant, (b) permits the Loan Party party thereto to grant a Lien thereon to secure the Obligations without the consent of any Person (other than any consent that has been obtained), (c) no default has occurred and is continuing, and no terminating event has occurred by any Loan Party or Subsidiary thereof, thereunder, (d) is not encumbered by any Liens, negative pledges and/or encumbrances, (e) no party thereto is subject to a proceeding under any Debtor Relief Law and (f) is otherwise reasonably acceptable to the Administrative Agent.

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests

therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"ESA" has the meaning specified in Section 6.17.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurodollar Rate" means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate ("LIBOR") or a comparable or successor rate, which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) (the "LIBOR Screen Rate") at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at approximately 11:00 a.m., London time determined two Business Days prior to such date for Dollar deposits with a term of one month commencing that day;

provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection with any rate set forth in this definition, the approved rate shall be applied to the applicable Interest Period in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied to the applicable Interest Period as otherwise reasonably determined by the Administrative Agent. Notwithstanding anything to the contrary contained herein, at any time that the Eurodollar Rate determined in accordance with the foregoing is less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Eurodollar Rate Loan" means a Committed Loan that bears interest at a rate based on clause (a) of the definition of "Eurodollar Rate."

"Event of Default" has the meaning specified in Section 8.01.

"Excluded Debt" means any and all Non-Recourse Indebtedness secured solely by one of the Properties listed on Schedule 1.01(A) and/or the Equity Interests of the Subsidiary of the Borrower that owns such Property.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 11.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii), (a)(iii) or (c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Existing BANA Credit Agreement" means that certain Term Loan Credit Agreement, dated as of January 4, 2016, among the Borrower, the REIT and certain subsidiaries of the Borrower from time to time party thereto, as guarantors, each lender from time to time party thereto, and Bank of America, as administrative agent.

"Existing Credit Agreement" has the meaning specified in the second introductory paragraph hereto.

"Existing Letter of Credit" means a "Letter of Credit" issued pursuant to the terms of, and as defined in, the Existing Credit Agreement and outstanding on the Closing Date and described on Schedule 1.01(B).

"Existing Maturity Date" has the meaning specified in Section 2.14(a).

"Existing PNC Credit Agreement" means that certain Term Loan Credit Agreement, dated as of December 18, 2015, among the Borrower, the REIT and certain subsidiaries of the Borrower from time to time party thereto, as guarantors, each lender from time to time party thereto, and PNC Bank, as administrative agent.

"Existing Revolving Credit Note" means a "Revolving Credit Note" as defined in the Existing Credit Agreement.

"Existing Term Loan" has the meaning specified in Section 2.01(b).

"Existing Term Note" means a "Term Note" as defined in the Existing Credit Agreement.

"Existing WFB Credit Agreement" means that certain Term Loan Credit Agreement, dated as of July 2, 2015, among the Borrower, the REIT and certain subsidiaries of the Borrower from time to time party thereto, as guarantors, each lender from time to time party thereto, and Wells Fargo Bank, as administrative agent.

"Extension Notice" has the meaning specified in Section 2.14(a).

"Facility" means the Term Facility or the Revolving Credit Facility, as the context may require.

"Facility Fee" has the meaning specified in Section 2.09(a)(ii).

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471 (b) (1) of the Code.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

"Fee Letters" means, collectively, the several letter agreements, each dated on or about January 8, 2018, among the Borrower and an Arranger and any other parties thereto, that are identified therein as a "fee letter", and "Fee Letter" means any of them individually.

"First Maturity Date Extension" has the meaning specified in Section 2.14(a).

"Fixed Charges" means, with respect to the Consolidated Group, as of any date of determination, an amount equal to the sum, without duplication, of (i) Interest Expense for the most recently ended fiscal quarter, (ii) scheduled payments of principal on Total Indebtedness made or required be made during the most recently ended fiscal quarter (excluding any balloon payments payable on maturity of any such Total Indebtedness), (iii) the amount of dividends or distributions paid or required to be paid by any member of the Consolidated Group to any Person that is not a member of the Consolidated Group during the most recently ended fiscal quarter in respect of its preferred Equity Interests and (iv) the Consolidated Group Pro Rata Share of the foregoing items attributable to the Consolidated Group's interests in Unconsolidated Affiliates. For the avoidance of doubt, with respect to any Non-Wholly Owned Consolidated Subsidiary, only the Consolidated Group Pro Rata Share of the foregoing items and components attributable to the Consolidated Group's interests in such Non-Wholly Owned Consolidated Subsidiary shall be included in the calculation of Fixed Charges.

"Foreign Lender" means a Lender that is not a U.S. Person.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuers, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"Funds From Operations" means, with respect to any period and without double counting, an amount equal to the Net Income for such period, excluding gains (or losses) from sales of property, plus depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures; provided that "Funds From Operations" shall exclude impairment charges, charges from the early extinguishment of indebtedness and other non-cash charges as evidenced by a certification of a Responsible Officer of the REIT containing calculations in reasonable detail satisfactory to the Administrative Agent. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect "Funds From Operations" on the same basis. In addition, "Funds from Operations" shall be adjusted to remove any impact of the expensing of acquisition costs pursuant to FAS 141 (revised), as issued by the Financial Accounting Standards Board in December of 2007, and effective January 1, 2009, including, without limitation, (i) the addition to Net Income of costs and expenses related to ongoing consummated acquisition transactions during such period; and (ii) the subtraction from Net Income of costs and expenses related to acquisition transactions terminated during such period.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantor Release Notice" has the meaning specified in Section 10.12(b).

"Guarantors" means, collectively, the REIT and each Subsidiary Guarantor.

"Guaranty" means the Guaranty made by the Guarantors under Article X in favor of the Creditor Parties.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Increase Effective Date" has the meaning specified in Section 2.15(a).

"Incremental Commitments" means Incremental Revolving Commitments and/or Incremental Term Commitments.

"Incremental Revolving Commitment" has the meaning specified in Section 2.15(a).

"Incremental Term Commitment" has the meaning specified in Section 2.15(a).

"Incremental Term Loans" means any loans made pursuant to any Incremental Term Commitments.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances and similar instruments (including bank guaranties, surety bonds, comfort letters, keep-well agreements and capital maintenance agreements) to the extent such instruments or agreements support financial, rather than performance, obligations;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 60 days after the date on which such trade account payable was created);

(e) capital leases, Synthetic Lease Obligations, Synthetic Debt and Off-Balance Sheet Arrangements;

(f) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends;

(g) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof: (a) the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person**,** (b) the Indebtedness of the Consolidated Group shall include, with respect to the foregoing items and components thereof attributable to Indebtedness of Non-Wholly Owned Consolidated Subsidiaries, only the Consolidated Group Pro Rata Share thereof, (c) the Indebtedness of the Consolidated Group shall include the Consolidated Group Pro Rata Share of the foregoing items and components thereof attributable to Indebtedness of Unconsolidated Affiliates, (d) the amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date and (e) the amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 11.04(b).

"Indirect Owner" means, as to any Unencumbered Property owned by or ground leased to a Subsidiary of the Borrower, each other Subsidiary of the Borrower that owns a direct or indirect interest in the Direct Owner of such Unencumbered Property.

"Information" has the meaning specified in Section 11.07.

"Interest Expense" means, for any period, without duplication, total interest expense of the Consolidated Group for such period (including the Consolidated Group Pro Rata Share of total interest expense attributable to the Consolidated Group's ownership interests in Unconsolidated Affiliates and, for the avoidance of doubt, capitalized interest); provided that with respect to any Non-Wholly Owned Consolidated Subsidiary, only the Consolidated Group Pro Rata Share of the total interest expense of such Non-Wholly Owned Consolidated Subsidiary for such period shall be included in Interest Expense.

"Interest Payment Date" means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date of the Facility under which such Loan was made; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each March, June, September and December and the Maturity Date of the Facility under which such Loan was made (with Swing Line Loans being deemed made under the Revolving Credit Facility for purposes of this definition).

"Interest Period" means as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two or three months thereafter (in each case, subject to availability), as

selected by the Borrower in its Committed Loan Notice, or such other period that is six months or less requested by the Borrower and consented to by all the Appropriate Lenders; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period pertaining to a Eurodollar Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period shall extend beyond the Maturity Date of the Facility under which such Loan was made.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"Investment Grade Credit Rating" means receipt of a Debt Rating of Baa3 or better from Moody's or BBB- or better from S&P.

"Investment Grade Pricing Effective Date" means the first Business Day following the date on which (i) the REIT has obtained an Investment Grade Credit Rating and (ii) the Borrower has delivered to the Administrative Agent a certificate executed by a Responsible Officer of the Borrower (i) certifying that an Investment Grade Credit Rating has been obtained by the REIT and is in effect (which certification shall also set forth the Debt Rating(s) received, if any, from each Rating Agency as of such date) and (ii) notifying the Administrative Agent that the Borrower has irrevocably elected to have the Ratings-Based Applicable Rate apply to the pricing of the Facilities.

"Investment Grade Release" has the meaning specified in Section 10.12.

"IRS" means the United States Internal Revenue Service.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the applicable L/C Issuer and the Borrower (or any Subsidiary) or in favor of such L/C Issuer and relating to such Letter of Credit.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"L/C Advance" means, with respect to each Revolving Credit Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Revolving Credit Percentage.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Credit Borrowing.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Issuers" means, collectively, (i) Bank of America, (ii) PNC Bank and (iii) Wells Fargo Bank, in each case in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

"L/C Obligations" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"Lender" and "Lenders" have the meanings specified in the first introductory paragraph hereto and, unless the context requires otherwise, includes the Swing Line Lender.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent, which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

"Letter of Credit" means any standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder and shall include the Existing Letters of Credit.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the applicable L/C Issuer.

"Letter of Credit Expiration Date" means the day that is seven days prior to the Maturity Date then in effect for the Revolving Credit Facility (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Fee" has the meaning specified in Section 2.03(h).

"Letter of Credit Subfacility" means, at any time, an amount equal to the lesser of (a) the aggregate amount of the L/C Issuers' Letter of Credit Sublimits at such time and (b) the Revolving Credit Facility at such time. The Letter of Credit Subfacility is part of, and not in addition to, the Revolving Credit Facility. On the Closing Date, the amount of the Letter of Credit Subfacility is $60,000,000.

"Letter of Credit Sublimit" means, as to each L/C Issuer, its agreement as set forth in Section 2.03 to issue, amend and extend Letters of Credit in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption, New Lender Joinder Agreement or other documentation, which other documentation shall be in form and substance satisfactory to the Administrative Agent, pursuant to which such L/C Issuer becomes an L/C Issuer hereunder, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Leverage-Based Applicable Rate" means the applicable percentages per annum set forth below determined by reference to the ratio of Total Indebtedness to Total Asset Value as set forth in the most recent Compliance Certificate received by the Administrative Agent and the Lenders pursuant to Section 6.02(b):

Leverage-Based Applicable Rate						
		Revolving Credit Facility			**Term Facility**	
Pricing Level	**Ratio of Total Indebtedness to Total Asset Value**	**Eurodollar Rate (and Letters of Credit)**	**Base Rate**	**Facility Fee**	**Eurodollar Rate**	**Base Rate**
I	< 40%	1.150%	0.150%	0.200%	1.250%	0.250%
II	≥ 40% but < 45%	1.200%	0.200%	0.200%	1.300%	0.300%
III	≥ 45% but < 50%	1.250%	0.250%	0.250%	1.400%	0.400%
IV	≥ 50% but < 55%	1.300%	0.300%	0.300%	1.500%	0.500%
V	≥ 55%	1.550%	0.550%	0.350%	1.800%	0.800%

Any increase or decrease in the Leverage-Based Applicable Rate resulting from a change in the ratio of Total Indebtedness to Total Asset Value shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(b); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then Pricing Level V shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such Compliance Certificate is delivered.

Notwithstanding anything to the contrary contained in this definition, (a) from the Closing Date through the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(b) for the fiscal quarter ending December 31, 2017 the Leverage-Based Applicable Rate in effect shall be at Pricing Level Category I and (b) the determination of the Leverage-Based Applicable Rate for any period shall be subject to the provisions of Section 2.10(b).

"LIBOR" has the meaning specified in the definition of Eurodollar Rate.

"LIBOR Screen Rate" has the meaning specified in the definition of Eurodollar Rate.

"LIBOR Successor Rate" has the meaning specified in Section 3.07.

"LIBOR Successor Rate Conforming Changes" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to (a) the definitions of Base Rate, Interest Period, Leverage-Based Applicable Rate and/or Ratings-Based Applicable Rate, (b) timing and frequency of determining rates and making payments of interest and (c) other administrative matters as may be appropriate, in the discretion of the Administrative Agent in consultation with the Borrower, to (i) reflect the adoption of such LIBOR Successor Rate and (ii) permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent determines in consultation with the Borrower).

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, negative pledge, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Loan" means an extension of credit by a Lender to the Borrower under Article II in the form of a Committed Loan or a Swing Line Loan.

"Loan Documents" means this Agreement, each Note, each Issuer Document, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.16 of this Agreement, and the Fee Letters.

"Loan Parties" means, collectively, the Borrower and the Guarantors.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Material Acquisition" means any acquisition or series of acquisitions by a member of the Consolidated Group in which the aggregate purchase price of all assets (including any Equity Interests) acquired pursuant thereto exceeds ten percent (10%) of the Total Asset Value as of the last day of the then most recently ended fiscal quarter of the REIT for which financial statements are publicly available.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, assets, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the REIT or the Borrower and its Subsidiaries taken as a whole; (b) a material adverse effect on the rights and remedies of the Administrative Agent or any Lender under any Loan Document or of the ability of the Loan Parties taken as a whole to perform their obligations under any Loan Document; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

"Material Contract" means, with respect to any Person, each contract to which such Person is a party involving aggregate consideration payable to or by such Person of $5,000,000 or more in any year or that is otherwise material to the business, condition (financial or otherwise), operations, performance, properties or prospects of such Person.

"Maturity Date" means (a) with respect to the Revolving Credit Facility, the later of (i) March 31, 2022 and (ii) if maturity is extended pursuant to Section 2.14, such extended maturity date as determined pursuant to such Section and (b) with respect to the Term Facility, March 31, 2023; provided, however, that, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Maturity Date Extension" has the meaning specified in Section 2.14(a).

"Minimum Collateral Amount" means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 105% of the Fronting Exposure of the L/C Issuers with respect to Letters of Credit issued and outstanding at such time, (ii) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.16(a)(i), (a)(ii) or (a)(iii), an amount equal to 105% of the Outstanding Amount of all LC Obligations, and (iii) otherwise, an amount determined by the Administrative Agent and the L/C Issuers in their sole discretion.

"MLPFS" means Merrill Lynch, Pierce, Fenner & Smith Incorporated and its successors (or any other domestic registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation's or any of its subsidiaries' investment banking, commercial lending services or related businesses may be transferred following the date of this Agreement).

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" means, with respect to any issuance or sale by the REIT of any of its Equity Interests, the excess of (i) the sum of the cash and Cash Equivalents received by the REIT in connection with such issuance or sale, less (ii) underwriting discounts and commissions, and other reasonable out-of-pocket expenses, incurred by the REIT in connection with such issuance or sale, other than any such amounts paid or payable to an Affiliate of the REIT.

"Net Income" means, for any period, the sum, without duplication, of (i) the net income (or loss) of the REIT and its Wholly Owned Subsidiaries for such period and (ii) the aggregate amount of cash actually distributed by Non-Wholly Owned Subsidiaries and Unconsolidated Affiliates during such period to the REIT or its Wholly Owned Subsidiary as a dividend or other distribution; provided, however, that Net Income shall exclude (a) extraordinary gains and extraordinary losses for such period and (b) the net income of any Wholly Owned Subsidiary of the REIT during such period to the extent that the declaration or payment of dividends or similar distributions by such Wholly Owned Subsidiary of such income is not permitted by operation of the terms of its Organization Documents or any agreement, instrument or Law applicable to such Wholly Owned Subsidiary during such period, except that the REIT's equity in any net loss of any such Wholly Owned Subsidiary for such period shall be included in determining Net Income, and (and in the case of a dividend or other distribution to a Wholly Owned Subsidiary of the REIT, such Wholly Owned Subsidiary is not precluded from further distributing such amount to the REIT as described in clause (b) of this proviso).

"Net Operating Income" means, with respect to any Property for any period, an amount equal to (a) the aggregate gross revenues (determined in accordance with GAAP) from the operation of such Property during such period from tenants in occupancy and paying rent, minus (b) the sum of all expenses and other proper charges incurred in connection with the operation of such Property during such period (including management fees (which deduction for management fees shall be an amount equal to the greater of (x) three percent (3.00%) of the aggregate base rent and percentage rent due and payable with respect to such Property during such period and (y) the aggregate amount of any actual management, advisory or similar fees paid during such period) and accruals for real estate taxes and insurance, but excluding debt service charges, income taxes, depreciation, amortization and other non-cash expenses), which expenses and accruals shall be calculated in accordance with GAAP. For the avoidance of doubt, the components of Net Operating Income with respect to Properties that are owned by any Person for less than one fiscal quarter will be included in calculating Net Operating Income as if such Properties were owned by such Person for the then most recently ended fiscal quarter.

"New Lender Joinder Agreement" means a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent and its counsel pursuant to which an Eligible Assignee becomes a Lender.

"Newly Acquired Property" means, as of any date, a Property (other than a Development Property) that has been owned or ground leased for less than four full fiscal quarters as of such date.

"Newly Stabilized Property" means as of any date a Property that as of such date is not a Development Property, but was a Development Property at some time during the most recently ended period of four full fiscal quarters.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders, all Lenders of a Facility or all affected Lenders in accordance with the terms of Section 11.01 and (ii) has been approved by the Required Lenders or the Required Term Lenders or Required Revolving Lenders, as applicable.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-Recourse Indebtedness" means, with respect to a Person, (a) Indebtedness in respect of which recourse for payment (except for customary exceptions for fraud, misapplication of funds, environmental indemnities, voluntary bankruptcy, collusive involuntary bankruptcy and other similar customary exceptions to nonrecourse liability) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness, (b) if such Person is a Single Asset Entity, any Indebtedness of such Person (other than Indebtedness described in the immediately following clause (c)), or (c) if such Person is a Single Asset Holding Company, any Indebtedness ("Holdco Indebtedness") of such Single Asset Holding Company resulting from a Guarantee of, or Lien securing, Indebtedness of a Single Asset Entity that is a Subsidiary of such Single Asset Holding Company, so long as, in each case, either (i) recourse for payment of such Holdco Indebtedness (except for customary exceptions for fraud, misapplication of funds, environmental indemnities, voluntary bankruptcy, collusive involuntary bankruptcy and other similar customary exceptions to nonrecourse liability) is contractually limited to the Equity Interests held by such Single Asset Holding Company in such Single Asset Entity or (ii) such Single Asset Holding Company has no assets other than Equity Interests in such Single Asset Entity and cash and other assets of nominal value incidental to the ownership of such Single Asset Entity.

"Non-Wholly Owned Consolidated Subsidiary" means a Consolidated Subsidiary of the REIT that is not a Wholly Owned Subsidiary of the REIT.

"Note" means a Term Note or a Revolving Credit Note, as the context may require.

"NPL" means the National Priorities List under CERCLA.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or

contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Off-Balance Sheet Arrangement" means any transaction, agreement or other contractual arrangement to which a Non-Wholly Owned Subsidiary or an Unconsolidated Affiliate is a party, under which any member of the Consolidated Group has:

(a) any obligation under a guarantee contract that has any of the characteristics identified in FASB ASC 460-10-15-4;

(b) a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets;

(c) any obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument, except that it is both indexed to the REIT's stock and classified in stockholders' equity in the REIT's statement of financial position, as described in FASB ASC 815-10-15-74; or

(d) any obligation, including a contingent obligation, arising out of a variable interest (as defined in the FASB ASC Master Glossary) in an unconsolidated entity that is held by, and material to, any member of the Consolidated Group, where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with, any member of the Consolidated Group.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"Outstanding Amount" means (i) with respect to Committed Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Committed Loans and Swing Line Loans, as the case may be, occurring on such date; and (ii) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

"Owner" means, as to any Unencumbered Property, the Direct Owner of such Unencumbered Property or any Indirect Owner of such Direct Owner.

"Pari Passu Obligations" means Unsecured Indebtedness of any Loan Party (exclusive of the Obligations) owing to a Person that is not a member of the Consolidated Group or an Affiliate thereof.

"Participant" has the meaning specified in Section 11.06(d).

"Participant Register" has the meaning specified in Section 11.06(d).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Permitted Equity Encumbrances" means

(a) Liens securing judgments for the payment of money not constituting an Event of Default under Section 8.01(h);

(b) Liens imposed by law for taxes, assessments, governmental charges or levies that are not yet due or are being contested in compliance with Section 6.04; and

(c) Permitted Pari Passu Provisions.

"Permitted Pari Passu Provisions" means provisions that are contained in documentation evidencing or governing Pari Passu Obligations which provisions are the result of (a) limitations on the ability of a Loan Party or any of its Subsidiaries to make Restricted Payments or transfer property to the Borrower or any Guarantor which limitations, taken as a whole, are substantially the same as or less restrictive than those contained in this Agreement, (b) limitations on the creation of any Lien on any assets of a Loan Party that, taken as a whole, are substantially the same as or less restrictive than those contained in this Agreement or (c) any requirement that Pari Passu Obligations be secured on an "equal and ratable basis" to the extent that the Obligations are secured.

"Permitted Property Encumbrances" means:

(a) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted (which actions or proceedings have the effect of preventing the forfeiture or sale of the property or assets subject to any such Lien), if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently conducted (which proceedings have the effect of preventing the forfeiture or sale of the property or assets subject to any such Lien), if adequate reserves with respect thereto are maintained on the books of the applicable Person;

(c) easements, zoning restrictions, rights of way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(d) Liens securing judgments for the payment of money not constituting an Event of Default under Section 8.01(h);

(e) the rights of tenants under leases and subleases entered into in the ordinary course of business; provided that (i) such leases and subleases contain market terms and conditions (excluding rent), (ii) such rights of tenants constituting Liens do not secure any Indebtedness and (iii) such leases and subleases do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of business of the applicable Person;

(f) rights of lessors under Eligible Ground Leases; and

(g) Permitted Pari Passu Provisions.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Borrower or any ERISA Affiliate or any such Plan to which the Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Platform" has the meaning specified in Section 6.02.

"PNC Bank" means PNC Bank, National Association and its successors.

"Pricing Grid" means (i) prior to the Investment Grade Pricing Effective Date, the pricing grid set forth in the definition of "Leverage-Based Applicable Rate" and (ii) on and after the Investment Grade Pricing Effective Date, the pricing grid set forth in the definition of "Ratings-Based Applicable Rate".

"Property" means any real property assets owned or leased or acquired by one or more of the Borrower and its Subsidiaries.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning specified in Section 6.02.

"Rating Agency" means any of S&P or Moody's.

"Ratings-Based Applicable Rate" means the applicable percentages per annum determined, at any time, based on the range into which the Debt Ratings then fall, in accordance with the following table:

Ratings-Based Applicable Rate						
		Revolving Credit Facility			Term Facility	
Pricing Level	Debt Ratings (Moody's/S&P)	Eurodollar Rate (and Letters of Credit)	Base Rate	Facility Fee	Eurodollar Rate	Base Rate
I	≥ A- / A3	0.825%	0.000%	0.125%	0.900%	0.000%
II	BBB+ / Baa1	0.875%	0.000%	0.150%	0.950%	0.000%
III	BBB / Baa2	1.000%	0.000%	0.200%	1.100%	0.100%
IV	BBB- / Baa3	1.200%	0.200%	0.250%	1.350%	0.350%
V	< BBB- / Baa3	1.550%	0.550%	0.300%	1.750%	0.750%

If at any time the REIT has two (2) Debt Ratings, and such Debt Ratings are not equivalent, then: (A) if the difference between such Debt Ratings is one ratings category (e.g. Baa2 by Moody's and BBB- by S&P), the Ratings-Based Applicable Rate shall be the rate per annum that would be applicable if the higher of the Debt Ratings were used; and (B) if the difference between such Debt Ratings is two ratings categories (e.g. Baa1 by Moody's and BBB- by S&P) or more, the Ratings-Based Applicable Rate shall be the rate per annum that would be applicable if the rating that is one higher than the lower of the applicable Debt Ratings were used.

Initially, the Ratings-Based Applicable Rate shall be determined based upon the Debt Rating(s) specified in the certificate delivered pursuant to clause (ii) of the definition of "Investment Grade Pricing Effective Date". Thereafter, each change in the Ratings-Based Applicable Rate resulting from a publicly announced change in a Debt Rating shall be effective, in the case of an upgrade, during the period commencing on the date of delivery by the REIT to the Administrative Agent of notice thereof pursuant to Section 6.03(e) and ending on the date immediately preceding the effective date of the next such change and, in the case of a downgrade, during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change.

"Recipient" means the Administrative Agent, any Lender, any L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"Recourse Indebtedness" means Indebtedness for borrowed money (other than Indebtedness under the Loan Documents) in respect of which recourse for payment is to any Loan Party, excluding any Indebtedness in which recourse for payment to any Loan Party is limited solely for fraud, misrepresentation, misapplication of cash, waste, failure to pay taxes, environmental claims and liabilities and other circumstances customarily excluded by institutional lenders from exculpation provisions and/or included in separate guaranty or indemnification agreements in non-recourse financings of real estate.

"Register" has the meaning specified in Section 11.06(c).

"REIT" has the meaning specified in the first introductory paragraph hereto.

"REIT Status" means, with respect to any Person, (a) the qualification of such Person as a real estate investment trust under the provisions of Sections 856 et seq. of the Code and (b) the applicability to such Person and its shareholders of the method of taxation provided for in Sections 857 et seq. of the Code.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Payment" has the meaning specified in Section 10.11.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Committed Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Lenders" means, as of any date of determination, two or more Lenders having greater than 50% of the sum of (a) the Total Outstandings (with the aggregate amount of each Revolving Credit Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Revolving Credit Lender for purposes of this definition) and (b) the aggregate unused Commitments; provided that the unused Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders; provided further that, the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Revolving Credit Lender shall be deemed to be held by the Swing Line Lender (in the case of a Swing Line Loan) or the applicable L/C Issuer (in the case of Unreimbursed Amounts) in making such determination.

"Required Revolving Lenders" means, as of any date of determination, two or more Revolving Credit Lenders having greater than 50% of the sum of the (a) Total Revolving Credit Outstandings (with the aggregate amount of each Revolving Credit Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Revolving Credit Lender for purposes of this definition) and (b) aggregate unused Revolving Credit Commitments; provided that the unused Revolving Credit Commitment of, and the portion of the Total Revolving Credit Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Lenders; provided further that, the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Revolving Credit Lender shall be deemed to be held by the Swing Line Lender (in the case of a Swing Line Loan) or the applicable L/C Issuer (in the case of Unreimbursed Amounts) in making such determination.

"Required Subsidiary Guarantor" means (a) at all times prior to an Investment Grade Release, each Owner with respect to any Property to be included as an Unencumbered Property, and (b) upon and at all times following an Investment Grade Release, each Owner with respect to any Property to be included as an Unencumbered Property (if any) that is a borrower or guarantor of, or is otherwise obligated in respect of, any Unsecured Indebtedness (other than Indebtedness under the Facilities), but only for so long as such Subsidiary remains obligated in respect of such Unsecured Indebtedness, in each case under clauses (a) and (b), together with their successors and permitted assigns, in each case, to the extent such Subsidiary has not been released from its obligations hereunder in accordance with Section 10.12.

"Required Term Lenders" means, as of any date of determination, two or more Term Lenders having greater than 50% of the Term Facility on such date; provided that the portion of the Term Facility held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Term Lenders.

"Responsible Officer" means (a) in the case of the Borrower, (i) the chief executive officer, president, chief financial officer, treasurer, chief accounting officer or controller of the Borrower (or if the Borrower does not have any officers, of the general partner of the Borrower) designated as an "Authorized Signer" in Section I of the Borrower's Instruction Certificate, (ii) solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, the secretary or any assistant secretary of the Borrower (or if the Borrower does not have any officers, of the general partner of the Borrower) and (iii) solely for purposes of notices given pursuant to Article II, any officer or employee of the Borrower (or if the Borrower does not have any officers, of the general partner of the Borrower) designated as an "Authorized Person" in Section II of the Borrower's Instruction Certificate, (b) in the case of any other Loan Party that has one or more officers, (i) the chief executive officer, president, chief financial officer, treasurer, chief accounting officer or controller of the applicable Loan Party for whom the Administrative Agent has received an incumbency certificate, (ii) solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, the secretary or any assistant secretary of the applicable Loan Party and (iii) solely for purposes of notices given pursuant to Article II, any officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent and for whom the Administrative Agent has received an incumbency certificate, and (c) in the case of any other Loan Party that does not have any officers, (i) the chief executive officer, president, chief financial officer, treasurer, chief accounting officer or controller of the general partner, manager, managing member or member, as applicable, of such Loan Party for whom the Administrative Agent has received an incumbency certificate, (ii) solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, the secretary or any assistant secretary of the general partner, manager, managing member or member, as applicable, of such Loan Party and (iii) solely for purposes of notices given pursuant to Article II, any officer or employee of the general partner, manager, managing member or member, as applicable, of such Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent and for whom the Administrative Agent has received an incumbency certificate. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party (or general

partner, manager, managing member or member, as applicable, of such Loan Party) and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of any Person or any Subsidiary thereof, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent Person thereof).

"Revolving Credit Borrowing" means a borrowing consisting of simultaneous Revolving Credit Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Revolving Credit Lenders pursuant to Section 2.01(a).

"Revolving Credit Commitment" means, as to each Revolving Credit Lender, its obligation to (a) make Revolving Credit Loans to the Borrower pursuant to Section 2.01(a), (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 under the caption "Revolving Credit Commitment" or opposite such caption in the Assignment and Assumption or New Lender Joinder Agreement pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Exposure" means, as to any Revolving Credit Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Credit Loans and such Lender's participation in L/C Obligations and Swing Line Loans at such time.

"Revolving Credit Facility" means, at any time, the aggregate amount of the Revolving Credit Lenders' Revolving Credit Commitments at such time. On the Closing Date, the Revolving Credit Facility is $150,000,000.

"Revolving Credit Lender" means, at any time, any Lender that has a Revolving Credit Commitment at such time.

"Revolving Credit Loan" has the meaning specified in Section 2.01(a).

"Revolving Credit Note" means a promissory note made by the Borrower in favor of a Revolving Credit Lender evidencing Revolving Credit Loans or Swing Line Loans, as the case may be, made by such Lender, substantially in the form of Exhibit C-1.

"Sanction(s)" means any sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"S&P" means S&P Global Ratings, a division of S&P Global, and any successor to its rating agency business.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Second Maturity Date Extension" has the meaning specified in Section 2.14(a).

"Secured Indebtedness" means, with respect to any Person, all Indebtedness of such Person that is secured by a Lien on any asset (including without limitation any Equity Interest) owned or held by any Person or any Subsidiary thereof; provided that a negative pledge shall not, in and of itself, cause any Indebtedness to be considered to be Secured Indebtedness.

"Secured Recourse Indebtedness" means, with respect to any Person, Recourse Indebtedness of such Person that is secured by a Lien.

"Single Asset Entity" means a Person (other than an individual) that (a) only owns or leases pursuant to an Eligible Ground Lease a single real property and/or cash and other assets of nominal value incidental to such Person's ownership of such real property; (b) is engaged only in the business of owning, developing and/or leasing such real property; and (c) receives substantially all of its gross revenues from such real property. In addition, if the assets of a Person consist solely of (i) Equity Interests in one or more other Single Asset Entities and (ii) cash and other assets of nominal value incidental to such Person's ownership of the other Single Asset Entities, such Person shall also be deemed to be a Single Asset Entity for purposes of this Agreement (such an entity, a "Single Asset Holding Company").

"Single Asset Holding Company" has the meaning specified in the definition of Single Asset Entity.

"Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital, and (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Solvency Certificate" means a Solvency Certificate of the chief financial officer or the chief accounting officer of the REIT, substantially in the form of Exhibit I.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the REIT.

"Subsidiary Guarantor" means, at any time, a Subsidiary that at such time is a party to the Guaranty.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Swing Line Borrowing" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"Swing Line Lender" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit B or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission

system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

"Swing Line Subfacility" means, at any time, an amount equal to the lesser of (a) the Swing Line Sublimit at such time and (b) the Revolving Credit Facility at such time. The Swing Line Subfacility is part of, and not in addition to, the Revolving Credit Facility. On the Closing Date, the amount of the Swing Line Subfacility is $15,000,000.

"Swing Line Sublimit" means, as to the Swing Line Lender, its agreement as set forth in Section 2.04 to make Swing Line Loans in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01, as such amount may be adjusted from time to time in accordance with this Agreement.

"Synthetic Debt" means, with respect to any Person as of any date of determination thereof, all obligations of such Person in respect of transactions entered into by such Person that are intended to function primarily as a borrowing of funds (including any minority interest transactions that function primarily as a borrowing) but are not otherwise included in the definition of "Indebtedness" or as a liability on the consolidated balance sheet of such Person and its Subsidiaries in accordance with GAAP.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Tangible Net Worth" means, for the Consolidated Group as of any date of determination, (a) total equity of the Consolidated Group, minus (b) all intangible assets of the Consolidated Group (other than lease intangibles), plus (c) all accumulated depreciation and amortization of the Consolidated Group, in each case on a consolidated basis determined in accordance with GAAP; provided that with respect to any Non-Wholly Owned Consolidated Subsidiary, only the Consolidated Group Pro Rata Share of the foregoing items and components attributable to the Consolidated Group's interests in such Non-Wholly Owned Consolidated Subsidiary shall be included in the calculation of Tangible Net Worth.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Borrowing" means a borrowing consisting of simultaneous Term Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Term Lenders pursuant to Section 2.01(b).

"Term Commitment" means, as to each Lender, its obligation to make and/or hold Term Loans to the Borrower pursuant to Section 2.01(b) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Term Lender's name on Schedule 2.01

under the caption "Term Commitment" or opposite such caption in the Assignment and Assumption or New Lender Joinder Agreement pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Term Facility" means, (a) at any time on or prior to the Closing Date, the aggregate amount of the Term Lenders' Term Commitments at such time and (b) at any time after the Closing Date, the aggregate amount of Term Loans of all Term Lenders outstanding at such time. On the Closing Date, the Term Facility is $350,000,000.

"Term Lender" means (a) at any time on or prior to the Closing Date, any Lender that has a Term Commitment at such time and (b) at any time after the Closing Date, any Lender that holds a Term Loan at such time.

"Term Loan" means an advance made by a Term Lender under the Term Facility.

"Term Note" means a promissory note made by the Borrower in favor of a Term Lender evidencing Term Loans made by such Term Lender, substantially in the form of Exhibit C-2.

"Threshold Amount" means $15,000,000.

"Total Asset Value" means, with respect to the Consolidated Group as at any date of determination, without duplication, the sum of the following:

(a) for each Property other than any Property that as of such date (i) was sold or otherwise disposed of during the then most recently ended fiscal quarter or (ii) is either (x) a Newly Acquired Property, (y) a Newly Stabilized Property or (z) a Development Property, an amount equal to the Net Operating Income from such Property for the then most recently ended fiscal quarter, *multiplied by* four, *divided by* the Capitalization Rate, plus

(b) for (i) each Newly Acquired Property that has been owned or ground leased for less than one full fiscal quarter as of such date, the acquisition cost of such Property, and (ii) (x) each Newly Stabilized Property that has been a Newly Stabilized Property for less than one full fiscal quarter as of such date and (y) each Development Property, the undepreciated cost of such Property (after any impairments) in accordance with GAAP, plus

(c) for (i) each Newly Acquired Property that has been owned or ground leased for at least one full fiscal quarter but less than four full fiscal quarters as of such date and (ii) each Newly Stabilized Property that has been a Newly Stabilized Property for at least one full fiscal quarter but less than four full fiscal quarters as of such date, in each case under clauses (i) and (ii), excluding any such Property that was sold or otherwise disposed of during the then most recently ended fiscal quarter, either

(A) in the case of a Newly Acquired Property, the acquisition cost of such Property and, in the case of a Newly Stabilized Property, the undepreciated cost of such Property (after any impairments) in accordance with GAAP, or

(B) if the Borrower has made an irrevocable election to value such Property in accordance with this clause (c)(B), then

(I) if such Property has been a Newly Stabilized Property for at least one full fiscal quarter but less than two full fiscal quarters on such date, an amount equal to the Net Operating Income from such Property for such fiscal quarter, *multiplied by* 4, *divided by* the Capitalization Rate,

(II) if such Property has been owned or ground leased (in the case of a Newly Acquired Property) or has been a Newly Stabilized Property (in the case of a Newly Stabilized Property) for at least two full fiscal quarters but less than three full fiscal quarters on such date, an amount equal to the Net Operating Income from such Property for such two fiscal quarter period, *multiplied by* 2, *divided by* the Capitalization Rate,

(III) if such Property has been owned or ground leased (in the case of a Newly Acquired Property) or has been a Newly Stabilized Property (in the case of a Newly Stabilized Property) for at least three full fiscal quarters but less than four full fiscal quarters on such date, an amount equal to the Net Operating Income from such Property for such three fiscal quarter period, *multiplied by* 4/3, *divided by* the Capitalization Rate; plus

(d) fee income generated by the Consolidated Group from (i) asset and property management fees, (ii) development fees, (iii) construction fees and (iv) leasing fees for the then most recently ended fiscal quarter, *multiplied by* four, then *multiplied by* five, provided that if at any time the amount under this clause (d) exceeds 15% of Total Asset Value at such time, such excess fee income shall be excluded from the calculation of Total Asset Value at such time, plus

(e) the aggregate book value of all unimproved land holdings, mortgage or mezzanine loans and/or notes receivable owned by the Consolidated Group on such date, plus

(f) all Unrestricted Cash of the Consolidated Group existing on such date, plus

(g) the Consolidated Group Pro Rata Share of the foregoing items and components attributable to the Consolidated Group's interests in Unconsolidated Affiliates on such date; provided that with respect to any Non-Wholly Owned Consolidated Subsidiary, only the Consolidated Group Pro Rata Share of clauses (a) through (f) attributable to the Consolidated Group's interests in such Non-Wholly Owned Consolidated Subsidiary shall be included in the calculation of Total Asset Value.

Notwithstanding the foregoing, for purposes of calculating Total Asset Value at any time the contribution for certain types of Investments shall be limited, without duplication, as follows (in each case, calculated on the basis of the Consolidated Group Pro Rata Share of such Investment

consistent with the foregoing) with any excess over such limit being excluded from Total Asset Value:

(i) not more than 5% of the Total Asset Value at any time may be attributable to Investments in unimproved land holdings (including through the purchase or other acquisition of all of the Equity Interests of any Person that owns unimproved land holdings);

(ii) not more than 15% of the Total Asset Value at any time may be attributable to Investments (whether originated or acquired by the REIT or a Subsidiary thereof) consisting of commercial mortgage or mezzanine loans and commercial real estate-related notes receivable;

(iii) not more than 15% of the Total Asset Value at any time may be attributable to Investments in respect of Development Properties;

(iv) not more than 10% of the Total Asset Value at any time may be attributable to Investments in any Unconsolidated Affiliates (including through the purchase or other acquisition of Equity Interests of any Unconsolidated Affiliate);

(v) not more than 5% of the Total Asset Value at any time may be attributable to Investments in real property assets that are not retail properties (including through the purchase or other acquisition of all of the Equity Interests of any Person that owns real property assets that are not retail properties); and

(vi) not more than 25% of the Total Asset Value at any time may be attributable to the aggregate of Investments of the types set forth in clauses (i) though (v) above.

"Total Credit Exposure" means, as to any Lender at any time, the Applicable Percentage of the Term Facility, the unused Revolving Credit Commitment and Revolving Credit Exposure of such Lender at such time.

"Total Indebtedness" means, as at any date of determination, the aggregate amount of all Indebtedness of the Consolidated Group on such date determined on a consolidated basis; provided that with respect to any Non-Wholly Owned Consolidated Subsidiary, only the Consolidated Group Pro Rata Share of Indebtedness attributable to the Consolidated Group's interests in such Non-Wholly Owned Consolidated Subsidiary shall be included in the calculation of Total Indebtedness.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

"Total Revolving Credit Outstandings" means the aggregate Outstanding Amount of all Revolving Credit Loans, Swing Line Loans and L/C Obligations.

"Total Secured Indebtedness" means, as at any date of determination, the aggregate amount of all Secured Indebtedness of the Consolidated Group on such date determined on a consolidated basis; provided that with respect to any Non-Wholly Owned Consolidated Subsidiary, only the Consolidated Group Pro Rata Share of Secured Indebtedness attributable to the Consolidated

Group's interests in such Non-Wholly Owned Consolidated Subsidiary shall be included in the calculation of Total Secured Indebtedness.

"Total Unsecured Indebtedness" means, as at any date of determination, the aggregate amount of all Unsecured Indebtedness of the Consolidated Group on such date determined on a consolidated basis; provided that with respect to any Non-Wholly Owned Consolidated Subsidiary, only the Consolidated Group Pro Rata Share of Unsecured Indebtedness attributable to the Consolidated Group's interests in such Non-Wholly Owned Consolidated Subsidiary shall be included in the calculation of Total Unsecured Indebtedness.

"Type" means, with respect to a Committed Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"UCP" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce ("ICC") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

"Unconsolidated Affiliate" means, at any date, an Affiliate of the REIT whose financial results are not required to be consolidated with the financial results of the REIT in accordance with GAAP.

"Unencumbered Asset Value" means, at any time for the Consolidated Group, without duplication, the sum of the following: (a) Unencumbered NOI *divided by* the Capitalization Rate, plus (b) the aggregate acquisition cost of all Unencumbered Properties acquired during the then most recently ended period of four fiscal quarters.

"Unencumbered NOI" means, at any time for the Consolidated Group, the sum of the Net Operating Income of all Unencumbered Properties for the then most recently ended fiscal quarter *multiplied by* four, minus Net Operating Income attributable to Unencumbered Properties that were Disposed of by the Consolidated Group during the then most recently ended fiscal quarter *multiplied by* four, minus the aggregate Annual Capital Expenditure Adjustment with respect to all Unencumbered Properties. For the avoidance of doubt, the Net Operating Income of Unencumbered Properties that are owned by the Consolidated Group for less than one fiscal quarter will be included in calculating Unencumbered NOI as if such Properties were owned by the Consolidated Group for the then most recently ended fiscal quarter.

"Unencumbered Property" means any Property that meets each of the following criteria:

(a) such Property is either (i) a retail facility or (ii) a mixed-use facility with respect to which at least 75% of gross income is generated by the retail component of such facility;

(b) such Property is located in the United States of America;

(c) such Property is Wholly-Owned in fee simple directly by, or is ground leased pursuant to an Eligible Ground Lease directly to, a Wholly Owned Subsidiary of the Borrower;

(d) (i) prior to the Investment Grade Release, each Owner with respect to such Property is a Subsidiary Guarantor and (ii) following the Investment Grade Release, each Owner with respect to such Property that is a borrower or guarantor of, or is otherwise obligated in respect of, any Unsecured Indebtedness (other than Indebtedness under the Facilities) is a Subsidiary Guarantor;

(e) each Owner of such Property is organized in a state within the United States of America;

(f) none of the Equity Interests of any Owner of such Property are subject to any Liens (including, without limitation, any restriction contained in the organizational documents of any such Subsidiary that limits the ability to create a Lien thereon as security for indebtedness) other than Permitted Equity Encumbrances;

(g) such Property (and the income therefrom and proceeds thereof) is not subject to any negative pledge and/or other encumbrance or restriction on the ability of any Owner of such Property to Dispose of, pledge, transfer or otherwise encumber such Property or any income therefrom or proceeds thereof (other than Permitted Property Encumbrances) and is not subject to any ground lease (other than an Eligible Ground Lease);

(h) such Property is free of all title, survey and other defects that would interfere with the use of such property for its intended purpose in any material respect;

(i) such Property is free of Hazardous Materials except as would not materially affect the value of such Property;

(j) the occupancy rate with respect to such Property is at least 75%;

(k) no Owner of such Property is a borrower or guarantor of, or otherwise obligated in respect of, any Indebtedness (other than (i) Indebtedness under the Loan Documents and (ii) other Unsecured Indebtedness so long as such Person is also a Subsidiary Guarantor); and

(l) no Owner of such Property is subject to any proceedings under any Debtor Relief Law.

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"Unrestricted Cash" means, at any time, (a) the aggregate amount of cash and Cash Equivalents of a Person at such time that are not subject to any pledge, Lien or control agreement (excluding statutory Liens in favor of any depositary bank where such cash and Cash Equivalents

are maintained), minus (b) amounts included in the foregoing clause (a) that are held by a Person other than a member of the Consolidated Group as a deposit or security for Contractual Obligations.

"Unsecured Indebtedness" means, with respect to any Person, all Indebtedness of such Person that is not Secured Indebtedness, including Indebtedness under the Loan Documents.

"Unsecured Interest Expense" means, for any period, the greater of (a) the portion of Interest Expense for such period in respect of Total Unsecured Indebtedness and (b) the interest expense that would have been payable during such period in respect of Total Unsecured Indebtedness assuming an interest rate of 6.25%.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 3.01(e)(ii)(B)(III).

"Usage" means, with respect to any day, the ratio (expressed as a percentage) of (a) the sum of (i) the Outstanding Amount of Revolving Credit Loans on such day and (ii) the Outstanding Amount of L/C Obligations on such day to (b) the Revolving Credit Commitments in effect on such day. For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the Revolving Credit Commitments for purposes of determining "Usage".

"Wells Fargo" means Wells Fargo Bank, National Association and its successors.

"Wholly-Owned" means, with respect to the ownership by any Person of any Property, that one hundred percent (100%) of the title to such Property is held in fee directly or indirectly by, or one hundred percent (100%) of such Property is ground leased pursuant to an Eligible Ground Lease directly or indirectly by, such Person.

"Wholly Owned Subsidiary" means, as to any Person, (a) any corporation 100% of whose Equity Interests (other than directors' qualifying shares) is at the time owned by such Person and/or one or more Wholly Owned Subsidiaries of such Person and (b) any partnership, association, joint venture, limited liability company or other entity in which such Person and/or one or more Wholly Owned Subsidiaries of such Person have a 100% equity interest at such time.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and

"including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, amendments and restatements, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of any member of the Consolidated Group shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that,

until so amended, (A) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (B) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the Audited Financial Statements for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the REIT and its Subsidiaries or to the determination of any amount for the REIT and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the REIT is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

1.04 Rounding. Any financial ratios required to be maintained by one or more Loan Parties pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day; Rates. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable). The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurodollar Rate" or with respect to any comparable or successor rate thereto.

1.06 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II. THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Committed Loans.

(a) Revolving Credit Borrowings. Subject to the terms and conditions set forth herein, each Revolving Credit Lender severally agrees to make loans (each such loan, a "Revolving Credit Loan") to the Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Credit Commitment; provided, however, that after giving effect to any Revolving Credit Borrowing, (i) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility and (ii)

the Revolving Credit Exposure of any Revolving Credit Lender shall not exceed such Lender's Revolving Credit Commitment. Within the limits of each Revolving Credit Lender's Revolving Credit Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(a), prepay under Section 2.05, and reborrow under this Section 2.01(a). Revolving Credit Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(b) The Term Borrowing. On the Closing Date, each Term Lender is severally holding a single term loan made to the Borrower pursuant to the Existing Credit Agreement (each an "Existing Term Loan"), and, subject to the terms and conditions set forth herein, each Term Lender severally agrees to make an additional single term loan to the Borrower on the Closing Date in an aggregate amount, together with such Term Lender's Existing Term Loan, shall equal such Term Lender's Term Commitment. Amounts held or borrowed under this Section 2.01(b) and repaid or prepaid may not be reborrowed. Term Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 Borrowings, Conversions and Continuations of Committed Loans.

(a) Each Committed Borrowing, each conversion of Committed Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone, or (B) a Committed Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Committed Loan Notice. Each such Committed Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Committed Loans, and (ii) on the requested date of any Borrowing of Base Rate Committed Loans; provided, however, that if the Borrower wishes to request Eurodollar Rate Loans having an Interest Period other than one, two or three months in duration as provided in the definition of "Interest Period," the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. four Business Days prior to the requested date of such Borrowing, conversion or continuation, whereupon the Administrative Agent shall give prompt notice to the Appropriate Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m., three Business Days before the requested date of such Borrowing, conversion or continuation, the Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Appropriate Lenders. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Committed Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Committed Loan Notice shall specify (i) whether the Borrower is requesting a Term Borrowing, a Revolving Credit Borrowing, a conversion of Term Loans or Revolving Credit Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Committed Loans to be borrowed, converted or continued, (iv) the Type of Committed

Loans to be borrowed or to which existing Committed Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Committed Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage under the applicable Facility of the applicable Term Loans or Revolving Credit Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Appropriate Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Term Borrowing or a Revolving Credit Borrowing, each Appropriate Lender shall make the amount of its Committed Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the Term Borrowing, Section 4.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower in the Borrower Remittance Instructions; provided, however, that if, on the date the Committed Loan Notice with respect to a Revolving Credit Borrowing is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Revolving Credit Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrower as provided above.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate.

(e) After giving effect to all Committed Borrowings, all conversions of Committed Loans from one Type to the other, and all continuations of Committed Loans as the same Type, there shall not be more than seven Interest Periods in effect with respect to Committed Loans.

(f) Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all of the portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement,

pursuant to a cashless settlement mechanism approved by the Borrower, the Administrative Agent, and such Lender.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the Revolving Credit Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Borrower or its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Revolving Credit Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility, (y) the Revolving Credit Exposure of any Revolving Credit Lender shall not exceed such Lender's Revolving Credit Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Subfacility. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued by the applicable L/C Issuer pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) No L/C Issuer shall issue any Letter of Credit, if, subject to Section 2.03(b(iii), the expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless, subject to Section 2.03(b)(v), the Administrative Agent and the applicable L/C Issuer have approved such expiry date; provided that in no event will any Letter of Credit have an expiry date that is later than the first anniversary of the Maturity Date for the Revolving Credit Facility.

(iii) No L/C Issuer shall be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such L/C Issuer from issuing the Letter of Credit, or any Law applicable to such L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or request that such L/C Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon such L/C Issuer with respect to the Letter of Credit

any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon such L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which such L/C Issuer in good faith deems material to it;

(B) the issuance of the Letter of Credit would violate one or more policies of such L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and such L/C Issuer, the Letter of Credit is in an initial stated amount less than $500,000;

(D) the Letter of Credit is to be denominated in a currency other than Dollars;

(E) any Revolving Credit Lender is at that time a Defaulting Lender, unless such L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such L/C Issuer (in its sole discretion) with the Borrower or such Lender to eliminate such L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.17(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which such L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(F) after giving effect to any L/C Credit Extension with respect to such Letter of Credit, the L/C Obligations with respect to all Letters of Credit issued by such L/C Issuer would exceed such L/C Issuer's Letter of Credit Sublimit; provided that, subject to the limitations set forth in the proviso to the first sentence of Section 2.03(a)(i), any L/C Issuer in its sole discretion may issue Letters of Credit in excess of its Letter of Credit Sublimit.

(iv) No L/C Issuer shall amend or extend any Letter of Credit if such L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.

(v) No L/C Issuer shall be under no obligation to amend or extend any Letter of Credit if (A) such L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(vi) Each L/C Issuer shall act on behalf of the Revolving Credit Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and such L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term

"Administrative Agent" as used in Article IX included such L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to each L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letter of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, by a single L/C Issuer selected by the Borrower, upon the request of the Borrower delivered to such L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by such L/C Issuer, by personal delivery or by any other means acceptable to such L/C Issuer. Such Letter of Credit Application must be received by the applicable L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and such L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the applicable L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as such L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the applicable L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as such L/C Issuer may require. Additionally, the Borrower shall furnish to the applicable L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as such L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the applicable L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, such L/C Issuer will provide the Administrative Agent with a copy thereof. Unless such L/C Issuer has received written notice from any Revolving Credit Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, such L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower (or the applicable Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with such L/C Issuer's

usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from such L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Revolving Credit Lender's Applicable Revolving Credit Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application in respect of a Letter of Credit, the applicable L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit such L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by such L/C Issuer, the Borrower shall not be required to make a specific request to such L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) such L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided that such L/C Issuer shall not permit any such extension if (A) such L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing such L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the applicable L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(v) If the expiry date of any Letter of Credit would occur after the Maturity Date for the Revolving Credit Facility, the Borrower hereby agrees that it will at least thirty (30) days prior to such Maturity Date (or, in the case of a Letter of Credit issued, amended or extended on or after thirty (30) days prior to the Maturity Date for the Revolving Credit Facility, on the date of such issuance, amendment or extension, as applicable) Cash Collateralize such Letter of Credit in an amount equal to 105% of the L/C Obligations arising or expected to arise in connection with such Letter of Credit.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the applicable L/C Issuer shall notify the Borrower and the Administrative Agent thereof (such notification provided by an L/C Issuer to the

Borrower and the Administrative Agent being referred to herein as an "L/C Draw Notice"). If an L/C Draw Notice with respect to a Letter of Credit is received by the Borrower (x) on or prior to 11:00 a.m. on the date of any payment by such L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), then, not later than 1:00 p.m. on the Honor Date, the Borrower shall reimburse such L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing or (y) after 11:00 a.m. on the Honor Date, then, not later than 11:00 a.m. on the first Business Day following the Honor Date, the Borrower shall reimburse such L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing (such date on which the Borrower, pursuant to clauses (x) and (y) of this sentence, is required to reimburse an L/C Issuer for a drawing under a Letter of Credit is referred to herein as the "L/C Reimbursement Date"); provided that if the L/C Reimbursement Date for a drawing under a Letter of Credit is the Business Day following the Honor Date pursuant to clause (y) of this sentence, the Unreimbursed Amount shall accrue interest from and including the Honor Date until such time as the applicable L/C Issuer is reimbursed in full therefor (whether through payment by the Borrower and/or through a Committed Loan or L/C Borrowing made in accordance with paragraph (ii) or (iii) of this Section 2.03(c)) at a rate equal to (A) for the period from and including the Honor Date to but excluding the first Business Day to occur thereafter, the rate of interest then applicable to a Base Rate Committed Loan and (B) thereafter, at the Default Rate applicable to a Base Rate Committed Loan. Interest accruing on the Unreimbursed Amount pursuant to the proviso to the immediately preceding sentence shall be payable by the Borrower upon demand to the Administrative Agent, solely for the account of the applicable L/C Issuer. If the Borrower fails to so reimburse the applicable L/C Issuer for the full amount of the unreimbursed drawing (the "Unreimbursed Amount") in accordance with the preceding sentence on the applicable L/C Reimbursement Date, the Administrative Agent shall promptly notify each Lender that a payment was made on the Letter of Credit, the Honor Date, the L/C Reimbursement Date (if different from the Honor Date), the Unreimbursed Amount thereof, and the amount of such Revolving Credit Lender's Applicable Revolving Credit Percentage thereof. In such event, the Borrower shall be deemed to have requested a Revolving Credit Borrowing of Base Rate Loans to be disbursed on the L/C Reimbursement Date or, if the L/C Reimbursement Date is the Honor Date, the Business Day following the L/C Reimbursement Date, in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Revolving Credit Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice) and upon the funding of such Revolving Credit Borrowing by the Lenders and remittance thereof to the applicable L/C Issuer together with any interest payable on the Unreimbursed Amount in accordance with the proviso to the second sentence of this Section 2.03(c)(i) (which interest shall be included in the amount of such Revolving Credit Borrowing unless the inclusion of such interest would result in such Revolving Credit Borrowing failing to comply with the proviso to the first sentence of Section 2.01(a)), the failure to pay such Unreimbursed Amount shall be cured. Any notice given by an L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Revolving Credit Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of the applicable L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Revolving Credit Percentage of the Unreimbursed Amount not later than 3:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Committed Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the applicable L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Credit Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the applicable L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Revolving Credit Lender's payment to the Administrative Agent for the account of the applicable L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Revolving Credit Lender funds its Revolving Credit Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the applicable L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Revolving Credit Percentage of such amount shall be solely for the account of such L/C Issuer.

(v) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or L/C Advances to reimburse an L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against such L/C Issuer, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the applicable L/C Issuer for the amount of any payment made by such L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of an L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, such L/C Issuer

shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by such L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by such L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of an L/C Issuer submitted to any Revolving Credit Lender (through the Administrative Agent) with respect to any amounts owing to such L/C Issuer under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after an L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Credit Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of such L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Revolving Credit Percentage thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of an L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by such L/C Issuer in its discretion), each Revolving Credit Lender shall pay to the Administrative Agent for the account of such L/C Issuer its Applicable Revolving Credit Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse each L/C Issuer for each drawing under each Letter of Credit issued by such L/C Issuer and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any

such transferee may be acting), such L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by such L/C Issuer of any requirement that exists for such L/C Issuer's protection and not the protection of the Borrower or any waiver by such L/C Issuer which does not in fact materially prejudice the Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by such L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) any payment by such L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by such L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Loan Party or any Subsidiary.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the applicable L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against such L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the applicable L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or

assignee of any L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Credit Lenders or the Required Revolving Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of any L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (viii) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against an L/C Issuer, and an L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by such L/C Issuer's willful misconduct or gross negligence or such L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, an L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and such L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. An L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP and UCP; Limitation of Liability. Unless otherwise expressly agreed by the applicable L/C Issuer and the Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, no L/C Issuer shall be responsible to the Borrower for, and no L/C Issuer's rights and remedies against the Borrower shall be impaired by, any action or inaction of such L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where such L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(h) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Revolving Credit Lender in accordance, subject to Section 2.17, with its Applicable Revolving Credit Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate for the Revolving Credit Facility times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to

be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the expiry date of such Letter of Credit and thereafter on demand and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate for the Revolving Credit Facility during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate for the Revolving Credit Facility separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Revolving Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuers. The Borrower shall pay directly to each L/C Issuer for its own account a fronting fee with respect to each Letter of Credit, at the rate per annum specified in the Fee Letter, computed on the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the expiry date of such Letter of Credit and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to the applicable L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the applicable L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

(l) L/C Issuer Reports to Administrative Agent. Unless otherwise agreed by the Administrative Agent, each L/C Issuer shall, in addition to its notification obligations set forth elsewhere in this Section, provide the Administrative Agent with written reports from time to time, as follows:

(i) reasonably prior to the time that such L/C Issuer issues, amends, renews, increases or extends a Letter of Credit, a written report that includes the date of such issuance, amendment, renewal, increase or extension and the stated amount and currency of the

applicable Letters of Credit after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed);

(ii) on each Business Day on which such L/C Issuer makes a payment pursuant to a Letter of Credit, a written report that includes the date and amount of such payment;

(iii) on any Business Day on which the Borrower fails to reimburse a payment made pursuant to a Letter of Credit required to be reimbursed to such L/C Issuer on such day, a written report that includes the date of such failure and the amount of such payment;

(iv) on any other Business Day, a written report that includes such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such L/C Issuer; and

(v) (x) on the last Business Day of each calendar month and (y) on each date that (1) an L/C Credit Extension occurs or (2) there is any expiration, cancellation and/or disbursement, in each case, with respect to any Letter of Credit issued by such L/C Issuer, a written report that includes the information for every outstanding Letter of Credit issued by such L/C Issuer.

2.04 Swing Line Loans.

(a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Revolving Credit Lenders set forth in this Section 2.04, may in its sole discretion make loans (each such loan, a "Swing Line Loan") to the Borrower from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of its Swing Line Sublimit and, when aggregated with the Applicable Revolving Credit Percentage of the Outstanding Amount of Revolving Credit Loans and L/C Obligations of the Lender acting as Swing Line Lender, shall not exceed the amount of such Lender's Revolving Credit Commitment; provided, however, that (x) after giving effect to any Swing Line Loan, (i) the aggregate Outstanding Amount of all Swing Line Loans shall not exceed the Swing Line Subfacility, (ii) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility and (iii) the Revolving Credit Exposure of any Revolving Credit Lender shall not exceed such Lender's Revolving Credit Commitment, (y) the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan, and (z) the Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Swing Line Loan, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Revolving Credit Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by (A) telephone or (B) by a Swing Line Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a Swing Line Loan Notice. Each such Swing Line Loan Notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of $100,000, and (ii) the requested borrowing date, which shall be a Business Day. Promptly after receipt by the Swing Line Lender of any Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Credit Lender) prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower either by (i) crediting the account of the Borrower on the books of the Swing Line Lender with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with the instructions provided by the Borrower in the Borrower Remittance Instructions.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Revolving Credit Lender make a Base Rate Revolving Credit Loan in an amount equal to such Lender's Applicable Revolving Credit Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Revolving Credit Facility and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Revolving Credit Lender shall make an amount equal to its Applicable Revolving Credit Percentage of the amount specified in such Committed Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office not later than 3:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Revolving Credit Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Credit Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Revolving Credit Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Revolving Credit Lenders fund its risk participation in the relevant Swing Line Loan and each Revolving Credit Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Credit Loan included in the relevant Revolving Credit Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Revolving Credit Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Revolving Credit Lender its Applicable Revolving Credit Percentage thereof in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Revolving Credit Lender shall pay to the Swing Line Lender its Applicable Revolving Credit Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Revolving Credit Lender funds its Base Rate Revolving Credit Loan or risk participation pursuant to this Section 2.04 to refinance such Revolving Credit Lender's Applicable Revolving Credit Percentage of any Swing Line Loan, interest in respect of such Applicable Revolving Credit Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 Prepayments.

(a) Optional Prepayments.

(i) The Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (A) such notice must be in a form acceptable to the Administrative Agent and be received by the Administrative Agent not later than 11:00 a.m. (1) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (2) on the date of prepayment of Base Rate Committed Loans; (B) any prepayment of Eurodollar Rate Loans shall be in a minimum principal amount of $5,000,000; and (C) any prepayment of Base Rate Committed Loans shall be in a minimum principal amount of $500,000, or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Committed Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's ratable portion of such prepayment (based on such Lender's Applicable Percentage in respect of the relevant Facility). If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.17, each such prepayment shall be applied to the Committed Loans of the Lenders in accordance with their respective Applicable Percentages in respect of the relevant Facilities.

(ii) The Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (A) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of $100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(b) Mandatory Prepayments.

(i) If for any reason the Total Revolving Credit Outstandings exceed the Revolving Credit Facility then in effect, the Borrower shall immediately (x) prepay Loans (including Swing Line Loans and L/C Borrowings) and/or (y) Cash Collateralize the L/C Obligations (other than the L/C Borrowings) in an aggregate amount necessary to cause Total Revolving Credit Outstandings to equal or be less than the Revolving Credit Facility then in effect; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b) unless after the prepayment in full of the Revolving Credit Loans and Swing Line Loans the Total Revolving Credit Outstandings exceed the Revolving Credit Facility then in effect.

(ii) Prepayments made pursuant to this Section 2.05(b)(i), first, shall be applied ratably to the L/C Borrowings and the Swing Line Loans, second, shall be applied ratably to the outstanding Revolving Credit Loans, and third, shall be used to Cash Collateralize the remaining L/C Obligations. Upon a drawing under any Letter of Credit that has been Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from the Borrower or any other Loan Party) to reimburse the L/C Issuers or the Revolving Credit Lenders, as applicable.

2.06 Termination or Reduction of Commitments.

(a) Optional. The Borrower may, upon notice to the Administrative Agent, terminate the Revolving Credit Facility, the Letter of Credit Subfacility or the Swing Line Subfacility, or from time to time permanently reduce the Revolving Credit Facility, the Letter of Credit Subfacility or the Swing Line Subfacility; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $10,000,000 or any whole multiple of $1,000,000 in excess thereof and (iii) the Borrower shall not terminate or reduce (x) the Revolving Credit Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Credit Outstandings would exceed the Revolving Credit Facility, (y) the Letter of Credit Subfacility if, after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Subfacility, or (z) the Swing Line Subfacility if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of Swing Line Loans would exceed the Swing Line Subfacility. The Administrative Agent will promptly notify the Revolving Credit Lenders of any such notice of

termination or reduction of the Revolving Credit Facility, Letter of Credit Subfacility or Swing Line Subfacility. Any reduction of the Revolving Credit Facility shall be applied to the Revolving Credit Commitment of each Revolving Credit Lender according to its Applicable Revolving Credit Percentage, and upon any resulting reduction of the Letter of Credit Subfacility, the Letter of Credit Sublimit of each L/C Issuer shall be reduced on a pro rata basis. All fees accrued until the effective date of any termination of the Revolving Credit Facility shall be paid on the effective date of such termination. Following any such termination or reduction, the Administrative Agent may in its discretion replace the existing Schedule 2.01 with an amended and restated schedule that reflects all such terminations and reductions.

(b) Mandatory. The aggregate Term Commitments shall be automatically and permanently reduced to zero on the date of the Term Borrowing after giving effect thereto.

2.07 Repayment of Loans.

(a) The Borrower shall repay to the Revolving Credit Lenders on the Maturity Date of the Revolving Credit Facility the aggregate principal amount of all Revolving Credit Loans outstanding on such date.

(b) The Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date five Business Days after such Loan is made and (ii) the Maturity Date of the Revolving Credit Facility.

(c) The Borrower shall repay to the Term Lenders on the Maturity Date of the Term Facility the aggregate principal amount of all Term Loans outstanding on such date.

2.08 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan under a Facility shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Rate for such Facility; (ii) each Base Rate Committed Loan under a Facility shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate for such Facility; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate for the Revolving Credit Facility.

(b) (i) While any Event of Default exists under Section 8.01(a)(i) or Section 8.01(f), the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(i) Upon the request of the Required Lenders, while any Event of Default exists (other than as set forth in clause (b)(i) above), the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees. In addition to certain fees described in subsections (h) and (i) of Section 2.03 and in Sections 2.14(b)(iii) and 2.15(b)(iv):

(a) Revolving Credit Facility Fee. The Borrower shall pay to the Administrative Agent, for the account of each Revolving Credit Lender in accordance with its Applicable Revolving Credit Percentage, a facility fee (the "Facility Fee") equal to the "Facility Fee" component of the Applicable Rate times the actual daily amount of the Revolving Credit Facility (or, if the Revolving Credit Commitments have terminated, the Total Revolving Credit Outstandings). For the avoidance of doubt, the Facility Fee shall accrue at all times during the Availability Period (and thereafter so long as any Revolving Credit Loans, Swing Line Loans or L/C Obligations remain outstanding), including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, on the last day of the Availability Period and, if applicable, thereafter on demand. The Facility Fee shall be calculated quarterly in arrears, and if there is any change in the "Facility Fee" component of the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the "Facility Fee" component of the Applicable Rate separately for each period during such quarter that such "Facility Fee" component of the Applicable Rate was in effect.

(b) Other Fees. The Borrower shall pay to the Arrangers and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letters. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which such Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which such Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the REIT or for any other reason, the Borrower, the Administrative Agent or the Required Lenders

determine that (i) the ratio of Total Indebtedness to Total Asset Value as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the ratio of Total Indebtedness to Total Asset Value would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the L/C Issuers, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any Loan Party under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or any L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or any L/C Issuer, as the case may be, under Section 2.03(c)(iii), 2.03(h) or 2.08(b) or under Article VIII. The Borrower's obligations under this paragraph shall survive the termination of the Facilities and the repayment of all other Obligations hereunder.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Revolving Credit Note and/or a Term Note, as applicable, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note(s) and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a) above, each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than

2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage in respect of the relevant Facility (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Committed Borrowing of Eurodollar Rate Loans (or, in the case of any Committed Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Committed Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Committed Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Committed Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans under the applicable Facility. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Committed Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(i) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or an L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Appropriate Lenders or the applicable L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Appropriate Lenders or such

L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Committed Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Committed Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Committed Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Committed Loans and other amounts owing them in respect of the Facilities, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or

subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in Section 2.16, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to the Borrower or any Affiliate thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Extension of Maturity Date **in** respect of Revolving Credit Facility.

(a) Request for Extension. The Borrower may, by written notice to the Administrative Agent (such notice, an "Extension Notice") not earlier than 90 days and not later than 30 days prior to the Maturity Date then in effect hereunder for the Revolving Credit Facility (the "Existing Maturity Date"), request that the Revolving Credit Lenders extend the Maturity Date for the Revolving Credit Facility for an additional six (6) month period from such Existing Maturity Date (the "First Maturity Date Extension"), and (if so extended) for an additional six (6) month period to the fifth anniversary of the Closing Date (the "Second Maturity Date Extension" and together with the First Maturity Date Extension, each a "Maturity Date Extension"). The Administrative Agent shall distribute any such Extension Notice to the Revolving Credit Lenders promptly following its receipt thereof.

(b) Conditions Precedent to Effectiveness of each Maturity Date Extension. As conditions precedent to the effectiveness of each Maturity Date Extension, each of the following requirements shall be satisfied:

(i) The Administrative Agent shall have received an Extension Notice within the period required under subsection (a) above;

(ii) On the date of such Extension Notice and both immediately before and immediately after giving effect to such Maturity Date Extension, no Default or Event of Default shall have occurred and be continuing;

(iii) The Borrower shall have paid to the Administrative Agent, for the pro rata benefit of the Revolving Credit Lenders based on their Applicable Revolving Credit Percentages as of the applicable Existing Maturity Date, an extension fee in an amount equal to 0.075% of the Revolving Credit Facility in effect on such Existing Maturity Date, it being

agreed that such fee shall be fully earned when paid and shall not be refundable for any reason; and

(iv) The Administrative Agent shall have received a certificate of each Loan Party dated as of the applicable Existing Maturity Date signed by a Responsible Officer of such Loan Party certifying that, before and after giving effect to such extension, (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects on and as of the Existing Maturity Date, except (x) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (y) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such date (including such earlier date set forth in the foregoing clause (y)) after giving effect to such qualification and (z) for purposes of this Section 2.14, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01, and (B) no Default exists.

2.15 Increase in Facilities.

(a) Request for Increase. The Borrower may by written notice to the Administrative Agent request, from time to time, to increase the aggregate principal amount of the Facilities to an amount not exceeding $650,000,000 through one or more increases in the existing Revolving Credit Commitments (each, an "Incremental Revolving Commitment") and/or increases in the principal amount of the Term Loan (each, an "Incremental Term Commitment"); provided that (i) any such request for an increase shall be in a minimum amount of $50,000,000 (provided that such amount may be less than $50,000,000 if such amount represents all remaining availability under the aggregate limit in respect of the Facilities set forth above) and (ii) the Borrower may make a maximum of three such requests. Each notice from the Borrower pursuant to this Section 2.15 shall specify (i) the date on which the Borrower proposes that the Incremental Commitments shall be effective, which shall be a date not less than 10 Business Days after the date on which such notice is delivered to the Administrative Agent (the "Notice Period") and (ii) the identity of each Lender and each other Eligible Assignee to whom the Borrower proposes any portion of such Incremental Commitments be allocated and the amount of Incremental Revolving Commitment and/or Incremental Term Commitment being requested from each such Lender and Eligible Assignee; provided that any existing Lender approached to provide all or a portion of the Incremental Commitments may elect or decline, in its sole discretion, to provide such Incremental Commitment and any Lender not responding within the Notice Period shall be deemed to have declined to provide such Incremental Commitment. The Administrative Agent and the Borrower shall thereafter determine the effective date (each an "Increase Effective Date") and the final allocation of such Incremental Commitments among the Lenders and Eligible Assignees.

(b) Conditions. The Incremental Commitments shall become effective as of the Increase Effective Date; provided that:

(i) the Borrower shall have delivered to the Administrative Agent a certificate of each Loan Party dated as of the Increase Effective Date signed by a Responsible Officer of such Loan Party (x) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (y) in the case of the Borrower, certifying that, before and after giving effect to such Incremental Commitments and the Credit Extensions, if any to be made on such Increase Effective Date (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects on and as of the Increase Effective Date, except to the extent that (1) such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (2) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such date (including such earlier date set forth in the foregoing clause (1)) after giving effect to such qualification and (3) for purposes of this Section 2.15, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01, and (B) no Default exists;

(ii) the Borrower shall have delivered any Notes requested by the Lenders to reflect such Incremental Commitments;

(iii) the Administrative Agent shall have received documentation from each Person providing such Incremental Commitments evidencing its share of the Incremental Commitments and its obligations under this Agreement in form and substance reasonably acceptable to the Administrative Agent, including, in the case of a new Lender, a New Lender Joinder Agreement, subject in each case to any requisite consents required under Section 11.06;

(iv) the Borrower shall have paid such fees to the Administrative Agent, for its own account and for the benefit of the Lenders participating in such Incremental Commitments as are agreed mutually at the time and shall have paid to MLPFS any fees required to be paid pursuant to the Fee Letter to which MLPFS is a party in connection with such Incremental Commitments;

(v) the Borrower shall make any breakage payments in connection with any adjustment of Revolving Credit Loans pursuant to Section 2.15(d);

(vi) if requested by the Administrative Agent or any Lender or other Eligible Assignee participating in such Incremental Commitments, the Administrative Agent shall have received a favorable opinion of counsel (which counsel shall be reasonably acceptable to the Administrative Agent), addressed to the Administrative Agent and each Lender, as to such customary matters concerning such Incremental Commitments as the Administrative Agent may reasonably request; and

(vii) the Borrower shall have delivered or caused to be delivered such other assurances, certificates, documents, consents or opinions as the Administrative Agent, any

of the Lenders or other Eligible Assignees providing such Incremental Commitments or, in the case of Incremental Revolving Commitments, any L/C Issuer or the Swing Line Lender, reasonably may require.

(c) Terms of New Loans and Commitments. The terms and provisions of Loans made pursuant to the Incremental Commitments shall be as follows:

(i) the terms and provisions of the Incremental Term Loans shall be identical to the then existing Term Loans (it being understood that Incremental Term Loans may be a part of the Term Facility) except that Incremental Term Loans may have such maturity dates (not earlier than the Maturity Date of the Term Facility) as the Borrower, the Administrative Agent and the Lenders and Eligible Assignees making such Incremental Term Loans may agree;

(ii) the terms and provisions of the Incremental Revolving Commitments and the Revolving Credit Loans made pursuant thereto shall be identical and pursuant to the exact same documentation applicable to the existing Revolving Credit Commitments and Revolving Credit Loans;

(d) Adjustment of Revolving Credit Loans. In the event that an Incremental Revolving Commitment results in any change to the Applicable Revolving Credit Percentage of any Lender, then on the Increase Effective Date, (i) subject to the satisfaction of the foregoing terms and conditions and the conditions set forth in Section 4.02, each Revolving Credit Lender and other Eligible Assignee that is providing such Incremental Revolving Commitment shall make a Revolving Credit Loan, the proceeds of which will be used to prepay the Revolving Credit Loans of the existing Revolving Credit Lenders immediately prior to such Increase Effective Date, so that, after giving effect thereto, the Revolving Credit Loans outstanding are held by the Revolving Credit Lenders pro rata based on their Revolving Credit Commitments after giving effect to such Incremental Revolving Commitment and (ii) the participation interests of the Lenders in any outstanding Letters of Credit and Swing Line Loans shall be automatically reallocated among the Revolving Credit Lenders in accordance with their respective Applicable Revolving Credit Percentages after giving effect to such Incremental Revolving Commitment. If there is a new borrowing of Revolving Credit Loans on such Increase Effective Date, the Revolving Credit Lenders after giving effect to such Increase Effective Date shall make such Revolving Credit Loans in accordance with Section 2.01(a).

(e) Making of Incremental Term Loans. On any Increase Effective Date on which an Incremental Term Commitment is effective, subject to the satisfaction of the foregoing terms and conditions and the conditions set forth in Section 4.02, each Lender and Eligible Assignee that has agreed to provide such Incremental Term Commitment shall make an Incremental Term Loan to the Borrower in an amount equal to its pro rata share of such Incremental Term Commitment.

(f) Amendments. If any amendment to this Agreement is required to give effect to any Incremental Commitments or Loan made pursuant thereto in accordance with this Section 2.15, then such amendment shall be effective if executed by the Loan Parties, each Lender providing

such Incremental Commitments and the Administrative Agent (each such amendment is a "Commitment Increase Amendment").

(g) Equal and Ratable Benefit. The Loans and Incremental Commitments established pursuant to this paragraph shall constitute Loans, Commitments and Obligations under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the Guaranty.

(h) Conflicting Provisions. This Section shall supersede any provisions in Section 2.13 or 11.01 to the contrary.

2.16 Cash Collateral.

(a) Certain Credit Support Events. If (i) any L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) the Borrower shall be required to provide Cash Collateral pursuant to Section 8.02(c), or (iv) there shall exist a Defaulting Lender, the Borrower shall immediately (in the case of clause (iii) above) or within one Business Day (in all other cases) following any request by the Administrative Agent or an L/C Issuer that has issued a Letter of Credit that remains outstanding, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.17(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuers and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.16(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the L/C Issuers as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.16 or Sections 2.03, 2.05, 2.17 or 8.02 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which

the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 11.06(b)(vi))) or (ii) the determination by the Administrative Agent and the applicable L/C Issuer(s) that there exists excess Cash Collateral; provided, however, the Person providing Cash Collateral and the applicable L/C Issuer(s) may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.17 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders", "Required Revolving Lenders", "Required Term Lenders" and Section 11.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 11.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to an L/C Issuer or the Swing Line Lender hereunder; *third*, to Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.16; *fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuers' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.16; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuers or the Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any L/C Issuer or the Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or

Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.17(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee payable under Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any portion of such fee that otherwise would have been paid to that Defaulting Lender).

(B) Each Defaulting Lender that is a Revolving Credit Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Revolving Credit Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to the terms of this Agreement.

(C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Line Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the applicable L/C Issuers and the Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or the Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders that are Revolving Credit Lenders in accordance with their respective Applicable Revolving Credit Percentages

(calculated without regard to such Defaulting Lender's Revolving Credit Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. Subject to Section 11.20, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.16.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, and, with respect to any Defaulting Lender that is a Revolving Credit Lender, the Swing Line Lender and the L/C Issuers, agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Committed Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.17(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE III. TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Loan Party, then the Administrative Agent or such Loan Party shall be entitled to make such deduction or

withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party or the Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Loan Party or the Administrative Agent shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications. (i) Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or an L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or an L/C Issuer, shall be conclusive

absent manifest error. Each of the Loan Parties shall, and does hereby, jointly and severally indemnify the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender or an L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(i) Each Lender and each L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (*x*) the Administrative Agent against any Indemnified Taxes attributable to such Lender or such L/C Issuer (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (*y*) the Administrative Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (*z*) the Administrative Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender or such L/C Issuer, in each case, that are payable or paid by the Administrative Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender and each L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or such L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such

documentation set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BENE (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BENE (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BENE (or W-8BEN, as applicable); or

(IV) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BENE (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate

substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or an L/C Issuer, or have any obligation to pay to any Lender or any L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or such L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to such

Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that such Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to any Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or an L/C Issuer, the termination of the Facilities and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Lending Office to perform any of its obligations hereunder or make, maintain or fund or charge interest with respect to any Credit Extension or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to issue, make, maintain, fund or charge interest with respect to any such Credit Extension or continue Eurodollar Rate Loans or to convert Base Rate Committed Loans to Eurodollar Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging

interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates. If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof (a) the Administrative Agent determines that (i) Dollar deposits are not being offered to banks in the applicable offshore interbank market for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (ii) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (a) above, the "Impacted Loans"), or (b) the Administrative Agent or the affected Lenders determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Eurodollar Rate Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the affected Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans in the amount specified therein.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a)(i) of this section, the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a) of the first sentence of this section, (2) the Administrative Agent determines, or the affected Lenders notify the Administrative Agent and the Borrower, that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

3.04 Increased Costs; Reserves on Eurodollar Rate Loans.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e)) or any L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or any L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such L/C Issuer, the Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or any L/C Issuer determines that any Change in Law affecting such Lender or such L/C Issuer or any Lending Office of such Lender or such Lender's or such L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such L/C Issuer's capital or on the capital of such Lender's or such L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by such L/C Issuer, to a level below that which such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such L/C Issuer's policies and the policies of such Lender's or such L/C Issuer's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or an L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or such L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to

the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or such L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or any L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of such Lender's or such L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or an L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or such L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest or costs from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest or costs shall be due and payable 10 days from receipt of such notice.

3.05 Compensation for Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert into any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 11.13;

including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. Each Lender may make any Credit Extension to the Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligation of the Borrower to repay the Credit Extension in accordance with the terms of this Agreement. If any Lender requests compensation under Section 3.04, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender, any L/C Issuer, or any Governmental Authority for the account of any Lender or any L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of the Borrower such Lender or such L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or such L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or such L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or such L/C Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or any L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may replace such Lender in accordance with Section 11.13.

3.07 LIBOR Successor Rate. (a) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made

available, or used for determining the interest rate of loans (such specific date, the "Scheduled Unavailability Date"), or

(iii) syndicated loans currently being executed, or that include language similar to that contained in this Section 3.07, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR,

then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein) (any such proposed rate, a "LIBOR Successor Rate"), together with any proposed LIBOR Successor Rate Conforming Changes and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders do not accept such amendment.

(a) If no LIBOR Successor Rate has been determined and the circumstances under clause (a)(i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) the Eurodollar Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans (subject to the foregoing clause (y)) in the amount specified therein.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

3.08 Survival. All of the Borrower's obligations under this Article III shall survive the termination of the Facilities, repayment of all other Obligations hereunder, and resignation of the Administrative Agent.

ARTICLE IV. CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Effectiveness. The effectiveness of this Agreement and the obligation of each Term Lender to make its Term Loan hereunder is subject to satisfaction of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals, or e-mail (in a .pdf format) or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, the Borrower's Instruction Certificate

and the Borrower Remittance Instructions, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Lenders:

(i) executed counterparts of this Agreement, sufficient in number for distribution to the Administrative Agent, each Lender and the Borrower;

(ii) a Revolving Credit Note executed by the Borrower in favor of each Revolving Credit Lender requesting a Revolving Credit Note and a Term Note executed by the Borrower in favor of each Term Lender requesting a Term Note;

(iii) a duly completed Borrower's Instruction Certificate executed by a Responsible Officer of the Borrower, together with such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party;

(iv) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in (A) its jurisdiction of organization and (B) each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(v) favorable opinions addressed and reasonably satisfactory to the Administrative Agent, the Issuing Banks and the Lenders, from counsel reasonably acceptable to the Administrative Agent, as to the matters concerning the Loan Parties and the Loan Documents as the Administrative Agent may reasonably request;

(vi) a certificate of a Responsible Officer of each Loan Party either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(vii) a certificate signed by a Responsible Officer of the Borrower certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied**,** (B) that there has been no event or circumstance since December 31, 2016 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (C) that no action, suit, investigation or proceeding is pending or, to the knowledge of any Loan Party, threatened in any court or before any arbitrator or Governmental Authority that (1) relates to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or thereby, or (2) could reasonably be expected to have a Material

Adverse Effect and (D) a calculation of the ratio of Total Indebtedness to Total Asset Value as of the last day of the fiscal quarter of the REIT ended September 30, 2017;

(viii) a Solvency Certificate from the REIT certifying that, after giving effect to the transactions to occur on the Closing Date (including, without limitation, all Credit Extensions to occur on the Closing Date), each Loan Party is, individually and together with its Subsidiaries on a consolidated basis, Solvent;

(ix) a duly completed compliance certificate, giving pro forma effect to the transactions to occur on the Closing Date (including, without limitation, all Credit Extensions to occur on the Closing Date);

(x) duly completed Borrower Remittance Instructions signed by a Responsible Officer of the Borrower;

(xi) the financial statements referenced in Section 5.05(a) and (b);

(xii) evidence that each of the Existing BANA Credit Agreement, the Existing PNC Credit Agreement and the Existing WFB Credit Agreement and all documents entered into in connection with each such agreement, shall have been terminated in full (except to the extent that provisions of any such document by its express terms survives termination thereof) and all unpaid principal, interest, fees, expenses and other amounts owing thereunder or in connection therewith (other than any contingent obligation not yet due and payable) shall have been paid in full and all commitments thereunder shall have been terminated, or concurrently with the Closing Date is being, terminated and paid in full; and

(xiii) such other assurances, certificates, documents, consents or opinions as the Administrative Agent, any L/C Issuer, the Swing Line Lender, the Required Lenders or the Required Term Lenders reasonably may require.

(b) Any fees required hereunder or under the Fee Letters to be paid on or before the Closing Date shall have been paid.

(c) Completion of all due diligence with respect to the REIT, the Borrower, and their respective Subsidiaries and properties in scope and determination satisfactory to the Administrative Agent, the Bookrunner, the Arrangers and the Lenders in their sole discretion.

(d) Unless waived by the Administrative Agent, the Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced (which invoice may be in summary form) prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

(e) At least ten Business Days prior to the Closing Date, the Administrative Agent and each Lender shall have received documentation and other information with respect to each of the Loan Parties that is required, in the Administrative Agent's or such Lender's judgment, by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and regulations implemented by the US Treasury's Financial Crimes Enforcement Network under the Bank Secrecy Act.

Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower and each other Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Credit Extension, except to the extent that (i) such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, (ii) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such date (including such earlier date set forth in the foregoing clause (i)) after giving effect to such qualification and (iii) for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the applicable L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type or a continuation of Eurodollar Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Administrative Agent and the Lenders that:

5.01 Existence, Qualification and Power. Each Loan Party and each Subsidiary thereof (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law.

5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document.

5.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms.

5.05 Financial Statements; No Material Adverse Effect.

(a) Each of the Audited Financial Statements and the audited consolidated balance sheet of the REIT for the fiscal year ended December 31, 2016, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the REIT, including the notes thereto (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the REIT and its Consolidated Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show

all material indebtedness and other liabilities, direct or contingent, of the REIT and its Consolidated Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated balance sheet of the REIT and its Consolidated Subsidiaries dated September 30, 2017, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the REIT and its Consolidated Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments. Schedule 5.05 sets forth all material indebtedness and other liabilities, direct or contingent, of the REIT and its Consolidated Subsidiaries not included in such financial statements, including liabilities for taxes, material commitments and Indebtedness.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(d) The consolidated forecasted balance sheet and statements of income and cash flows of the REIT and its Consolidated Subsidiaries delivered pursuant to Section 6.01(c) were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in light of the conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, the REIT's best estimate of its future financial condition and performance.

5.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of any Loan Party after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) either individually or in the aggregate, if determined adversely, could reasonably be expected to have a Material Adverse Effect.

5.07 No Default. Neither any Loan Party nor any Subsidiary thereof is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 Ownership of Property. Each Loan Party and each of its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.09 Environmental Compliance. The Loan Parties and their respective Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws

and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof the Borrower has reasonably concluded that such Environmental Laws and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.10 Insurance. The properties of the REIT and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the REIT, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in each of the localities where the REIT or any of its Subsidiaries operates and/or owns properties.

5.11 **Taxes**. The REIT and each of its Subsidiaries has filed all Federal, state and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the REIT or any Subsidiary thereof that would, if made, have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any tax sharing agreement.

5.12 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of each Loan Party, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of any Loan Party, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and neither any Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and neither any Loan Party nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop

below 60% as of the most recent valuation date; (iv) neither any Loan Party nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither any Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) Neither the Borrower or any ERISA Affiliate maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Pension Plan other than (A) on the Closing Date, those listed on Schedule 5.12(d) hereto and (B) thereafter, Pension Plans not otherwise prohibited by this Agreement.

(e) No Loan Party is or will be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments.

5.13 Subsidiaries; Equity Interests. As of the Closing Date, all of the outstanding Equity Interests in each Subsidiary Guarantor are owned, directly or indirectly, by the Borrower as set forth on Part (a) of Schedule 5.13 free and clear of all Liens. All of the outstanding Equity Interests in each Loan Party have been validly issued and are fully paid and nonassessable. Set forth on Part (b) of Schedule 5.13 is a complete and accurate list of all Loan Parties, showing as of the Closing Date (as to each Loan Party) the jurisdiction of its incorporation or organization and the address of its principal place of business.

5.14 Margin Regulations; Investment Company Act.

(a) Such Loan Party is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of such Loan Party only or of the Loan Parties and their Subsidiaries on a consolidated basis) will be margin stock.

(b) None of the REIT, any Person Controlling the REIT, or any Subsidiary of the REIT is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

5.15 Disclosure. Each Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains

any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, each Loan Party represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.16 Compliance with Laws. Each Loan Party and each Subsidiary thereof is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.17 Taxpayer Identification Number. Each Loan Party's true and correct U.S. taxpayer identification number is set forth on Schedule 11.02 (or, in the case of a Subsidiary that becomes a Loan Party after the Closing Date, is set forth in the information provided to the Administrative Agent with respect to such Subsidiary pursuant to Section 6.12).

5.18 Intellectual Property; Licenses, Etc. Each Loan Party, and each of its Subsidiaries, owns, or possesses the right to use, all trademarks, trade names, copyrights, patents and other intellectual property material to its business, and the use thereof by the Loan Parties and their Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

5.19 OFAC. No Loan Party, nor, to the knowledge of any Loan Party, any Related Party, (i) is currently the subject of any Sanctions, (ii) is located, organized or residing in any Designated Jurisdiction, (iii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iv) is or has been (within the previous five (5) years) engaged in any transaction with any Person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction. No Loan, nor the proceeds from any Credit Extension, has been used, directly or indirectly, to lend, contribute, provide or has otherwise made available to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including any Lender, any Arranger, the Bookrunner, the Administrative Agent, any L/C Issuer or the Swing Line Lender) of Sanctions.

5.20 Solvency. Each Loan Party is, individually and together with its Subsidiaries on a consolidated basis, Solvent.

5.21 REIT Status; Stock Exchange Listing.

(a) The REIT is organized and operated in a manner that allows it to qualify for REIT Status.

(b) At least one class of common Equity Interests of the REIT is listed on the New York Stock Exchange.

5.22 Subsidiary Guarantors. Each Required Subsidiary Guarantor is a Subsidiary Guarantor.

5.23 Anti-Corruption Laws; Anti-Money Laundering Laws.

(a) The Borrower and its Subsidiaries have conducted their businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, as amended, and other applicable anti-corruption laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

(b) Neither the Borrower, nor any of its Subsidiaries, nor, to the knowledge of the Borrower and its Subsidiaries, any Related Party thereof (i) has violated or is in violation of any applicable anti-money laundering law or (ii) has engaged or engages in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of offenses designated in any applicable law, regulation or other binding measure implementing the "Forty Recommendations" and "Nine Special Recommendations" published by the Organisation for Economic Cooperation and Development's Financial Action Task Force on Money Laundering.

5.24 EEA Financial Institution. Neither the Borrower nor any Guarantor is an EEA Financial Institution.

ARTICLE VI. AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, each Loan Party shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02, 6.03, 6.11, and 6.15) cause each Subsidiary thereof to:

6.01 Financial Statements. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the REIT (or, if earlier, 15 days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)), a consolidated balance sheet of the REIT and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit; and

(b) as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the REIT (or, if earlier, 5 days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)) consolidated balance sheet of the REIT and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter and for the portion of the REIT's fiscal year then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the portion of the REIT's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by the chief executive officer, chief financial officer, treasurer or controller of the REIT as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the REIT and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(c) as soon as available, but in any event at least 15 days before the end of each fiscal year of the REIT, forecasts prepared by management of the REIT, in form satisfactory to the Administrative Agent and the Required Lenders, of statements of income or operations and cash flows of the REIT and its Subsidiaries on a quarterly basis for the immediately following fiscal year (including the fiscal year in which the latest Maturity Date occurs) together with projected calculations of the financial covenants set forth in Section 7.11 as of the last day of each fiscal quarter during such fiscal year.

As to any information contained in materials furnished pursuant to Section 6.02(d), the Loan Parties shall not be separately required to furnish such information under subsection (a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Loan Parties to furnish the information and materials described in subsections (a) and (b) above at the times specified therein.

6.02 Certificates; Other Information. Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) [intentionally omitted];

(b) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the REIT (which delivery may, unless the Administrative Agent, or a Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes), which shall, among other things, set forth calculations demonstrating compliance with the financial covenants set forth in Section 7.11 and either include or be accompanied by a list of each Property included in such calculations annotated to identify each Unencumbered Property, Newly Acquired Property and Newly Stabilized Property and, with respect to each Unencumbered Property, the Unencumbered Asset Value and Unencumbered NOI attributable to such Unencumbered Property (all of which shall be in form, substance and detail reasonably satisfactory to the Administrative Agent);

(c) promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or similar governing body) (or the audit committee of the board of directors or similar governing body) of any Loan Party by independent accountants in connection with the accounts or books of the REIT or any Subsidiary, or any audit of any of them;

(d) promptly after the same are available, (i) copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders or other equity holders of the REIT, (ii) copies of each annual report, proxy or financial statement or other financial report sent to the limited partners of the Borrower and (iii) copies of all annual, regular, periodic and special reports and registration statements which any Loan Party or any Subsidiary thereof files with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934 or with any national securities exchange, and in any case not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(e) promptly after the furnishing thereof, copies of any statement or report furnished to any holder of debt securities of any Loan Party or any Subsidiary thereof pursuant to the terms of any indenture, loan or credit or similar agreement that governs Indebtedness in an amount equal to or in excess of the Threshold Amount, and not otherwise required to be furnished to the Lenders pursuant to Section 6.01 or any other clause of this Section 6.02;

(f) promptly, and in any event within five Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof; and

(g) promptly, such additional information regarding the business, financial or corporate affairs of any Loan Party or any Subsidiary thereof, any Property of any Loan Party or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the REIT posts such documents, or provides a link thereto on the REIT's website on the Internet at the website address listed on Schedule 11.02; or (ii) on which such documents are posted on the REIT's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that the REIT shall notify the Administrative Agent and each Lender (by facsimile or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and each Lender shall be solely responsible for maintaining its copies of such documents.

Each Loan Party hereby acknowledges that (a) the Administrative Agent, the Bookrunner and/or the Arrangers may, but shall not be obligated to, make available to the Lenders and the L/C Issuers materials and/or information provided by or on behalf of any Loan Party hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, Syndtrak or a substantially similar electronic transmission system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the REIT or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Each Loan Party hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," each Loan Party shall be deemed to have authorized the Administrative Agent, the Bookrunner, the Arrangers, the L/C Issuers and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Loan Parties or their respective securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 11.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent, the Bookrunner and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

6.03 Notices. Promptly notify the Administrative Agent and each Lender:

(a) of the occurrence of any Default;

(b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of any Loan Party or any Subsidiary thereof; (ii) any dispute, litigation, investigation, proceeding or suspension between any Loan Party or any Subsidiary thereof and any Governmental Authority; (iii) the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Subsidiary thereof, including pursuant to any applicable Environmental Laws; or (iv) any noncompliance by any Loan Party or any of its Subsidiaries with any Environmental Law or Environmental Permit;

(c) of the occurrence of any ERISA Event;

(d) of any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary thereof, including any determination by the Borrower referred to in Section 2.10(b); and

(e) of any announcement by Moody's or S&P of any change or possible change in a Debt Rating; provided, that the provisions of this clause (e) shall only apply on and after the Investment Grade Pricing Effective Date.

Each notice pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Obligations. Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by such Loan Party or such Subsidiary; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

6.05 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.06 Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

6.07 Maintenance of Insurance. Maintain and cause each of its Subsidiaries to maintain and use commercially reasonable efforts to cause lessees and other Persons operating or occupying any of its Properties to maintain with financially sound and reputable insurance companies not Affiliates of the REIT, insurance with respect to its properties and its business against general liability, property casualty and such casualties and contingencies as shall be commercially reasonable and in accordance with the customary and general practices of businesses having similar operations and real estate portfolios in similar geographic areas and in amounts, containing such terms, in such forms and for such periods as may be reasonable and prudent for such businesses, including without limitation, insurance policies and programs sufficient to cover (a) the replacement value of the improvements on the subject Properties (less commercially reasonable deductible amounts) and (b) liability risks associated with such ownership (less commercially reasonable deductible amounts).

6.08 Compliance with Laws. Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property,

except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records. (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Loan Party or such Subsidiary, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over such Loan Party or such Subsidiary, as the case may be.

6.10 Inspection Rights. Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided, however, that when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

6.11 Use of Proceeds. Use the proceeds of the Credit Extensions for general corporate purposes, including for working capital, capital expenditures, acquisitions, development and redevelopment, and other corporate purposes, in each case, not in contravention of any Law or of any Loan Document.

6.12 Additional Guarantors.

1. Prior to the inclusion of a Property as an Unencumbered Property hereunder the Borrower shall:

(i) notify the Administrative Agent in writing of any Required Subsidiary Guarantor that is not at such time a Guarantor (each such Subsidiary being referred to hereinafter as a "Proposed Subsidiary Guarantor");

(ii) provide the Administrative Agent with the U.S. taxpayer identification for each Proposed Subsidiary Guarantor; and

(iii) provide the Administrative Agent and each Lender with all documentation and other information concerning each Proposed Subsidiary Guarantor that the Administrative Agent or such Lender requests in order to comply with its obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act;

(iv) if requested by the Administrative Agent, deliver to the Administrative Agent the items referenced in Section 4.01(a)(iii), (iv) and (vi) with respect to each Proposed Subsidiary Guarantor;

(v) if requested by the Administrative Agent, deliver to the Administrative Agent a favorable opinion of counsel, which counsel shall be reasonably acceptable to the Administrative Agent, addressed to the Administrative Agent and each Lender, as to such matters concerning the Proposed Subsidiary Guarantor and the Loan Documents as the Administrative Agent may reasonably request; and

(vi) cause each Proposed Subsidiary Guarantor to become a Guarantor under this Agreement by executing and delivering to the Administrative Agent a joinder agreement in substantially the form of Exhibit G or such other document as the Administrative Agent shall deem appropriate for such purpose.

(a) Notwithstanding anything to the contrary contained in this Agreement, in the event that the results of any such "know your customer" or similar investigation conducted by the Administrative Agent or any Lender with respect to any Proposed Subsidiary Guarantor are not reasonably satisfactory to the Administrative Agent and each Lender, such Subsidiary shall not be permitted to become a Guarantor, and for the avoidance of doubt no Property owned or ground leased, directly or indirectly, by such Proposed Subsidiary Guarantor shall be included as an Unencumbered Property, in each case without the prior written consent of the Administrative Agent and the Required Lenders.

6.13 Compliance with Environmental Laws. Comply, and cause all lessees and other Persons operating or occupying its properties to comply, in all material respects, with all applicable Environmental Laws and Environmental Permits; obtain and renew all Environmental Permits necessary for its operations and properties; and conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance with the requirements of all Environmental Laws; provided, however, that neither the REIT nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

6.14 Further Assurances. Promptly upon request by the Administrative Agent, or any Lender through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents and (ii) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Creditor Parties the rights granted or now or hereafter intended to be granted to the Creditor Parties under any Loan Document or under any other instrument executed in connection with any

Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

6.15 Maintenance of REIT Status; Stock Exchange Listing. The REIT will, at all times (i) continue to be organized and operated in a manner that will allow it to qualify for REIT Status and (ii) remain publicly traded with securities listed on the New York Stock Exchange or the NASDAQ Stock Market.

6.16 Material Contracts. Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect, enforce each such Material Contract in accordance with its terms, take all such action to such end as may be from time to time requested by the Administrative Agent and, upon request of the Administrative Agent, make to each other party to each such Material Contract such demands and requests for information and reports or for action as any Loan Party or any of its Subsidiaries is entitled to make under such Material Contract, and cause each of its Subsidiaries to do so, except, in any case, where the failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

6.17 Preparation of Environmental Reports. At the request of the Required Lenders from time to time following a determination by the Required Lenders that there exists potential liability or responsibility of a Loan Party for a violation of any Environmental Law with respect to an Unencumbered Property or material risk of such potential liability or responsibility, provide to the Lenders within 60 days after such request, at the expense of the Borrower, an environmental site assessment complying with ASTM guidelines (an "ESA") for any Unencumbered Property owned, leased or operated by a Loan Party described in such request, prepared by an environmental consulting firm reasonably acceptable to the Administrative Agent, indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance, response or other corrective action to address any Hazardous Materials on such Unencumbered Properties, together with a letter from such environmental consultant permitting the Administrative Agent and the Lenders to rely on such ESA as if addressed to and prepared for each of them; without limiting the generality of the foregoing, if the Administrative Agent determines at any time that a material risk exists that any such ESA will not be provided within the time referred to above, the Administrative Agent may retain an environmental consulting firm to prepare an ESA at the expense of the Borrower, and the Borrower hereby grants and agrees to cause any of its Subsidiaries that owns or leases any Unencumbered Property described in such request to grant at the time of such request to the Administrative Agent, the Lenders, such firm and any agents or representatives thereof an irrevocable non-exclusive license, subject to the rights of tenants or necessary consent of landlords, to enter onto their respective properties to undertake such an assessment. In the absence of a Default, the Borrowers shall not be required to pay for more than one ESA per Unencumbered Property per year.

6.18 Minimum Amount and Occupancy of Unencumbered Properties. Cause (i) at least 15 Unencumbered Properties to be included in each calculation of Unencumbered Asset Value and Unencumbered NOI and (ii) the aggregate occupancy of all Unencumbered Properties included in each calculation of Unencumbered Asset Value and Unencumbered NOI (determined on a

percentage square foot occupied basis), based on tenants in occupancy and paying rent, to be at least 85%.

6.19 Compliance with Terms of Leases. Make all payments and otherwise perform all obligations in respect of all leases of real property to which it is party, as lessee, keep such leases in full force and effect and not allow such leases to lapse or be terminated or any rights to renew such leases to be forfeited or cancelled, notify the Administrative Agent of any default by any party with respect to such leases and cooperate with the Administrative Agent in all respects to cure any such default, except, in any case, where the failure to do so, either individually or in the aggregate, could not be reasonably likely to have a Material Adverse Effect.

ARTICLE VII. NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, no Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly:

7.01 Liens. Create, incur, assume or suffer to exist any Lien on (i) any Unencumbered Property other than Permitted Property Encumbrances, (ii) any Equity Interest of any Owner of any Unencumbered Property other than Permitted Equity Encumbrances or (iii) any income from or proceeds of any of the foregoing; or sign, file or authorize under the Uniform Commercial Code of any jurisdiction a financing statement that includes in its collateral description any portion of any Unencumbered Property.

7.02 Investments. Make any Investments, except:

(a) Investments held by the REIT or its Subsidiaries in the form of cash or Cash Equivalents;

(b) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors or lessees to the extent reasonably necessary in order to prevent or limit loss; and

(c) other Investments so long as (i) no Event of Default has occurred and is continuing immediately before or immediately after giving effect to the making of such Investment and (ii) immediately after giving effect to the making of such Investment the Loan Parties shall be in compliance, on a pro forma basis, with the provisions of Section 7.11.

7.03 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness unless (a) no Default has occurred and is continuing immediately before and immediately after the incurrence of such Indebtedness and (b) immediately after giving effect to the incurrence of such Indebtedness, the Loan Parties shall be in compliance, on a pro forma basis, with the provisions of Section 7.11.

7.04 Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Subsidiary of the Borrower may merge with (i) the Borrower, provided that the Borrower shall be the continuing or surviving Person or (ii) any one or more other Subsidiaries of the Borrower, provided that if any Subsidiary Guarantor is merging with another Subsidiary, a Subsidiary Guarantor party to such merger shall be the continuing or surviving Person;

(b) any Subsidiary of the Borrower may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or to another Subsidiary of the Borrower; provided that if the transferor in such a transaction is a Subsidiary Guarantor, then the transferee must either be the Borrower or a Subsidiary Guarantor; and

(c) Dispositions permitted by Section 7.05(d) or (e) shall be permitted under this Section 7.04.

Notwithstanding anything to the contrary contained herein, in no event shall the Borrower be permitted to (i) merge, dissolve or liquidate or consolidate with or into any other Person unless after giving effect thereto the Borrower is the sole surviving Person of such transaction and no Change of Control results therefrom or (ii) engage in any transaction pursuant to which it is reorganized or reincorporated in any jurisdiction other than a state of the United States or the District of Columbia.

7.05 Dispositions. Make any Disposition or enter into any agreement to make any Disposition, or, in the case of any Subsidiary of the REIT, issue, sell or otherwise Dispose of any of such Subsidiary's Equity Interests to any Person, except:

(a) Dispositions of obsolete or worn out equipment, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Dispositions by any Subsidiary of the Borrower to the Borrower or to another Subsidiary of the Borrower; provided that if the transferor is a Subsidiary Guarantor, the transferee thereof must either be the Borrower or a Subsidiary Guarantor;

(c) Dispositions permitted by Section 7.04(a) or (b);

(d) Dispositions of assets (other than Equity Interests of a Subsidiary) not constituting an Unencumbered Property;

(e) so long as no Default exists or would result therefrom, the issuance, sale or other Disposition of Equity Interests of any Subsidiary of the Borrower (other than an Owner of an Unencumbered Property);

(f) Dispositions not otherwise permitted under this Section 7.05, including the issuance, sale or other Disposition of Equity Interests of any Subsidiary of the Borrower that is an Owner of an Unencumbered Property; provided that:

(i) no Default exists or would result therefrom;

(ii) immediately upon giving effect thereto, the Loan Parties shall be in compliance, on a pro forma basis, with the provisions of Section 7.11; and

(iii) in the event of any Disposition of an Unencumbered Property for which an Owner is a Guarantor or a Disposition of any such Owner: (A) the representations and warranties contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects on and as of the date thereof and immediately after giving effect thereto, except (1) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, (2) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such applicable date (including such earlier date set forth in the foregoing clause (1)) after giving effect to such qualification and (3) for purposes of this Section 7.05, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01 and (B) the provisions of Section 10.12(b) or (c), as applicable, shall be satisfied; and

(g) the issuance, sale or other Disposition of limited partnership interests of the Borrower as consideration for the purchase by a Subsidiary of the REIT of a Property, but solely to the extent that, after giving effect thereto, a Change of Control has not occurred.

For the avoidance of doubt, nothing in this Section 7.05 restricts the issuance, sale or other Disposition of Equity Interests of the REIT, to the extent that such issuance, sale or other Disposition does not result in Change of Control.

7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that the following shall be permitted:

(a) each Subsidiary of the Borrower may make Restricted Payments pro rata to the holders of its Equity Interest;

(b) the REIT and each Subsidiary thereof may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person;

(c) (i) the REIT and each Subsidiary thereof may purchase, redeem or otherwise acquire Equity Interests issued by it with the proceeds received from the substantially concurrent issue of new shares of its or its direct or indirect parent's common stock or other common Equity Interests and (ii) the REIT and/or the Borrower may purchase, redeem or otherwise acquire limited partnership interests of the Borrower held by a limited partner thereof in exchange for Equity Interests of the

REIT, so long as after giving effect to any such purchase, redemption or other acquisition, a Change of Control does not occur;

(d) the Borrower shall be permitted to declare and pay pro rata dividends on its Equity Interests or make pro rata distributions with respect thereto, in an amount for any fiscal year of the REIT equal to the greater of (i) 95% of Funds From Operations for such fiscal year and (ii) such amount that will result in the REIT receiving the necessary amount of funds required to be distributed to its equityholders in order for the REIT to (x) maintain its REIT Status and (y) avoid the payment of federal or state income or excise tax; provided, however, (1) if an Event of Default shall have occurred and be continuing or would result therefrom, the Borrower shall only be permitted to declare and pay pro rata dividends on its Equity Interests or make pro rata distributions with respect thereto in an amount that will result in the REIT receiving the minimum amount of funds required to be distributed to its equityholders in order for the REIT to maintain its REIT Status and (2) notwithstanding clause (1) of this proviso, no Restricted Payments shall be permitted under this clause (d) following an acceleration of the Obligations pursuant to Section 8.02 or following the occurrence of an Event of Default under Section 8.01(f) or (g);

(e) the REIT shall be permitted to make Restricted Payments with any amounts received by it from the Borrower pursuant to Section 7.06(d); and

(f) the REIT and the Borrower may purchase, redeem or otherwise acquire common stock of the REIT and/or limited partnership interests of the Borrower, as applicable; provided, that (i) the aggregate amount of cash paid for all such redemptions made pursuant to this clause (f) during the term of this Agreement shall not exceed $100,000,000 and (ii) after giving effect to any such purchase, redemption or other acquisition, (x) no Event of Default shall have occurred and be continuing or would result therefrom and (y) the Loan Parties shall be in compliance, on a pro forma basis, with the provisions of Section 7.11.

7.07 Change in Nature of Business. Engage in any material line of business other than the acquisition, ownership and leasing (as lessor) of income producing Properties and investments incidental thereto.

7.08 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of the REIT, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the REIT or a Subsidiary thereof as would be obtainable by the REIT or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate; provided that the foregoing restriction shall not apply to (i) transactions between or among the Loan Parties, (ii) transactions between or among Subsidiaries that are not Loan Parties and (iii) Investments and Restricted Payments expressly permitted hereunder.

7.09 Burdensome Agreements. Enter into any Contractual Obligation that limits the ability of (a) the REIT or any Subsidiary of the Borrower to Guarantee the Obligations, (b) the Borrower or any Subsidiary to create, incur, assume or suffer to exist Liens on any Unencumbered Property, or the Equity Interests of any Owner of any Unencumbered Property, or any income from or proceeds of any of the foregoing, in each case other than this Agreement or Pari Passu Provisions,

or (c) any Subsidiary to make Restricted Payments to the REIT, the Borrower or any Subsidiary Guarantor or to otherwise transfer property to the REIT, the Borrower or any Subsidiary Guarantor, in each case other than this Agreement, Pari Passu Provisions and limitations on the ability of a Subsidiary that is not an Owner of an Unencumbered Property to make Restricted Payments which limitations are contained in an agreement governing Secured Indebtedness that is permitted to exist under Section 7.03 and Section 7.11.

7.10 Use of Proceeds. Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11 Financial Covenants.

(a) Maximum Leverage Ratio. Permit Total Indebtedness to exceed 60% of the Total Asset Value as of the last day of each fiscal quarter of the REIT; provided that (i) such maximum ratio may be increased at the election of the Borrower to sixty-five percent (65%) for any fiscal quarter in which a Material Acquisition is completed and for up to the next two subsequent consecutive fiscal quarters and (ii) such maximum ratio may not be increased to sixty-five percent (65%) for more than four fiscal quarters (whether or not consecutive) during the term of this Agreement.

(b) Maximum Secured Leverage Ratio. Permit Total Secured Indebtedness to exceed 40% of the Total Asset Value as of the last day of each fiscal quarter of the REIT; provided that (i) such maximum ratio may be increased at the election of the Borrower to forty-five percent (45%) for any fiscal quarter in which a Material Acquisition is completed and for up to the next two subsequent consecutive fiscal quarters and (ii) such maximum ratio may not be increased to forty-five percent (45%) for more than four fiscal quarters (whether or not consecutive) during the term of this Agreement.

(c) Minimum Tangible Net Worth. Permit Tangible Net Worth at any time to be less than the sum of (i) an amount equal to 75% of the Tangible Net Worth as of the date of the most recent financial statements of the REIT that are publicly available as of the Closing Date plus (ii) an amount equal to 75% of the Net Cash Proceeds received by the REIT from issuances and sales of Equity Interests of the REIT occurring after the Closing Date (other than proceeds received within ninety (90) days before or after the redemption, retirement or repurchase of Equity Interests in the REIT up to the amount paid by the REIT in connection with such redemption, retirement or repurchase, in each case where, for the avoidance of doubt, the net effect is that the REIT shall not have increased its net worth as a result of any such proceeds).

(d) Minimum Fixed Charge Coverage Ratio. Permit the ratio, as of the last day of each fiscal quarter of the REIT, of Adjusted EBITDA to Fixed Charges to be less than 1.50:1.00.

(e) Minimum Unsecured Interest Coverage Ratio. Permit the ratio, as of the last day of each fiscal quarter of the REIT, of (i) Unencumbered NOI to (ii) the Unsecured Interest Expense to be less than 1.50:1.00.

(f) Maximum Unencumbered Leverage Ratio. Permit Total Unsecured Indebtedness to exceed 60% of the Unencumbered Asset Value as of the last day of each fiscal quarter of the REIT; provided that (i) such maximum ratio may be increased at the election of the Borrower to sixty-five percent (65%) for any fiscal quarter in which a Material Acquisition is completed and for up to the next two subsequent consecutive fiscal quarters and (ii) such maximum ratio may not be increased to sixty-five percent (65%) for more than four fiscal quarters (whether or not consecutive) during the term of this Agreement.

(g) Maximum Secured Recourse Indebtedness Ratio. Permit Secured Recourse Indebtedness of the REIT and its Subsidiaries to exceed 10% of the Total Asset Value at any time.

7.12 Accounting Changes. Make any change in (a) accounting policies or reporting practices, except as required or permitted by GAAP, or (b) fiscal year.

7.13 Amendments of Organization Documents. At any time cause or permit any of its Organization Documents to be modified, amended, amended and restated or supplemented in any respect whatsoever, without, in each case, the express prior written consent or approval of the Administrative Agent, if such changes would materially adversely affect the rights of the Administrative Agent, the L/C Issuers or the Lenders hereunder or under any of the other Loan Documents; provided that if such prior consent or approval is not required, such Loan Party shall nonetheless notify the Administrative Agent in writing promptly after any such modification, amendment, amendment and restatement, or supplement to the charter documents of such Loan Party.

7.14 Sanctions. Permit any Credit Extension or the proceeds of any Credit Extension, directly or indirectly, (i) to be lent, contributed or otherwise made available to fund any activity or business in any Designated Jurisdiction; (ii) to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions; or (iii) in any other manner that will result in any violation by any Person (including any Lender, any Arranger, the Bookrunner, the Administrative Agent, any L/C Issuer or the Swing Line Lender) of any Sanctions.

7.15 Subsidiaries of REIT. Permit the REIT to have any Subsidiaries that are directly owned by the REIT, other than the Borrower.

7.16 Anti-Corruption Laws; Anti-Money Laundering Laws.

(a) Directly or indirectly use the proceeds of any Credit Extension for any purpose that would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions.

(b) Directly or indirectly, engage in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of prohibited offenses designated in any applicable law, regulation or other binding measure by the Organisation for Economic Cooperation and Development's Financial Action Task Force on Money Laundering or violate these laws or any other applicable anti-money laundering law or engage in these actions.

ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation or deposit any funds as Cash Collateral in respect of L/C Obligations, or (ii) within three days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) within five days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. The Borrower or any other Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 6.01, 6.02, 6.03, 6.05, 6.07, 6.10, 6.11, 6.12, 6.15 or 6.18 or Article VII or Article X; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading when made or deemed made; or

(e) Cross-Default. (i) Any Loan Party or any Subsidiary thereof (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of (1) any Recourse Indebtedness or Guarantee of Recourse Indebtedness (other than Recourse Indebtedness hereunder or Guarantees thereof and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount or (2) any Non-Recourse Indebtedness or Guarantee of Non-Recourse Indebtedness (other than Excluded Debt or Guarantees thereof and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than $30,000,000; provided that for purposes of determining the aggregate principal amount of Indebtedness under this clause (i)(A), with respect to any such Indebtedness of a Non-Wholly Owned Consolidated Subsidiary or an Unconsolidated Affiliate, the aggregate principal amount of such Indebtedness included in the calculation shall be only the Consolidated Group Pro Rata Share thereof, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such

Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which any Loan Party or any Subsidiary thereof is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which any Loan Party or any Subsidiary thereof is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by such Loan Party or such Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any Subsidiary thereof institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any Subsidiary thereof becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 30 days after its issue or levy; or

(h) Judgments. There is entered against any Loan Party or any Subsidiary (i) one or more final judgments or orders for the payment of money (other than a judgment with respect to any Excluded Debt) in an aggregate amount (as to all such judgments and orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 10 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) any Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document; or

(k) Change of Control. There occurs any Change of Control; or

(l) REIT Status. The REIT shall, for any reason, fail to maintain its REIT Status, after taking into account any cure provisions set forth in the Code that are complied with by the REIT; or

(m) Stock Exchange Listing. The REIT shall fail to have at least one class of its common Equity Interests listed on the New York Stock Exchange or The NASDAQ Stock Market.

8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuers to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Loan Parties;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuers all rights and remedies available to it, the Lenders and the L/C Issuers under the Loan Documents and applicable Laws;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Loan Party under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

8.03 Application of Funds. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations

have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall, subject to the provisions of Sections 2.16 and 2.17, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuers (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuers (including fees and time charges for attorneys who may be employees of any Lender or any L/C Issuer) and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the L/C Issuers, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrower pursuant to Sections 2.03 and 2.16; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.16, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

ARTICLE IX. ADMINISTRATIVE AGENT

9.01 Appointment and Authority. Each Lender and each L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions

of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuers, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.02 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.03 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the

Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrower, a Lender or an L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or such L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or such L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for any Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right to appoint a successor, which shall be a Lender or an Affiliate of a Lender, or if appointed by the Required Lenders after consultation with the Borrower, another bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuers, appoint a successor Administrative Agent meeting the qualifications set forth above, provided that in no event shall any such successor Administrative Agent be a Defaulting Lender or a Disqualified Institution. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof or if a court of competent jurisdiction has determined in a final and non-appealable judgment that such Person has acted with gross negligence or willful misconduct in performing its duties or exercising its rights and powers hereunder or under any other Loan Document, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuers under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each L/C Issuer (as applicable) directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if

not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative Agent was acting as Administrative Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including (a) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (b) in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

(d) Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as an L/C Issuer and the Swing Line Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit issued by it that are outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment by the Borrower of a successor to Bank of America as an L/C Issuer or the Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (b) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit issued by Bank of America, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and each L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and each L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Bookrunner, Arrangers or Co-Documentation Agents shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an L/C Issuer hereunder.

9.09 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under Sections 2.03(i) and (j), 2.09 and 11.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and each L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuers, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or any L/C Issuer in any such proceeding.

9.10 Guaranty Matters. Without limiting the provisions of Section 9.09, each of the Lenders, the Swing Line Lender and each of the L/C Issuers irrevocably authorize the Administrative Agent, at its option and in its discretion, to release any Guarantor from its obligations under the Guaranty if such Person (i) ceases to be a Subsidiary or (ii) ceases to be a Required Subsidiary Guarantor, in each case under clauses (i) and (ii), as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10.

9.11 Lender Representations Regarding ERISA.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Bookrunners and the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) Such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or,

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases

being a Lender party hereto, for the benefit of, the Administrative Agent, the Bookrunners and the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that:

(i) none of the Administrative Agent, any Bookrunner or any Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Credit Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans, the Letters of Credit, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent, any Bookrunner or any Arranger or any their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Letters of Credit, the Commitments or this Agreement.

The Administrative Agent, the Bookrunners and the Arrangers hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral

agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE X. CONTINUING GUARANTY

10.01 Guaranty. Each Guarantor hereby absolutely and unconditionally guarantees, jointly and severally, as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all of the Obligations, whether for principal, interest, premiums, fees, indemnities, damages, costs, expenses or otherwise, of the Borrower to the Creditor Parties, and whether arising hereunder or under any other Loan Document (including all renewals, extensions, amendments, amendments and restatements, refinancings and other modifications thereof and all costs, attorneys' fees and expenses incurred by the Creditor Parties in connection with the collection or enforcement thereof). The Administrative Agent's books and records showing the amount of the Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon each Guarantor, and conclusive for the purpose of establishing the amount of the Obligations absent demonstrable error. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any instrument or agreement evidencing any Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Obligations which might otherwise constitute a defense to the obligations of any Guarantor under this Guaranty, and each Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

Anything contained in this Guaranty to the contrary notwithstanding, it is the intention of each Guarantor and the Creditor Parties that the obligations of each Guarantor (other than the REIT) hereunder at any time shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of the Bankruptcy Code (Title 11, United States Code) or any comparable provisions of any similar federal or state law. To that end, but only in the event and to the extent that after giving effect to Section 10.11, such Guarantor's obligations with respect to the Obligations or any payment made pursuant to such Obligations would, but for the operation of the first sentence of this paragraph, be subject to avoidance or recovery in any such proceeding under applicable Debtor Relief Laws after giving effect to Section 10.11, the amount of such Guarantor's obligations with respect to the Obligations shall be limited to the largest amount which, after giving effect thereto, would not, under applicable Debtor Relief Laws, render such Guarantor's obligations with respect to the Obligations unenforceable or avoidable or otherwise subject to recovery under applicable Debtor Relief Laws. To the extent any payment actually made pursuant to the Obligations exceeds the limitation of the first sentence of this paragraph and is otherwise subject to avoidance and recovery in any such proceeding under applicable Debtor Relief Laws, the amount subject to avoidance shall in all events be limited to the amount by which such actual payment exceeds such limitation, and the Obligations as limited by the first sentence of this paragraph shall in all events remain in full force and effect and be fully enforceable against such Guarantor. The first sentence of this paragraph is intended solely to preserve the rights of the Creditor Parties hereunder against

such Guarantor in such proceeding to the maximum extent permitted by applicable Debtor Relief Laws and neither such Guarantor, the Borrower, any other Guarantor nor any other Person shall have any right or claim under such sentence that would not otherwise be available under applicable Debtor Relief Laws in such proceeding.

10.02 Rights of Lenders. Each Guarantor consents and agrees that the Creditor Parties may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Guaranty or any Obligations; (c) apply such security and direct the order or manner of sale thereof as the Administrative Agent and the Lenders in their sole discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Obligations. Without limiting the generality of the foregoing, each Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of such Guarantor under this Guaranty or which, but for this provision, might operate as a discharge of such Guarantor.

10.03 Certain Waivers. Each Guarantor waives (a) any defense arising by reason of any disability or other defense of the Borrower or any other guarantor, or the cessation from any cause whatsoever (including any act or omission of any Creditor Party, but excluding satisfaction thereof by way of payment) of the liability of the Borrower; (b) any defense based on any claim that such Guarantor's obligations exceed or are more burdensome than those of the Borrower; (c) the benefit of any statute of limitations affecting such Guarantor's liability hereunder; (d) any right to proceed against the Borrower, proceed against or exhaust any security for the Obligations, or pursue any other remedy in the power of any Creditor Party whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by any Creditor Party; and (f) to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Obligations.

10.04 Obligations Independent. The obligations of each Guarantor hereunder are those of a primary obligor, and not merely as surety, and are independent of the Obligations and the obligations of any other guarantor, and a separate action may be brought against each Guarantor to enforce this Guaranty whether or not the Borrower or any other Person or entity is joined as a party.

10.05 Subrogation. Each Guarantor shall not exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until all of the Obligations and any amounts payable under this Guaranty have been indefeasibly paid in cash and performed in full, all Commitments and the Facilities have been terminated, and all Letters or Credit have been cancelled, have expired or terminated or have been

collateralized to the satisfaction of the Administrative Agent and the L/C Issuers that issued such Letters of Credit. If any amounts are paid to any Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Creditor Parties and shall forthwith be paid to the Administrative Agent for the benefit of the Creditor Parties to reduce the amount of the Obligations, whether matured or unmatured.

10.06 Termination; Reinstatement. This Guaranty is a continuing and irrevocable guaranty of all Obligations now or hereafter existing and shall remain in full force and effect until all Obligations and any other amounts payable under this Guaranty are indefeasibly paid in cash and performed in full, all Commitments and Facilities have been terminated, and all Letters or Credit have been cancelled, have expired or terminated or have been collateralized to the satisfaction of the Administrative Agent and the L/C Issuers that issued such Letters of Credit. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of the Borrower or any other Guarantor is made, or any of the Creditor Parties exercises its right of setoff, in respect of the Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any of the Creditor Parties in their discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Creditor Parties are in possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of the Guarantors under this paragraph shall survive termination of this Guaranty.

10.07 Subordination. Each Guarantor hereby subordinates the payment of all obligations and indebtedness of the Borrower owing to such Guarantor, whether now existing or hereafter arising, including but not limited to any obligation of the Borrower to such Guarantor as subrogee of the Creditor Parties or resulting from such Guarantor's performance under this Guaranty, to the indefeasible payment in full in cash of all Obligations. If the Creditor Parties so request, any such obligation or indebtedness of the Borrower to such Guarantor shall be enforced and performance received by such Guarantor as trustee for the Creditor Parties and the proceeds thereof shall be paid over to the Creditor Parties on account of the Obligations, but without reducing or affecting in any manner the liability of any Guarantor under this Guaranty.

10.08 Stay of Acceleration. If acceleration of the time for payment of any of the Obligations is stayed, in connection with any case commenced by or against any Guarantor or the Borrower under any Debtor Relief Laws, or otherwise, all such amounts shall nonetheless be payable by a Guarantor immediately upon demand by the Creditor Parties.

10.09 Condition of the Borrower. Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Borrower and any other guarantor such information concerning the financial condition, business and operations of the Borrower and any such other guarantor as such Guarantor requires, and that none of the Creditor Parties has any duty, and such Guarantor is not relying on the Creditor Parties at any time, to disclose to such Guarantor any information relating to the business, operations or financial condition of the

Borrower or any other guarantor (each Guarantor waiving any duty on the part of the Creditor Parties to disclose such information and any defense relating to the failure to provide the same).

10.10 Limitations on Enforcement. If, in any action to enforce this Guaranty or any proceeding to allow or adjudicate a claim under this Guaranty, a court of competent jurisdiction determines that enforcement of this Guaranty against any Guarantor for the full amount of the Obligations is not lawful under, or would be subject to avoidance under, Section 548 of the Bankruptcy Code or any applicable provision of comparable state law, the liability of such Guarantor under this Guaranty shall be limited to the maximum amount lawful and not subject to avoidance under such law.

10.11 Contribution. At any time a payment in respect of the Obligations is made under this Guaranty, the right of contribution of each Guarantor (other than the REIT) against each other Guarantor (other than the REIT) shall be determined as provided in the immediately following sentence, with the right of contribution of each Guarantor to be revised and restated as of each date on which a payment (a "Relevant Payment") is made on the Obligations under this Guaranty. At any time that a Relevant Payment is made by a Guarantor (other than the REIT) that results in the aggregate payments made by such Guarantor in respect of the Obligations to and including the date of the Relevant Payment exceeding such Guarantor's Contribution Percentage (as defined below) of the aggregate payments made by all Guarantors (other than the REIT) in respect of the Obligations to and including the date of the Relevant Payment (such excess, the "Aggregate Excess Amount"), each such Guarantor shall have a right of contribution against each other Guarantor (other than the REIT) which either has not made any payments or has made payments in respect of the Obligations to and including the date of the Relevant Payment in an aggregate amount less than such other Guarantor's Contribution Percentage of the aggregate payments made to and including the date of the Relevant Payment by all Guarantors (other than the REIT) in respect of the Obligations (the aggregate amount of such deficit, the "Aggregate Deficit Amount") in an amount equal to (x) a fraction the numerator of which is the Aggregate Excess Amount of such Guarantor and the denominator of which is the Aggregate Excess Amount of all Guarantors (other than the REIT) multiplied by (y) the Aggregate Deficit Amount of such other Guarantor. A Guarantor's right of contribution pursuant to the preceding sentences shall arise at the time of each computation, subject to adjustment at the time of each computation; provided, that no Guarantor may take any action to enforce such right until all of the Obligations and any amounts payable under this Guaranty have been indefeasibly paid and performed in full in immediately available funds, all Commitments are terminated and all Letters or Credit have been cancelled, have expired or terminated or have been collateralized to the satisfaction of the Administrative Agent and the L/C Issuers that issued such Letters of Credit, it being expressly recognized and agreed by all parties hereto that any Guarantor's right of contribution arising pursuant to this Section 10.11 against any other Guarantor shall be expressly junior and subordinate to such other Guarantor's obligations and liabilities in respect of the Obligations and any other obligations owing under this Guaranty. As used in this Section 10.11, (i) each Guarantor's "Contribution Percentage" shall mean the percentage obtained by dividing (x) the Adjusted Net Worth (as defined below) of such Guarantor by (y) the aggregate Adjusted Net Worth of all Guarantors (other than the REIT); (ii) the "Adjusted Net Worth" of each Guarantor shall mean the greater of (x) the Net Worth (as defined below) of such Guarantor and (y) zero; and (iii) the "Net Worth" of each Guarantor shall mean the amount by which the fair saleable value of

such Guarantor's assets on the date of any Relevant Payment exceeds its existing debts and other liabilities (including contingent liabilities, but without giving effect to any Obligations arising under this Guaranty) on such date. All parties hereto recognize and agree that, except for any right of contribution arising pursuant to this Section 10.11, each Guarantor which makes any payment in respect of the Obligations shall have no right of contribution or subrogation against any other Guarantor in respect of such payment until all of the Obligations have been indefeasibly paid and performed in full in cash, all Commitments are terminated and all Letters or Credit have been cancelled, have expired or terminated or have been collateralized to the satisfaction of the Administrative Agent and the L/C Issuers that issued such Letters of Credit. Each of the Guarantors recognizes and acknowledges that the rights to contribution arising hereunder shall constitute an asset in favor of the party entitled to such contribution. In this connection, each Guarantor has the right to waive its contribution right against any Guarantor to the extent that after giving effect to such waiver such Guarantor would remain solvent, in the determination of the Required Lenders.

10.12 Release of Subsidiary Guarantors.

(a) Investment Grade Release. If at any time the REIT obtains an Investment Grade Credit Rating, the Administrative Agent shall (at the sole cost of the Borrower and pursuant to documentation reasonably satisfactory to the Administrative Agent) promptly release all of the Subsidiary Guarantors (other than any Subsidiary that is a borrower or guarantor of, or is otherwise obligated in respect of, any Unsecured Indebtedness) from their obligations under the Guaranty (the "Investment Grade Release"), subject to satisfaction of the following conditions:

(i) The Borrower shall have delivered to the Administrative Agent, on or prior to the date that is ten (10) Business Days (or such shorter period of time as agreed to by the Administrative Agent) before the date on which the Investment Grade Release is to be effected, an Officer's Certificate,

(A) certifying that the REIT has obtained an Investment Grade Credit Rating, and

(B) notifying the Administrative Agent and the Lenders that it is requesting the Investment Grade Release, which notice shall include a list of the Subsidiary Guarantors that are to be released, and

(ii) The Borrower shall have submitted to the Administrative Agent and the Lenders, within one (1) Business Day prior to the date on which the Investment Grade Release is to be effected, an Officer's Certificate certifying to the Administrative Agent and the Lenders that (x) none of the Subsidiary Guarantors that are to be released is a borrower or guarantor of, or is otherwise obligated in respect of, any Unsecured Indebtedness and (y) immediately before and immediately after giving effect to the Investment Grade Release,

(A) no Default has occurred and is continuing or would result therefrom, and

(B) the representations and warranties contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects on and as of the date of such release and immediately after giving effect to such release, except (1) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, (2) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such applicable date (including such earlier date set forth in the foregoing clause (1)) after giving effect to such qualification and (3) for purposes of this Section 10.12(a), the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01.

(b) Release and re-designation prior to the Investment Grade Release. At the request of the Borrower, the Administrative Agent shall release any Subsidiary Guarantor from its obligations under the Guaranty, or re-designate any Unencumbered Property such that it is no longer an Unencumbered Property, subject to satisfaction of the following conditions:

(i) the Borrower shall have delivered to the Administrative Agent, at least five (5) Business Days prior to the date of the proposed release or re-designation (or such shorter period of time as agreed to by the Administrative Agent in writing), a written request for such release or re-designation (a "Guarantor Release Notice") which shall identify the Subsidiary or Property, as applicable, to which it applies and the proposed date of the release or re-designation,

(ii) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects on and as of the effective date of such release or re-designation and, both before and after giving effect to such release or re-designation, except (A) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (B) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such applicable date (including such earlier date set forth in the foregoing clause (A)) after giving effect to such qualification and (C) for purposes of this Section 10.12(b), the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01,

(iii) immediately after giving effect to such release or re-designation the Loan Parties shall be in compliance, on a pro forma basis, with the provisions of Section 7.11,

(iv) no Default shall have occurred and be continuing or would result under any other provision of this Agreement after giving effect to such release or re-designation, and

(v) the Borrower shall have delivered to the Administrative Agent an Officer's Certificate certifying that the conditions in clauses (ii) through (iv) above have been satisfied.

Upon the satisfaction of the conditions in clauses (i) through (v) above, each Unencumbered Property that is owned or ground leased directly or indirectly by a Subsidiary Guarantor that is the subject of a release pursuant to this Section 10.12(b) will immediately upon such release cease to be an Unencumbered Property.

The Administrative Agent will (at the sole cost of the Borrower) following receipt of such Guarantor Release Notice and Officer's Certificate, and each of the Lenders and each of the L/C Issuers irrevocably authorizes the Administrative Agent to, execute and deliver such documents as the Borrower or such Subsidiary Guarantor may reasonably request as is necessary or desirable to evidence the release of such Subsidiary Guarantor from its obligations under the Guaranty or the re-designation of such Property to no longer be an Unencumbered Property, as applicable, which documents shall be reasonably satisfactory to the Administrative Agent.

(c) Release and re-designation following the Investment Grade Release. At the request of the Borrower, the Administrative Agent shall release any Subsidiary Guarantor from its obligations under the Guaranty to the extent not already released under this Section 10.12, or re-designate any Unencumbered Property such that it is no longer an Unencumbered Property, subject to satisfaction of the following conditions:

(i) the Borrower shall have delivered to the Administrative Agent, at least five (5) Business Days prior to the date of the proposed release or re-designation (or such shorter period of time as agreed to by the Administrative Agent in writing), a Guarantor Release Notice (which notice shall identify the Subsidiary or Property, as applicable, to which it applies, the proposed date of the release or re-designation, as applicable, and specify, in the case of a release of a Subsidiary Guarantor from its obligations under the Guaranty, whether the Subsidiary Guarantor to which such notice relates will be a borrower or guarantor of, or otherwise have payment obligations in respect of, any Unsecured Indebtedness,

(ii) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects on and as of the effective date of such release or re-designation and, both before and after giving effect to such release or re-designation, except (A) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (B) any representation or warranty that is already by its terms qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects as of such applicable date (including such earlier date set forth in the foregoing clause (A)) after giving effect to such qualification and (C) for purposes of this Section 10.12(c), the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01,

(iii) immediately after giving effect to such release or re-designation, the Loan Parties shall be in compliance, on a pro forma basis, with the provisions of Section 7.11,

(iv) no Default shall have occurred and be continuing or would result under any other provision of this Agreement after giving effect to such release or re-designation, and

(v) the Borrower shall have delivered to the Administrative Agent an Officer's Certificate certifying that the conditions in clauses (ii) through (iv) above have been satisfied.

For the avoidance of doubt, if a Subsidiary Guarantor is a borrower or guarantor of, or is otherwise obligated in respect of, any Indebtedness at the time that it is released from its obligations under the Guaranty, each Unencumbered Property that is owned or ground leased directly or indirectly by such Subsidiary Guarantor that is the subject of a release pursuant to this Section 10.12(c) will immediately upon such release cease to be an Unencumbered Property.

The Administrative Agent will (at the sole cost of the Borrower) following receipt of such Guarantor Release Notice and Officer's Certificate, and each of the Lenders and each of the L/C Issuers irrevocably authorizes the Administrative Agent to, execute and deliver such documents as the Borrower or such Subsidiary Guarantor may reasonably request as is necessary or desirable to evidence the release of such Subsidiary Guarantor from its obligations under the Guaranty or the re-designation of such Property to no longer be an Unencumbered Property, as applicable, which documents shall be reasonably satisfactory to the Administrative Agent.

(d) The Administrative Agent shall promptly notify the Lenders of any such release hereunder, and this Agreement and each other Loan Document shall be deemed amended to delete the name of any Subsidiary Guarantor released pursuant to this Section 10.12. For the avoidance of doubt, (i) any Owner (including any Owner that is released pursuant to this Section 10.12) that becomes a borrower or guarantor of, or is otherwise obligated in respect of, Unsecured Indebtedness shall be required, in accordance with Section 6.12, to become a Subsidiary Guarantor within three (3) Business Days of becoming a borrower or guarantor of, or otherwise becoming obligated in respect of, Unsecured Indebtedness and remain a Subsidiary Guarantor for so long as such Subsidiary is so obligated and (ii) in no event shall the REIT be released from its obligations under the Guaranty pursuant to this Section 10.12.

ARTICLE XI. MISCELLANEOUS

11.01 Amendments, Etc**.** No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in (i) Section 4.01(a) or, in the case of the initial Credit Extension, Section 4.02, without the written consent of each Lender or (ii) Section 4.02 as to any Credit Extension under a particular Facility without the written consent of the Required Revolving Lenders or Required Term Lenders, as the case may be;

(b) extend (except as provided in Section 2.14) or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;

(e) change any of the terms or provisions in any Loan Document requiring pro rata payments, distributions, commitment reductions or sharing of payments without the consent of each Lender in any manner that materially and adversely affects the Lenders under a Facility disproportionately from Lenders under the other Facility without the written consent of (i) if such Facility is the Term Facility, the Required Term Lenders and (ii) if such Facility is the Revolving Credit Facility, the Required Revolving Lenders; provided, that with the consent of the Required Lenders, such terms and provisions may be amended on customary terms in connection with an "amend and extend" transaction, but only if all Lenders that consent to such "amend and extend" transaction are treated on a pro rata basis;

(f) change (i) any provision of this Section 11.01 or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder (other than the definitions specified in clause (ii) of this Section 11.01(f)), without the written consent of each Lender or (ii) the definition of "Required Revolving Lenders" or "Required Term Lenders" without the written consent of each Lender under the applicable Facility;

(g) release the REIT or the Borrower from their respective obligations under this Agreement or any other Loan Document (other than in connection with the payment in full of all Obligations and any other amounts payable under this Agreement, the termination of all Commitments and Facilities, and the cancellation, expiration, termination or collateralization (to the satisfaction of the Administrative Agent and the L/C Issuers that issued such Letters of Credit) of all Letters or Credit), or release all or substantially all of the value of the Guaranty, in each case without the written consent of each Lender, except as expressly provided in the Loan Documents; or

(h) impose any greater restriction on the ability of any Lender under a Facility to assign any of its rights or obligations hereunder without the written consent of (i) if such Facility is the

Term Facility, the Required Term Lenders and (ii) if such Facility is the Revolving Credit Facility, the Required Revolving Lenders;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuers in addition to the Lenders required above, affect the rights or duties of any L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document or affect Section 3.07 or any LIBOR Successor Rate or the definition of "LIBOR Screen Rate" or "LIBOR Successor Rate Conforming Changes"; and (iv) any Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

Notwithstanding anything to the contrary herein,

(i) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended (except as provided in Section 2.14) without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender;

(ii) the Administrative Agent, with the consent of the Borrower, may amend, modify or supplement any Loan Document without the consent of any Lender or the Required Lenders in order to correct, amend or cure any ambiguity, inconsistency or defect or correct any typographical error or other manifest error in any Loan Document so long as such amendment, modification or supplement does not impose additional obligations on any Lender; provided that the Administrative Agent shall promptly give the Lenders notice of any such amendment, modification or supplement;

(iii) a Commitment Increase Amendment to give effect to any addition of Incremental Commitments shall be effective if executed by the Loan Parties, each Lender providing such Incremental Commitments, the Administrative Agent and, if required by clause (i) or (ii) of the proviso immediately following clause (h) above, the L/C Issuers and/or the Swing Line Lender, as applicable; and

(iv) the Administrative Agent and the Borrower may, without the consent of any Lender or any Guarantor then party hereto, amend this Agreement to add a Subsidiary as a "Guarantor" hereunder pursuant to a joinder agreement in substantially the form of Exhibit G.

11.02 Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower or any other Loan Party, the Administrative Agent, any L/C Issuer or the Swing Line Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail, FpML messaging and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or any L/C Issuer pursuant to Article II if such Lender or such L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Swing Line Lender, any L/C Issuer or any Loan Party may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal

business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet.

(d) Change of Address, Etc. Each Loan Party, the Administrative Agent, each L/C Issuer and the Swing Line Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, each L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic Committed Loan Notices, Letter of Credit Applications and Swing Line Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. Each Loan Party shall jointly and severally indemnify the Administrative Agent, each L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs,

expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.03 No Waiver; Cumulative Remedies; Enforcement. No failure by any Lender, any L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and all of the L/C Issuers; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as an L/C Issuer or the Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. Each Loan Party shall jointly and severally pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, amendments and restatements, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by each L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment

thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or any L/C Issuer (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any L/C Issuer), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, any Lender or any L/C Issuer, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Loan Parties. Each Loan Party shall jointly and severally indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by any of the parties hereto to perform (or the failure of any of the parties hereto to perform) any of their respective obligations hereunder or under any other Loan Document, any action taken or omitted by the Administrative Agent or any Lender hereunder or under any of the other Loan Documents, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Loan Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply

with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to the Administrative Agent (or any sub-agent thereof), any L/C Issuer, the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such L/C Issuer, the Swing Line Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), such L/C Issuer or the Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), any L/C Issuer or the Swing Line Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, each Loan Party shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e) shall survive the resignation of the Administrative Agent, any L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of the Facilities and the repayment, satisfaction or discharge of all the other Obligations.

11.05 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, any L/C Issuer or any Lender, or the Administrative Agent, any L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such

setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuers under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that (in each case with respect to any Facility) any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it (in each case with respect to any Facility) or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the applicable Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the applicable Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000, in the case of any assignment in respect of the Revolving Credit Facility, or $5,000,000, in the case of any assignment in respect of the Term Facility unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to (A) the Swing Line Lender's rights and obligations in respect of Swing Line Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations under separate Facilities on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required for (1) assignments to a Disqualified Institution and (2) all other assignments unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (1) any Term Commitment or Revolving Credit Commitment if such assignment is to a Person that is not a Lender in respect of the applicable Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (2) any Term Loan to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund;

(C) the consent of each L/C Issuer and the consent of the Swing Line Lender shall be required for any assignment in respect of the Revolving Credit Facility that is not to a Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that the

Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to any Loan Party or any Loan Party's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person).

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, any L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by

such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the L/C Issuers shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 11.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each

Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment, or grant of a security interest, to secure obligations to a Federal Reserve Bank or any other central bank; provided that no such pledge or assignment or grant shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee or grantee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time a Lender that is an L/C Issuer and/or the Swing Line Lender assigns all of its Revolving Credit Commitment and Revolving Credit Loans pursuant to subsection (b) above, such Lender may, (i) upon 30 days' notice to the Borrower, the Administrative Agent and the other Lenders, resign as an L/C Issuer and/or (ii) upon 30 days' notice to the Borrower and the Administrative Agent, resign as the Swing Line Lender. In the event of any such resignation as an L/C Issuer or the Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of such Lender as an L/C Issuer or the Swing Line Lender, as the case may be. If any Lender resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Committed Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If any Lender resigns as the Swing Line Lender, it shall retain all the rights of a Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Committed Loans or fund risk participations in outstanding

Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit issued by the resigning L/C Issuer, if any, outstanding at the time of such succession or make other arrangements satisfactory to resigning L/C Issuer to effectively assume the obligations of resigning L/C Issuer with respect to such Letters of Credit.

(g) Disqualified Institutions.

(i) The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions of this Agreement or any other Loan Document relating to Disqualified Institutions. Without limiting the generality of the foregoing, neither the Administrative Agent nor any assigning Lender shall (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Institution.

(ii) No assignment or participation shall be made to any Person that is a Disqualified Institution. Any assignment in violation of this clause (g)(ii) shall be void.

(iii) If any assignment or participation is made to any Disqualified Institution in violation of clause (ii) above, the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and the Administrative Agent, (A) terminate all Commitments of such Disqualified Institution and repay all Obligations of the Borrower owing to such Disqualified Institution in connection with such Commitments (but only to the extent that no proceeds of Loans are used to make such repayment), and/or (B) require such Disqualified Institution to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 11.06), all of its interest, rights and obligations under this Agreement and the other Loan Documents to one or more Eligible Assignees at the lesser of (x) the outstanding principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and under the other Loan Documents; provided that (1) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.06(b), and (2) such assignment does not conflict with applicable Laws.

(iv) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Institutions (A) will not have the right to (x) receive information, reports or other materials provided to Lenders by the Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders or the Administrative Agent, or (z) access the Platform or any other electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the

Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Institution will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Institutions consented to such matter, and (y) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws (a "Bankruptcy Plan"), each Disqualified Institution party hereto hereby agrees (1) not to vote on such Bankruptcy Plan, (2) if such Disqualified Institution does vote on such Bankruptcy Plan notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be "designated" pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Bankruptcy Plan in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the bankruptcy court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(v) The Administrative Agent shall, and the Borrower hereby expressly authorizes the Administrative Agent to, (A) post the list of Disqualified Institutions provided by the Borrower to the Administrative Agent on the Platform (the "DQ List") on the Closing Date, including that portion of the Platform that is designated for "public side" Lenders and (B) provide the DQ List to each Lender requesting the same.

11.07 Treatment of Certain Information; Confidentiality. The Administrative Agent, each Lender and each L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to Section 2.15(c) or Section 11.01 or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder (it being understood that the DQ List may be disclosed to any assignee or Participant, or prospective assignee or Participant), (g) on a confidential basis to (i) any rating agency in connection with rating the REIT or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) to the extent such Information (x) becomes publicly available other

than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, any L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than a Loan Party. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, "Information" means all information received from any Loan Party or any Subsidiary thereof relating to any Loan Party or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or any L/C Issuer on a nonconfidential basis prior to disclosure by any Loan Party or any Subsidiary thereof, provided that, in the case of information received from any Loan Party or any Subsidiary thereof after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

The Administrative Agent, each Lender and each L/C Issuer each acknowledges that (a) the Information may include material non-public information concerning a Loan Party or a Subsidiary thereof, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

Notwithstanding anything herein to the contrary, the Administrative Agent, each Lender, each L/C Issuer and each of their respective Related Parties may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of any transaction and all materials of any kind (including opinions or other tax analyses) that are provided to the Administrative Agent, any Lender, any L/C Issuer or any of their respective Related Parties relating to such tax treatment or tax structure.

11.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such L/C Issuer or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or such L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided, that in the event that

any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuers and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have. Each Lender and each L/C Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, the Lenders or the L/C Issuers, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue

in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuers or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 Replacement of Lenders. If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

11.14 Governing Law; Jurisdiction; Etc**.**

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, ANY L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, amendment and restatement, waiver or other modification hereof or of any other Loan Document), the Borrower and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Bookrunner, the Arrangers and the Lenders are arm's-length commercial transactions between the Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent, the Bookrunner, the Arrangers and the Lenders, on the other hand, (B) each of the Borrower and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Bookrunner, each Arranger and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, the Bookrunner, any Arranger nor any Lender has any obligation to the Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Bookrunner, the Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the

Borrower, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, the Bookrunner, any Arranger nor any Lender has any obligation to disclose any of such interests to the Borrower, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and each other Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, the Bookrunner, any Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.17 Electronic Execution of Assignments and Certain Other Documents. The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other modifications, Committed Loan Notices, Swing Line Loan Notices, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

11.18 USA PATRIOT Act. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the Act. The Loan Parties shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

11.19 Authorized Persons and Authorized Signers. The Administrative Agent is authorized to rely upon the continuing authority of the Authorized Persons and Authorized Signers to bind the Borrower as set forth in the Borrower's Instruction Certificate. Such authorization may be changed only upon written notice to the Administrative Agent accompanied by evidence, reasonably satisfactory to the Administrative Agent, of the authority of the Person giving such notice. Such notice shall be effective not sooner than five (5) Business Days following receipt thereof by the Administrative Agent.

11.20 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

11.21 No Novation.

(a) This Agreement amends, restates and supersedes the Existing Credit Agreement in its entirety and is not intended to be or operate as a novation or an accord and satisfaction of the Existing Credit Agreement or the obligations evidenced thereby or provided for thereunder. Without limiting the generality of the foregoing (i) all "Loans" under (and as defined in) the Existing Credit Agreement shall on the Closing Date become Loans hereunder and (ii) all other "Obligations" (under and as defined in the Existing Credit Agreement) that remain outstanding on the Closing Date shall be Obligations under this Agreement.

(b) On the Closing Date, the Existing Revolving Credit Notes and Existing Term Notes, if any, held by each Lender shall be deemed to be cancelled and, if such Lender has requested a Revolving Credit Note and/or Term Note hereunder, amended and restated by the Revolving Credit Note or Term Note, as applicable, delivered hereunder on or about the Closing Date (regardless of whether any Lender shall have delivered to the Borrower for cancellation any Existing Note held by it). Each Lender, whether or not requesting a Note hereunder, shall use its commercially reasonable efforts to deliver the Existing Revolving Credit Note and/or Existing Term Note held by it to the Borrower for cancellation and/or amendment and restatement. All amounts owing under, and evidenced by, the Existing Revolving Credit Note and Existing Term Note of any Lender as of the Closing Date shall continue to be outstanding hereunder, and shall from and after the Closing Date be evidenced by the Notes (if any) received by such Lender pursuant to this Agreement, and

shall in any event be evidenced by, and governed by the terms of, this Agreement. Each Lender hereby agrees to indemnify and hold harmless the Borrower from and against any and all liabilities, losses, damages, actions or claims that may be imposed on, incurred by or asserted against the Borrower arising out of such Lender's failure to deliver the Existing Revolving Credit Note and/or Existing Term Note held by it to the Borrower for cancellation, subject to the condition that the Borrower shall not make any payment to any Person claiming to be the holder of any such Existing Revolving Credit Note or Existing Term Note unless such Lender is first notified of such claim and is given the opportunity, at such Lender's sole cost and expense, to assert any defenses to such payment.

[*signature pages immediately follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

ACADIA REALTY LIMITED PARTNERSHIP, a Delaware limited partnership

By: ACADIA REALTY TRUST, its General Partner

By: /s/Jason Blacksberg
Name: Jason Blacksberg
Title: Senior Vice President

GUARANTORS:

ACADIA REALTY TRUST, a Maryland real estate investment trust

By: /s/Jason Blacksberg
Name: Jason Blacksberg
Title: Senior Vice President

ACADIA 1520 MILWAUKEE AVENUE LLC, a Delaware limited liability company

ACADIA 2914 THIRD AVENUE LLC, a Delaware limited liability company

ACADIA 5-7 EAST 17TH STREET LLC, a Delaware limited liability company

ACADIA 83 SPRING STREET LLC, a Delaware limited liability company

ACADIA BARTOW AVENUE LLC, a Delaware limited liability company

ACADIA CHESTNUT LLC, a Delaware limited liability company

ACADIA GOLD COAST LLC, a Delaware limited liability company

ACADIA MAD RIVER PROPERTY LLC, a Delaware limited liability company

ACADIA MERCER STREET LLC, a Delaware limited liability company

ACADIA RUSH WALTON LLC, a Delaware limited liability company

ACADIA TOWN LINE, LLC, a Connecticut limited liability company

ACADIA WEST 54TH STREET LLC, a Delaware limited liability company

ACADIA WEST SHORE EXPRESSWAY LLC, a Delaware limited liability company

MARK PLAZA FIFTY L.P., a Pennsylvania limited partnership

By: ACADIA MARK PLAZA LLC, its General Partner

ACADIA MARK PLAZA LLC, a Delaware limited liability company

RD ABINGTON ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership

By: ACADIA PROPERTY HOLDINGS, LLC, its General Partner

RD ABSECON ASSOCIATES, L.P, a Delaware limited partnership

By: ACADIA ABSECON LLC, its General Partner

ACADIA ABSECON LLC, a Delaware limited liability company

RD BLOOMFIELD ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership

By: ACADIA PROPERTY HOLDINGS, LLC, its General Partner

RD HOBSON ASSOCIATES, L.P., a Delaware limited partnership

By: ACADIA PROPERTY HOLDINGS, LLC, its General Partner

MARK TWELVE ASSOCIATES, LP, a Pennsylvania limited partnership

By: ACADIA HOBSON LLC, its General Partner

ACADIA HOBSON LLC, a Delaware limited liability company

RD METHUEN ASSOCIATES LIMITED PARTNERSHIP, a Massachusetts limited partnership

By: ACADIA PROPERTY HOLDINGS, LLC, its General Partner

ACADIA PROPERTY HOLDINGS, LLC, a Delaware limited liability company

ACADIA 181 MAIN STREET LLC, a Delaware limited liability company

ACADIA CHICAGO LLC, a Delaware limited liability company

ACADIA CONNECTICUT AVENUE LLC, a Delaware limited liability company

8-12 EAST WALTON LLC, a Delaware limited liability company

RD BRANCH ASSOCIATES, L.P., a New York limited partnership

By: Acadia Property Holdings, LLC, its General Partner

ACADIA WEST DIVERSEY LLC, a Delaware limited liability company
868 BROADWAY LLC, a Delaware limited liability company

120 WEST BROADWAY LLC, a Delaware limited liability company

11 EAST WALTON LLC, a Delaware limited liability company

865 WEST NORTH AVENUE LLC, a Delaware limited liability company

61 MAIN STREET OWNER LLC, a Delaware limited liability company

252-264 GREENWICH AVENUE RETAIL LLC, a Delaware limited liability company

2520 FLATBUSH AVENUE LLC, a Delaware limited liability company

ACADIA CLARK-DIVERSEY LLC, a Delaware limited liability company

ACADIA NEW LOUDON LLC, a Delaware limited liability company

131-135 PRINCE STREET LLC, a Delaware limited liability company

201 NEEDHAM STREET OWNER LLC, a Delaware limited liability company

SHOPS AT GRAND AVENUE LLC, a Delaware limited liability company

2675 GEARY BOULEVARD LP, a Delaware limited partnership
By: 2675 City Center Partner LLC, its General Partner

2675 CITY CENTER PARTNER LLC, a Delaware limited liability company

ACADIA NAAMANS ROAD LLC, a Delaware limited liability company

ACADIA CRESCENT PLAZA LLC, a Delaware limited liability company

PACESETTER/RAMAPO ASSOCIATES, a New York limited partnership

By: Acadia Pacesetter LLC, its General Partner

ACADIA PACESETTER LLC, a Delaware limited liability company

RD ELMWOOD ASSOCIATES, L.P., a Delaware limited partnership

By: Acadia Elmwood Park LLC, its General Partner

ACADIA ELMWOOD PARK LLC, a Delaware limited liability company

ROOSEVELT GALLERIA LLC, a Delaware limited liability company

ACADIA 56 EAST WALTON LLC, a Delaware limited liability company

ACADIA SECOND CITY 843-45 WEST ARMITAGE LLC, a Delaware limited liability company

ACADIA SECOND CITY 1521 WEST BELMONT LLC, a Delaware limited liability company

ACADIA SECOND CITY 2206-08 NORTH HALSTEAD LLC, a Delaware limited liability company

ACADIA SECOND CITY 2633 NORTH HALSTEAD LLC, a Delaware limited liability company

HEATHCOTE ASSOCIATES, L.P., a New York limited partnership

By: Acadia Heathcote LLC, its General Partner

ACADIA HEATHCOTE LLC, a Delaware limited liability company

152-154 SPRING STREET RETAIL LLC, a Delaware limited liability company

ACADIA 152-154 SPRING STREET RETAIL LLC, a Delaware limited liability company

165 NEWBURY STREET OWNER LLC, a Delaware limited liability company

ACADIA 639 WEST DIVERSEY LLC, a Delaware limited liability company

SC RETAIL OWNER LLC, a Delaware limited liability company

ACADIA BRENTWOOD LLC, a Delaware limited liability company

By: /s/Jason Blacksberg
Name: Jason Blacksberg
Title: Senior Vice President
on behalf of the 64 entities listed above

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/Jeffrey L. Phelps
Name: Jeffrey L. Phelps
Title: Senior Vice President

BANK OF AMERICA, N.A., as a Lender, an L/C Issuer and the Swing Line Lender

By: /s/Jeffrey L. Phelps
Name: Jeffrey L. Phelps
Title: Jeffrey L. Phelps

PNC BANK, NATIONAL ASSOCIATION, as a Lender and an L/C Issuer

By: /s/Denise Smyth
Name: Denise Smyth
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender and an L/C Issuer

By: /s/Kevin A. Stacker
Name: Kevin A. Stacker
Title: Senior Vice President

TD BANK, N.A., as a Lender

By: /s/Howard Hsu
Name: Howard Hsu
Title: Senior Vice President

SUNTRUST BANK, as a Lender

By: /s/Nick Preston
Name: Nick Preston
Title: Vice President

Excluded Debt Properties

Property	**Address**	**Owner**
Brandywine Town Center	1000-3300, 3000-3090, 5100-5371 Brandywine Parkway Wilmington, DE 19803	Acadia Town Center Holdco LLC and MG Town Center Holdco LLC
Brandywine Town Center	2001-6200 Brandywine Parkway Wilmington, DE 19803	Acadia Brandywine Holdings, LLC

COMMITMENTS, APPLICABLE PERCENTAGES AND SUBLIMITS

Lender	Revolving Credit Commitment	Applicable Percentage (Revolving Credit Facility)	Term Commitment	Applicable Percentage (Term Facility)	Letter of Credit Sublimit	Swing Line Sublimit
Bank of America, N.A.	$42,000,000.00	28.000000000%	$98,000,000.00	28.000000000%	$20,000,000.00	$15,000,000.00
PNC Bank, National Association	$37,500,000.00	25.000000000%	$87,500,000.00	25.000000000%	$20,000,000.00	$0.00
Wells Fargo Bank, National Association	$37,500,000.00	25.000000000%	$87,500,000.00	25.000000000%	$20,000,000.00	$0.00
TD Bank, N.A.	$18,000,000.00	12.000000000%	$42,000,000.00	12.000000000%	$0.00	$0.00
SunTrust Bank	$15,000,000.00	10.000000000%	$35,000,000.00	10.000000000%	$0.00	$0.00
Total	**$150,000,000.00**	**100.000000000%**	**$350,000,000.00**	**100.000000000%**	**$60,000,000.00**	**$15,000,000.00**

EXHIBIT A

FORM OF COMMITTED LOAN NOTICE

Date: _____, _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of February 20, 2018 (as amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Acadia Realty Limited Partnership, a Delaware limited partnership (the "Borrower"), Acadia Realty Trust, a Maryland real estate investment trust and certain subsidiaries of the Borrower from time to time party thereto, as guarantors, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender.

The undersigned hereby requests (select one):

A Borrowing of Revolving Credit Loans

A Borrowing of Term Loans

A conversion or continuation of Loans

1. On (a Business Day).

2. In the amount of $.

3. Comprised of .

[Type of Committed Loan requested]

4. For Eurodollar Rate Loans: with an Interest Period of months.

The Revolving Credit Borrowing, if any, requested herein complies with the proviso to the first sentence of Section 2.01(a) of the Agreement.

The Borrower hereby represents and warrants that the conditions specified in Sections 4.02(a) and (b) of the Agreement have been satisfied on and as of the date of the proposed Credit Extension.

ACADIA REALTY LIMITED PARTNERSHIP

By: ACADIA REALTY TRUST, its General Partner

By:

Name:

Title:

FORM OF swing line loan NOTICE

Date: _____, _____

To: Bank of America, N.A., as Swing Line Lender

Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of February 20, 2018 (as amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Acadia Realty Limited Partnership, a Delaware limited partnership (the "Borrower"), Acadia Realty Trust, a Maryland real estate investment trust and certain subsidiaries of the Borrower from time to time party thereto, as guarantors, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender.

The undersigned hereby requests a Swing Line Loan:

1. On (a Business Day).

2. In the amount of $.

The Swing Line Borrowing requested herein complies with the requirements of the proviso to the first sentence of Section 2.04(a) of the Agreement.

The Borrower hereby represents and warrants that the conditions specified in Sections 4.02(a) and (b) of the Agreement have been satisfied on and as of the date of the proposed Credit Extension.

ACADIA REALTY LIMITED PARTNERSHIP

By: ACADIA REALTY TRUST, its General Partner

By:

Name:

Title:

FORM OF REVOLVING CREDIT NOTE

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to _____ or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of each Revolving Credit Loan [and Swing Line Loan] from time to time made by the Lender to the Borrower under that certain Amended and Restated Credit Agreement, dated as of February 20, 2018 (as amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among the Borrower, Acadia Realty Trust, a Maryland real estate investment trust and certain subsidiaries of the Borrower from time to time party thereto, as guarantors, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender.

The Borrower promises to pay interest on the unpaid principal amount of each Revolving Credit Loan [and Swing Line Loan] from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. [Except as otherwise provided in Section 2.04(f) of the Agreement with respect to Swing Line Loans, a][A]ll payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Revolving Credit Note is one of the Revolving Credit Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Revolving Credit Note is also entitled to the benefits of the Guaranty. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Revolving Credit Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. Revolving Credit Loans [and Swing Line Loans] made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Revolving Credit Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Revolving Credit Note.

This REVOLVING CREDIT NOTE and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this REVOLVING CREDIT NOTE and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of NEW YORK.

IN WITNESS WHEREOF, the Borrower has caused this Revolving Credit Note to be executed by its duly authorized officer as of the date first above written.

ACADIA REALTY LIMITED PARTNERSHIP

By: ACADIA REALTY TRUST, its General Partner

By:

Name:

Title:

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

FORM OF TERM NOTE

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to _____ or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of the Term Loan made by the Lender to the Borrower under that certain Amended and Restated Credit Agreement, dated as of February 20, 2018 (as amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among the Borrower, Acadia Realty Trust, a Maryland real estate investment trust and certain subsidiaries of the Borrower from time to time party thereto, as guarantors, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender.

The Borrower promises to pay interest on the unpaid principal amount of the Term Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Term Note is one of the Term Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Term Note is also entitled to the benefits of the Guaranty. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Term Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. The Term Loan made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Term Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Term Note.

This TERM NOTE and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this TERM NOTE and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of NEW yORK.

IN WITNESS WHEREOF, the Borrower has caused this Term Note to be executed by its duly authorized officer as of the date first above written.

ACADIA REALTY LIMITED PARTNERSHIP

By: ACADIA REALTY TRUST, its General Partner

By:

Name:

Title:

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: ,

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement, dated as of February 20, 2018 (as amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Acadia Realty Limited Partnership, a Delaware limited partnership (the "Borrower"), Acadia Realty Trust, a Maryland real estate investment trust (the "REIT") and certain subsidiaries of the Borrower from time to time party thereto, as guarantors, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender.

The undersigned Responsible Officer hereby certifies as of the date hereof that he/she is the chief executive officer, chief financial officer, treasurer or controller of the REIT, and that, as such, he/she is authorized to execute and deliver this Certificate to the Administrative Agent on the behalf of the REIT, and that:

*[Use following paragraph 1 for fiscal **year-end** financial statements]*

1. The Loan Parties have delivered the year-end audited financial statements required by Section 6.01(a) of the Agreement for the fiscal year of the REIT ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

*[Use following paragraph 1 for fiscal **quarter-end** financial statements]*

1. The Loan Parties have delivered the unaudited financial statements required by Section 6.01(b) of the Agreement for the fiscal quarter of the REIT ended as of the above date. Such financial statements fairly present the financial condition, results of operations and cash flows of the REIT and its Subsidiaries in accordance with GAAP as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

2. The undersigned has reviewed and is familiar with the terms of the Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of the Loan Parties during the accounting period covered by such financial statements.

3. A review of the activities of the Loan Parties during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period the Loan Parties performed and observed all of their Obligations under the Loan Documents, and

[select one:]

[to the best knowledge of the undersigned, during such fiscal period each Loan Party performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

--or--

[to the best knowledge of the undersigned, during such fiscal period the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

4. The representations and warranties of the Loan Parties contained in Article V of the Agreement, and any representations and warranties of any Loan Party that are contained in any document furnished at any time under or in connection with the Loan Documents, are true and correct on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Compliance Certificate, the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Agreement shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01 of the Agreement, including the statements in connection with which this Compliance Certificate is delivered.

5. The financial covenant analyses and information set forth on Schedule 1 attached hereto are true and accurate on and as of the date of this Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of

, .

ACADIA REALTY TRUST

By:

Name:

Title:

For the Quarter/Year ended _____("Statement Date")

SCHEDULE 1

to the Compliance Certificate

(see attached)

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each] For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language. Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each] For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language. Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] Select as appropriate. hereunder are several and not joint.] Include bracketed language if there are either multiple Assignors or multiple Assignees. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, amended and restated or otherwise modified in accordance with its terms, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto in the amount**[s]** and equal to the percentage interest**[s]** identified below of all the outstanding rights and obligations under the respective facilities identified below (including, without limitation, the Letters of Credit and the Swing Line Loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

_____

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: _____

_____

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]]

3. Borrower: Acadia Realty Limited Partnership

4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: Amended and Restated Credit Agreement, dated as of February 20, 2018, among Acadia Realty Limited Partnership, a Delaware limited partnership (the "Borrower"), Acadia Realty Trust, a Maryland real estate investment trust and certain subsidiaries of the Borrower from time to time party thereto, as guarantors, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender

6. Assigned Interest[s]:

Assignor[s] List each Assignor, as appropriate.	Assignee[s] List each Assignee and, if available, its market entity identifier, as appropriate.	Facility Assigned Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Credit Commitment", "Term Loan Commitment", etc.)	Aggregate Amount of Commitment for all Lenders Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.	Amount of Commitment Assigned	Percentage Assigned of Commitment Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
			$_____	$_____	_____%
			$_____	$_____	_____%
			$_____	$_____	_____%

[7.Trade Date:_____] To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S] Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).
[NAME OF ASSIGNOR]

By: _____

[NAME OF ASSIGNOR]

By: _____

Title:

ASSIGNEE[S] Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).
[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and] To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement. Accepted:

BANK OF AMERICA, N.A., as
Administrative Agent

By: _____
Title:

[Consented to:] To be added only if the consent of the L/C Issuers is required by the terms of the Credit Agreement.

BANK OF AMERICA, N.A., as an
L/C Issuer

By: _____
Title:

PNC BANK, NATIONAL ASSOCIATION,
as an L/C Issuer

By: _____
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as an L/C Issuer

By: _____
Title:

[Consented to:] To be added only if the consent of the Swing Line Lender is required by the terms of the Credit Agreement.

BANK OF AMERICA, N.A., as
Swing Line Lender

By: _____
Title:

[Consented to:] To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

ACADIA REALTY LIMITED PARTNERSHIP

By: ACADIA REALTY TRUST,
its General Partner

By: _____
Title:

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][[the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is **[not]** a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 11.06(b)(iii) and (v) of the Credit Agreement (subject to such consents, if any, as may be required under Section 11.06(b)(iii) of the Credit Agreement) and is not a Disqualified Institution, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.01(a) or (b) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the

obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the] [each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

FORM OF JOINDER AGREEMENT

JOINDER AGREEMENT, dated as of _____, 20___ (this "Joinder Agreement"), made by the Subsidiary[ies] of Acadia Realty Limited Partnership (together with its permitted successors and assigns, the "Borrower") signatory hereto ([each] a "New Subsidiary Guarantor") and Acadia Realty Trust, a Maryland real estate investment trust (the "REIT"), in favor of Bank of America, N.A., as administrative agent (in such capacity, the "Administrative Agent") for the Lenders referred to in that certain Amended and Restated Credit Agreement, dated as of February 20, 2018 (as amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement;" the terms defined therein being used herein as therein defined), among the Borrower, the REIT and certain Subsidiaries of the Borrower from time to time party thereto, as guarantors, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender.

W I T N E S S E T H:

WHEREAS, this Joinder Agreement is entered into pursuant to Section 6.12 of the Credit Agreement;

NOW, THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

1. [The][Each] New Subsidiary Guarantor, hereby acknowledges that it has received and reviewed a copy of the Credit Agreement, and acknowledges and agrees to:

(a) join the Credit Agreement as a Guarantor, as indicated with its signature below; and

(b) be bound by all terms, covenants, agreements and acknowledgments attributable to a Guarantor in the Credit Agreement and to perform all obligations and duties required of it by the Credit Agreement, in each case, to the same extent it would have been bound or obligated if it had been a signatory to the Credit Agreement on the date of the Credit Agreement.

2. [The][Each] New Subsidiary Guarantor represents and warrants to the Administrative Agent and the other Credit Parties that this Joinder Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms. [The][Each] New Subsidiary Guarantor further represents and warrants that the representations and warranties contained in Article V of the Credit Agreement as they relate to such New Subsidiary Guarantor or which are contained in any certificate furnished by or on behalf of such New Subsidiary Guarantor are true and correct on the date hereof.

3. The address, taxpayer identification number and jurisdiction of organization of [each][the] New Subsidiary Guarantor is set forth in Annex I to this Joinder Agreement. All of the

outstanding Equity Interests in the New Subsidiary Guarantor[s] have been validly issued, are fully paid and nonassessable and are owned by one or more Loan Parties [or other New Subsidiary Guarantors] in the amounts specified on Annex I free and clear of all Liens.

4. This Joinder Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

5. Except as expressly supplemented hereby, the Credit Agreement and the Guaranty shall remain in full force and effect.

6. THIS JOINDER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

IN WITNESS WHEREOF, each of the undersigned has caused this Joinder Agreement to be duly executed and delivered by its proper and duly authorized officer as of the day and year first above written.

[NEW SUBSIDIARY GUARANTOR[S]],
as [the][a] New Subsidiary Guarantor

By:_____
Name:
Title:

ACADIA REALTY LIMITED PARTNERSHIP,
as the Borrower

By: ACADIA REALTY TRUST,
its General Partner

By:_____
Name:
Title:

ACADIA REALTY TRUST,
as a Guarantor

By:_____
Name:
Title:

ACKNOWLEDGED AND AGREED TO:

BANK OF AMERICA, N.A.,
as Administrative Agent

By:_____
Name:
Title:

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Amended and Restated Credit Agreement, dated as of February 20, 2018 (as amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), among Acadia Realty Limited Partnership, a Delaware limited partnership (the "Borrower"), the Guarantors from time to time party thereto, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BENE (or W-8BEN, as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]
By: _____
Name: _____
Title: _____

Date: _____ __, 20___

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Amended and Restated Credit Agreement, dated as of February 20, 2018 (as amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), among Acadia Realty Limited Partnership, a Delaware limited partnership (the "Borrower"), the Guarantors from time to time party thereto, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BENE (or W-8BEN, as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]
By: _____
Name: _____
Title: _____

Date: _____ __, 20___

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Amended and Restated Credit Agreement, dated as of February 20, 2018 (as amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), among Acadia Realty Limited Partnership, a Delaware limited partnership (the "Borrower"), the Guarantors from time to time party thereto, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BENE (or W-8BEN, as applicable) or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BENE (or W-8BEN, as applicable) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]
By: _____
Name: _____
Title: _____

Date: _____ __, 20___

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Amended and Restated Credit Agreement, dated as of February 20, 2018 (as amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), among Acadia Realty Limited Partnership, a Delaware limited partnership (the "Borrower"), the Guarantors from time to time party thereto, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BENE (or W-8BEN, as applicable) or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BENE (or W-8BEN, as applicable) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]
By: _____
Name: _____
Title: _____

Date: _____ __, 20___

FORM OF SOLVENCY CERTIFICATE

[Date]

I, the undersigned chief financial officer of ACADIA REALTY TRUST, a Maryland real estate investment trust (the "REIT"), DO HEREBY CERTIFY on behalf of the Loan Parties that:

1. This certificate is furnished pursuant to Section 4.01(a)(viii) of the Amended and Restated Credit Agreement (as in effect on the date of this certificate; the capitalized terms defined therein being used herein as therein defined) dated as of February 20, 2018, among Acadia Realty Limited Partnership, a Delaware limited partnership (the "Borrower"), the REIT and certain subsidiaries of the Borrower from time to time party thereto, as guarantors, the Lenders and L/C Issuers from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Swing Line Lender (as from time to time in effect, the "Credit Agreement").

2. After giving effect to the transactions to occur on the Closing Date (including, without limitation, all Credit Extensions to occur on the Closing Date), (a) the fair value of the property of each Loan Party (individually and on a consolidated basis with its Subsidiaries) is greater than the total amount of liabilities, including contingent liabilities, of such Loan Party, (b) the present fair salable value of the assets of each Loan Party (individually and on a consolidated basis with its Subsidiaries) is not less than the amount that will be required to pay the probable liability on its debts as they become absolute and matured, (c) each Loan Party (individually and on a consolidated basis with its Subsidiaries) does not intend to, and does not believe it will, incur debts or liabilities beyond its ability to pay such debts and liabilities as they mature, (d) each Loan Party (individually and on a consolidated basis with its Subsidiaries) is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which its property would constitute an unreasonably small capital, and (e) each Loan Party (individually and on a consolidated basis with its Subsidiaries) is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Solvency Certificate as of the date first written above.

ACADIA REALTY TRUST

By: _____

Name:

Title:

ACADIA REALTY TRUST
2018 LONG-TERM INCENTIVE PLAN
AWARD AGREEMENT

2018 LONG-TERM INCENTIVE PLAN AWARD AGREEMENT made as of the date set forth on Schedule A hereto between Acadia Realty Trust, a Maryland real estate investment trust (the "Company"), its subsidiary Acadia Realty Limited Partnership, a Delaware limited partnership and the entity through which the Company conducts substantially all of its operations (the "Partnership"), and the party listed on Schedule A (the "Grantee").

RECITALS

1. The Grantee is a key employee of the Company or one of its Subsidiaries or affiliates and provides services to the Partnership.

2. The Company has adopted the 2018 Long-Term Incentive Plan (the "LTIP") pursuant to the Second Amended and Restated Acadia Realty Trust 2006 Share Incentive Plan, as amended (the "Plan"), to provide certain key employees of the Company or its Subsidiaries and affiliates, including the Grantee, in connection with their employment with the long-term incentive compensation described in this Award Agreement (this "Agreement" or "Award Agreement"), and thereby provide additional incentive for them to promote the progress and success of the business of the Company and its Subsidiaries and affiliates, including the Partnership, while increasing the total return to the Company's shareholders. The LTIP Units (as defined herein) may, under certain circumstances, become exchangeable for shares of beneficial ownership of the Company reserved for issuance under the Plan, or any successor equity plan. This Agreement evidences an award to the Grantee under the LTIP (this "Award"), which is subject to the terms and conditions set forth herein.

3. The Grantee was selected to receive this Award as an employee who, through the effective execution of his or her assigned duties and responsibilities, is in a position to have a direct and measurable impact on the Company's long-term financial results. Effective as of the grant date specified in Schedule A hereto (the "Grant Date"), the Grantee was issued the number of LTIP Units (as defined herein) set forth in Schedule A.

NOW, THEREFORE, the Company, the Partnership and the Grantee agree as follows:

Section 1. **Administration**. The LTIP and all awards thereunder, including this Award, shall be administered by the Compensation Committee of the Board of Trustees of the Company (the "Committee"), which in the administration of the LTIP shall have all the powers and authority it has in the administration of the Plan, as set forth in the Plan. The Committee may from time to time adopt any rules or procedures it deems necessary or desirable for the proper and efficient administration of the LTIP, consistent with the terms hereof and of the Plan. The Committee's determinations and interpretations with respect to the LTIP and this Agreement shall be final and binding on all parties.

Section 2. **Definitions**. Capitalized terms used herein without definitions shall have the meanings given to those terms in the Plan. In addition, as used herein:
"Award LTIP Units" has the meaning set forth in Section 3.

"Cause" means the Grantee has: (A) deliberately made a misrepresentation in connection with, or willfully failed to cooperate with, a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or willfully destroyed or failed to preserve documents or other materials known to be relevant to such investigation, or willfully induced others to fail to cooperate or to produce documents or other materials; (B) materially breached (other than as a result of the Grantee's incapacity due to physical or mental illness or death) his/her material duties hereunder, which breach is demonstrably willful and deliberate on the Grantee's part, is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company and such breach is not cured within a reasonable period of time after written notice from the Company specifying such Breach (but in any event, no less than ninety (90) days thereafter) in which Grantee is diligently pursuing cure; (C) engaged in conduct constituting a material act of willful misconduct in connection with the performance of his/her duties, including, without limitation, misappropriation of funds or property of the Company other than the occasional customary and de minimis use of Company property for personal purposes; (D) materially violated a material Company policy, including but not limited to a policy set forth in the Company's employee handbook; (E) disparaged the Company, its officers, trustees, employees or partners; (F) committed a felony or misdemeanor involving moral turpitude, deceit, dishonesty or fraud.

"Change of Control" means that any of the following events has occurred: (A) any Person or "group" of Persons, as such terms are used in Sections 13 and 14 of the Exchange Act, other than any employee benefit plan sponsored by the Company, becomes the "beneficial owner," as such term is used in Section 13 of the Exchange Act (irrespective of any vesting or waiting periods) of (i) the Company's Common Shares in an amount equal to thirty percent (30%) or more of the sum total of the Common Shares issued and outstanding immediately prior to such acquisition as if they were a single class and disregarding any equity raise in connection with the financing of such transaction; provided, however, that in determining whether a Change of Control has occurred, Common Shares which are acquired in an acquisition by (i) the Company or any of its subsidiaries or (ii) an employee benefit plan (or a trust forming a part thereof) maintained by the Company or any of its subsidiaries shall not constitute an acquisition which can cause a Change of Control; or (B) the approval of the dissolution or liquidation of the Company by the Board of Trustees of the Company (the "Board"); or (C) the approval of the sale or other disposition of all or substantially all of its assets in one or more transactions (including, without limitation, the approval of a transaction or series of transactions to sell or dispose of all or substantially all of the assets in the Company's core business line to any Person or "group" of Persons, as such terms are used in Sections 13 and 14 of the Exchange Act); or (D) a turnover, during any two-year period, of the majority of the members of the Board, without the consent of the majority of the members of the Board as to the appointment of the new Board members.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Shares" means shares of beneficial ownership of the Company, par value $0.001 per share, either currently existing or authorized hereafter.

"Disability" means (i) if the Grantee is a party to a Service Agreement (as defined in Section 5(b) below), and "Disability" is defined therein, such definition, or (ii) if the Grantee is not party to a Service Agreement that defines "Disability," a reasonable determination by the Company that the Grantee has become physically or mentally incapable of performing his

duties to the Company and/or Partnership and such disability has disabled the Grantee for a cumulative period of one hundred eighty (180) days within a twelve (12) month period.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Good Reason" means the Grantee shall have the right to terminate his/her employment within the 90-day period following the Company's failure to cure any of the following events that shall constitute "Good Reason" if not cured within the 30-day period following written notice of such default to the Company by the Grantee (the "Good Reason Cure Period"): (A) upon the occurrence of any material breach of this Agreement by the Company; (B) without the Grantee's consent, a material, adverse alteration in the nature of the Grantee's duties, responsibilities or authority, or in the 18-month period following a Change of Control only, upon the determination by the Grantee (which determination will be conclusive and binding upon the parties hereto provided it has been made in good faith and in all events will be presumed to have been made in good faith unless otherwise shown clear and convincing evidence) that a material negative change in circumstances has occurred following a Change of Control; (C) without the Grantee's consent, upon a reduction in the Grantee's base salary or a reduction of ten percent (10%) or greater in Grantee's other compensation and employee benefits (which includes a ten percent (10%) or greater reduction in target cash and equity bonus, or a ten percent (10%) or greater reduction in total bonus opportunity, but in all cases excludes any grants made under the Long-Term Incentive Alignment Program); or (D) if the Company relocates the Grantee's office requiring the Grantee to increase his/her commuting time by more than one hour, or in the 18-month period following a Change of Control only, upon the Company requiring the Grantee to travel away from the Grantee's office in the course of discharging the Grantee's responsibilities or duties hereunder at least twenty percent (20%) more than was required of the Grantee in any of the three (3) full years immediately prior to the Change of Control, without, in either case, the Grantee's prior written consent. Any notice hereunder by the Grantee must be made within ninety (90) days after the Grantee first knows or has reason to know about the occurrence of the event alleged to be Good Reason.

"LTIP Units" means units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement awarded under the LTIP, having the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption set forth in the Partnership Agreement.

"Partnership Agreement" means the Amended and Restated Limited Partnership Agreement of the Partnership, dated as of March 22, 1999, among the Company, as general partner, and the limited partners who are parties thereto, as amended from time to time.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, other entity or "group" (as defined in the Exchange Act).

"Securities Act" means the Securities Act of 1933, as amended.

"Units" means OP Units (as defined in the Partnership Agreement) that are outstanding or are issuable upon the conversion, exercise, exchange or redemption of any securities of any kind convertible, exercisable, exchangeable or redeemable for OP Units.

Section 3. **Award of LTIP Units; Effectiveness of Award**.

(a) Award of LTIP Units. On the terms and conditions set forth in this Agreement, as well as the terms and conditions of the Plan, the Grantee is hereby granted this Award consisting of the number of LTIP Units set forth on Schedule A hereto, which is incorporated herein by reference (the "Award LTIP Units"). Award LTIP Units shall have the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption and conversion set forth herein and in the Partnership Agreement and shall constitute and be treated as the property of the Grantee, subject to the terms of this Agreement and the Partnership Agreement. In connection with each subsequent issuance of Award LTIP Units, if any, the Grantee shall execute and deliver to the Company and the Partnership such documents, comparable to the documents executed and delivered in connection with this Agreement, as the Company and/or the Partnership reasonably request in order to comply with all applicable legal requirements, including, without limitation, federal and state securities laws. Award LTIP Units will be subject to vesting as provided in Section 4 hereof, subject to the terms and conditions of Sections 5 and 6.

(b) Effectiveness of Award. As of the Grant Date, the Grantee shall be admitted as a partner of the Partnership with beneficial ownership of the number of Award LTIP Units issued to the Grantee as of such date by: (A) signing and delivering to the Partnership a copy of this Agreement; and (B) signing, as a Limited Partner, and delivering to the Partnership a counterpart signature page to the Partnership Agreement (attached hereto as Exhibit A). The Partnership Agreement shall be amended from time to time as applicable to reflect the issuance to the Grantee of Award LTIP Units, whereupon the Grantee shall have all the rights of a Limited Partner of the Partnership with respect to the number of LTIP Units then held by the Grantee, as set forth in the Partnership Agreement, subject, however, to the restrictions and conditions specified herein and in the Partnership Agreement.

Section 4. **Vesting of Award LTIP Units.** The Award LTIP Units are subject to time-based vesting over a period of five (5) years. With respect to one hundred percent (100%) of the Award LTIP Units, vesting shall occur in substantially equal installments commencing on January 6, 2019, and on each of the first, second, third and fourth anniversaries thereof (each a "Vesting Date"), subject to the Grantee's continuous employment with the Company through each applicable Vesting Date.

Section 5. **Termination of Grantee's Employment.**

(a) Termination Generally. Except as otherwise provided in this Section 5, (i) if the Grantee's employment with the Company is voluntarily or involuntarily terminated for any reason prior to the final Vesting Date, all such Award LTIP Units which have not yet vested shall immediately and automatically be forfeited and returned to the Company;

(b) Qualifying Termination. Notwithstanding the foregoing, and notwithstanding the terms of any employment, consulting or similar service agreement(s) then in effect between the Grantee, on the one hand, and the Company and/or the Partnership on the other hand (a "Service Agreement"), if, prior to the final Vesting Date (or, if sooner, the date of a Change of Control), the Grantee's employment or service relationship with the Company (i) is terminated by the Company without Cause, (ii) is terminated by the Grantee for Good Reason or (iii) terminates due to the Grantee's death or Disability (each of (i), (ii) and (iii), a "Qualifying Termination"), then all unvested Award LTIP Units outstanding as of the date of such Qualifying Termination shall accelerate and become vested in full.

Section 6. **Change of Control.** Notwithstanding the foregoing and further notwithstanding any provision of the Grantee's Service Agreement, if applicable, to the contrary, if a Change of Control occurs prior to the final Vesting Date, then all unvested Award LTIP Units shall accelerate and become vested in full upon the consummation of such Change of Control.

Section 7. **Payments by Award Recipients**. A capital contribution in the amount of $0.01 per Award LTIP Unit shall be payable to the Company or the Partnership by the Grantee in respect of this Award, with such amount being netted against cash compensation otherwise payable to the Grantee.

Section 8. **Distributions**. To the extent provided for in the Partnership Agreement, the Grantee shall be entitled to receive distributions with respect to the Award LTIP Units. The Award LTIP Units shall be treated as "LTIP Units" under the Partnership Agreement) and shall not be designated as "Special LTIP Units." As of the Grant Date, the Award LTIP Units shall be the Grant Date, whereby the Award LTIP Unit shall be entitled to the full distribution payable on Units outstanding as of the record date for the quarterly distribution period during which the Award LTIP Units are issued, even though it will not have been outstanding for the whole period, and to subsequent distributions. All distributions paid with respect to the Award LTIP Units shall be fully vested and non-forfeitable when paid whether the underlying Award LTIP Units are vested or unvested. In the event of any discrepancy or inconsistency between this Section 8 and the Partnership Agreement, the terms and conditions of the Partnership Agreement shall control.

Section 9. **Restrictions on Transfer**. None of the Award LTIP Units shall be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered (whether voluntarily or involuntarily or by judgment, levy, attachment, garnishment or other legal or equitable proceeding) (each such action a "Transfer"), or redeemed in accordance with the Partnership Agreement (a) prior to vesting, (b) for a period of two (2) years beginning on the Grant Date other than in connection with a Change of Control, and (c) unless such Transfer is in compliance with all applicable securities laws (including, without limitation, the Securities Act, and such Transfer is in accordance with the applicable terms and conditions of the Partnership Agreement; provided that, upon the approval of, and subject to the terms and conditions specified by, the Committee, unvested Award LTIP Units that have been held for a period of at least two (2) years may be Transferred to (i) the spouse, children or grandchildren of the Grantee ("Immediate Family Members"), (ii) a trust or trusts for the exclusive benefit of the Grantee and such Immediate Family Members, (iii) a partnership in which the Grantee and such Immediate Family Members are the only partners, or (iv) one or more entities in which the Grantee has a ten percent (10%) or greater equity interest, provided that the Transferee agrees in writing with the Company and the Partnership to be bound by all the terms and conditions of this Agreement and that subsequent transfers of unvested Award LTIP Units shall be prohibited except those in accordance with this Section 9. In connection with any Transfer of Award LTIP Units, the Partnership may require the Grantee to provide an opinion of counsel, satisfactory to the Partnership, that such Transfer is in compliance with all federal and state securities laws (including, without limitation, the Securities Act). Any attempted Transfer of Award LTIP Units not in accordance with the terms and conditions of this Section 9 shall be null and void, and the Partnership shall not reflect on its records any change in record ownership of any LTIP Units as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer of any LTIP Units. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

Section 10. **Changes in Capital Structure**. Without duplication with the provisions of the Plan, if (a) the outstanding Common Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any recapitalization, reclassification, share split, share dividend, combination or subdivision, merger, consolidation, or other similar transaction or (b) any other event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of appropriate equitable adjustment in the terms of this Award, the LTIP or the LTIP Units, then the Committee shall take such action as it deems necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Award, the LTIP and the terms of the LTIP Units prior to such event, including, without limitation: (i) adjustments in the Award LTIP Units and (ii) substitution of other awards under the Plan or otherwise. The Grantee shall have the right to vote the Award LTIP Units if and when voting is allowed under the Partnership Agreement, regardless of whether vesting has occurred.

Section 11. **Miscellaneous.**

(a) Amendments; Modifications. This Agreement may be amended or modified only with the consent of the Company and the Partnership acting through the Committee; provided that any such amendment or modification materially and adversely affecting the rights of the Grantee hereunder must be consented to by the Grantee to be effective as against him; and provided, further, that the Grantee acknowledges that the Plan may be amended or discontinued in accordance with its terms and that this Agreement may be amended or canceled by the Committee, on behalf of the Company and the Partnership, for the purpose of satisfying changes in law or for any other lawful purpose, so long as no such action shall impair the Grantee's rights under this Agreement without the Grantee's written consent. Notwithstanding the foregoing, this Agreement may be amended in writing signed only by the Company to correct any errors or ambiguities in this Agreement and/or to make such changes that do not materially adversely affect the Grantee's rights hereunder. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by the parties which are not set forth expressly in this Agreement. This grant shall in no way affect the Grantee's participation or benefits under any other plan or benefit program maintained or provided by the Company.

(b) Incorporation of Plan; Committee Determinations. The provisions of the Plan are hereby incorporated by reference as if set forth herein. In the event of a conflict between this Agreement and the Plan, this Agreement shall be controlling and determinative. The Committee will make the determinations and certifications required by this Award as promptly as reasonably practicable following the occurrence of the event or events necessitating such determinations or certifications.

(c) Status of LTIP Units under the Plan. Insofar as the LTIP has been established as an incentive program of the Company and the Partnership, the Award LTIP Units are both issued as equity securities of the Partnership and granted as awards under the Plan. The Company will have the right at its option, as set forth in the Partnership Agreement, to issue Common Shares in exchange for Units into which Award LTIP Units may have been converted pursuant to the Partnership Agreement, subject to certain limitations set forth in the Partnership Agreement, and such Common Shares, if issued, will be issued under the Plan. The Grantee must be eligible to receive the Award LTIP Units in compliance with applicable federal and state securities laws and to that effect is required to complete, execute and deliver certain covenants, representations and warranties (attached as Exhibit

B). The Grantee acknowledges that the Grantee will have no right to approve or disapprove such eligibility determination by the Committee.

(d) Legend. If certificates are issued evidencing the Award LTIP Units, the records of the Partnership shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such Award LTIP Units are subject to restrictions as set forth herein, in the Plan and in the Partnership Agreement.

(e) Compliance with Securities Laws. The Partnership and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no Award LTIP Units will become vested or be issued at a time that such vesting or issuance would result in a violation of any such laws.

(f) Investment Representations; Registration. The Grantee hereby makes the covenants, representations and warranties and set forth on Exhibit B attached hereto. All of such covenants, warranties and representations shall survive the execution and delivery of this Agreement by the Grantee. The Partnership will have no obligation to register under the Securities Act any LTIP Units or any other securities issued pursuant to this Agreement or upon conversion or exchange of LTIP Units. In addition, any resale shall be made in compliance with the registration requirements of the Securities Act or an applicable exemption therefrom, including, without limitation, the exemption provided by Rule 144 promulgated thereunder (or any successor rule).

(g) Policy for Recoupment of Incentive Compensation. "Covered Officer" means any officer of the Company who (i) is subject to the reporting requirements of Section 16 of the Exchange Act. The Company will endeavor to inform the Grantee if the Grantee is designated as a "Covered Officer," it being understood, however, that failure to notify the Grantee will have no effect on the rights of the Company under the policy. If the Grantee is a Covered Officer, the Grantee hereby agrees that this Award and all compensation consisting of annual cash bonus and long-term incentive compensation in any form (including stock options, restricted stock and LTIP Units, whether time-based or performance-based) ("Incentive Compensation") awarded to the Grantee prior to the date hereof is subject to recoupment under the Company's Corporate Governance Guidelines, as in effect from time to time. For the avoidance of doubt, the purpose and effect of the foregoing agreement by the Grantee is to make such policy effective both prospectively and retroactively. As an example, in addition to this Award, Incentive Compensation previously awarded in the past, prior to this policy being in effect, is subject to such policy and is applicable to the Grantee if he or she was a Covered Officers during any relevant period even if he or she is no longer an employee of the Company at the time the determination to recoup Incentive Compensation is made.

(h) Severability. If, for any reason, any provision of this Agreement is held invalid, such invalidity shall not affect any other provision of this Agreement not so held invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect. If any provision of this Agreement shall be held invalid in part, such invalidity shall in no way affect the rest of such provision not held so invalid, and the rest of such provision, together with all other provisions of this Agreement, shall to the full extent consistent with law continue in full force and effect.

(i) Governing Law. This Agreement is made under, and will be construed in accordance with, the laws of State of Delaware, without giving effect to the principles of conflict of laws of such state.

(j) No Obligation to Continue Position as an Employee, Consultant or Advisor. Neither the Company nor any affiliate is obligated by or as a result of this Agreement to continue to have the Grantee as an employee, consultant or advisor, and this Agreement shall not interfere in any way with the right of the Company or any affiliate to terminate the Grantee's service relationship at any time.

(k) Notices. Any notice to be given to the Company shall be addressed to the Secretary of the Company at its principal place of business and any notice to be given the Grantee shall be addressed to the Grantee at the Grantee's address as it appears on the employment records of the Company, or at such other address as the Company or the Grantee may hereafter designate in writing to the other.

(l) Withholding and Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for income tax purposes or subject to the Federal Insurance Contributions Act withholding with respect to this Award, the Grantee will pay to the Company or, if appropriate, any of its affiliates, or make arrangements satisfactory to the Committee regarding the payment of, any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee.

(m) Headings. The headings of paragraphs hereof are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

(n) Counterparts. This Agreement may be executed in multiple counterparts with the same effect as if each of the signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

(o) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and any successors to the Company and the Partnership, on the one hand, and any successors to the Grantee, on the other hand, by will or the laws of descent and distribution, but this Agreement shall not otherwise be assignable or otherwise subject to hypothecation by the Grantee.

(p) Complete Agreement. This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Award Agreement to be executed as of the [__] day of February, 2018.

ACADIA REALTY TRUST

By: _____

411 Theodore Fremd Avenue
Suite 300
Rye, NY 10580

ACADIA REALTY LIMITED PARTNERSHIP

By: Acadia Realty Trust, its general partner

By: _____

411 Theodore Fremd Avenue
Suite 300
Rye, NY 10580

GRANTEE

_____
[Name]

ACADIA REALTY TRUST
2018 LONG-TERM INCENTIVE PLAN
AWARD AGREEMENT

2018 LONG-TERM INCENTIVE PLAN AWARD AGREEMENT made as of the date set forth on Schedule A hereto between Acadia Realty Trust, a Maryland real estate investment trust (the "Company"), its subsidiary Acadia Realty Limited Partnership, a Delaware limited partnership and the entity through which the Company conducts substantially all of its operations (the "Partnership"), and the party listed on Schedule A (the "Grantee").

RECITALS

1. The Grantee is a key employee of the Company or one of its Subsidiaries or affiliates and provides services to the Partnership.

2. The Company has adopted the 2018 Long-Term Incentive Plan (the "LTIP") pursuant to the Second Amended and Restated Acadia Realty Trust 2006 Share Incentive Plan, as amended (the "Plan"), to provide certain key employees of the Company or its Subsidiaries and affiliates, including the Grantee, in connection with their employment with the long-term incentive compensation described in this Award Agreement (this "Agreement" or "Award Agreement"), and thereby provide additional incentive for them to promote the progress and success of the business of the Company and its Subsidiaries and affiliates, including the Partnership, while increasing the total return to the Company's shareholders. The LTIP Units (as defined herein) may, under certain circumstances, become exchangeable for shares of beneficial ownership of the Company reserved for issuance under the Plan, or any successor equity plan. This Agreement evidences an award to the Grantee under the LTIP (this "Award"), which is subject to the terms and conditions set forth herein.

3. The Grantee was selected to receive this Award as an employee who, through the effective execution of his or her assigned duties and responsibilities, is in a position to have a direct and measurable impact on the Company's long-term financial results. Effective as of the grant date specified in Schedule A hereto (the "Grant Date"), the Grantee was issued the number of LTIP Units (as defined herein) set forth in Schedule A.

NOW, THEREFORE, the Company, the Partnership and the Grantee agree as follows:

Section 1. **Administration**. The LTIP and all awards thereunder, including this Award, shall be administered by the Compensation Committee of the Board of Trustees of the Company (the "Committee"), which in the administration of the LTIP shall have all the powers and authority it has in the administration of the Plan, as set forth in the Plan. The Committee may from time to time adopt any rules or procedures it deems necessary or desirable for the proper and efficient administration of the LTIP, consistent with the terms hereof and of the Plan. The Committee's determinations and interpretations with respect to the LTIP and this Agreement shall be final and binding on all parties.

Section 2. **Definitions**. Capitalized terms used herein without definitions shall have the meanings given to those terms in the Plan. In addition, as used herein:

"Award LTIP Units" has the meaning set forth in Section 3.

"Cause" means the Grantee has: (A) deliberately made a misrepresentation in connection with, or willfully failed to cooperate with, a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to

cooperate, or willfully destroyed or failed to preserve documents or other materials known to be relevant to such investigation, or willfully induced others to fail to cooperate or to produce documents or other materials; (B) materially breached (other than as a result of the Grantee's incapacity due to physical or mental illness or death) his/her material duties hereunder, which breach is demonstrably willful and deliberate on the Grantee's part, is committed in bad faith or without reasonable belief that such breach is in the best interests of the Company and such breach is not cured within a reasonable period of time after written notice from the Company specifying such Breach (but in any event, no less than ninety (90) days thereafter) in which Grantee is diligently pursuing cure; (C) engaged in conduct constituting a material act of willful misconduct in connection with the performance of his/her duties, including, without limitation, misappropriation of funds or property of the Company other than the occasional customary and de minimis use of Company property for personal purposes; (D) materially violated a material Company policy, including but not limited to a policy set forth in the Company's employee handbook; (E) disparaged the Company, its officers, trustees, employees or partners; (F) committed a felony or misdemeanor involving moral turpitude, deceit, dishonesty or fraud.

"Change of Control" means that any of the following events has occurred: (A) any Person or "group" of Persons, as such terms are used in Sections 13 and 14 of the Exchange Act, other than any employee benefit plan sponsored by the Company, becomes the "beneficial owner," as such term is used in Section 13 of the Exchange Act (irrespective of any vesting or waiting periods) of (i) the Company's Common Shares in an amount equal to thirty percent (30%) or more of the sum total of the Common Shares issued and outstanding immediately prior to such acquisition as if they were a single class and disregarding any equity raise in connection with the financing of such transaction; provided, however, that in determining whether a Change of Control has occurred, Common Shares which are acquired in an acquisition by (i) the Company or any of its subsidiaries or (ii) an employee benefit plan (or a trust forming a part thereof) maintained by the Company or any of its subsidiaries shall not constitute an acquisition which can cause a Change of Control; or (B) the approval of the dissolution or liquidation of the Company by the Board of Trustees of the Company (the "Board"); or (C) the approval of the sale or other disposition of all or substantially all of its assets in one or more transactions (including, without limitation, the approval of a transaction or series of transactions to sell or dispose of all or substantially all of the assets in the Company's core business line to any Person or "group" of Persons, as such terms are used in Sections 13 and 14 of the Exchange Act); or (D) a turnover, during any two-year period, of the majority of the members of the Board, without the consent of the majority of the members of the Board as to the appointment of the new Board members.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Shares" means shares of beneficial ownership of the Company, par value $0.001 per share, either currently existing or authorized hereafter.

"Disability" means (i) if the Grantee is a party to a Service Agreement (as defined in Section 5(b) below), and "Disability" is defined therein, such definition, or (ii) if the Grantee is not party to a Service Agreement that defines "Disability," a reasonable determination by the Company that the Grantee has become physically or mentally incapable of performing his duties to the Company and/or Partnership and such disability has disabled the Grantee for a cumulative period of one hundred eighty (180) days within a twelve (12) month period.

"Effective Date" means January 1, 2018.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fair Market Value" means, as of a particular date, the "Fair Market Value" (as defined in the Plan) of one Common Share; provided, however, if such date is the date of a Public Announcement with respect to a Change of Control, then the fair market value shall be, as determined by the Board, the total consideration payable for one Common Share in the transaction that ultimately results in a Change of Control.

"Good Reason" means the Grantee shall have the right to terminate his/her employment within the 90-day period following the Company's failure to cure any of the following events that shall constitute "Good Reason" if not cured within the 30-day period following written notice of such default to the Company by the Grantee (the "Good Reason Cure Period"): (A) upon the occurrence of any material breach of this Agreement by the Company; (B) without the Grantee's consent, a material, adverse alteration in the nature of the Grantee's duties, responsibilities or authority, or in the 18-month period following a Change of Control only, upon the determination by the Grantee (which determination will be conclusive and binding upon the parties hereto provided it has been made in good faith and in all events will be presumed to have been made in good faith unless otherwise shown clear and convincing evidence) that a material negative change in circumstances has occurred following a Change of Control; (C) without the Grantee's consent, upon a reduction in Grantee's base salary or a reduction of ten percent (10%) or greater in Grantee's other compensation and employee benefits (which includes a ten percent (10%) or greater reduction in target cash and equity bonus, or a ten percent (10%) or greater reduction in total bonus opportunity, but in all cases excludes any grants made under the Long-Term Incentive Alignment Program); or (D) if the Company relocates the Grantee's office requiring the Grantee to increase his/her commuting time by more than one hour, or in the 18-month period following a Change of Control only, upon the Company requiring the Grantee to travel away from the Grantee's office in the course of discharging the Grantee's responsibilities or duties hereunder at least twenty percent (20%) more than was required of the Grantee in any of the three (3) full years immediately prior to the Change of Control, without, in either case, the Grantee's prior written consent. Any notice hereunder by the Grantee must be made within ninety (90) days after the Grantee first knows or has reason to know about the occurrence of the event alleged to be Good Reason.

"LTIP Units" means units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement awarded under the LTIP, having the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption set forth in the Partnership Agreement.

"Partnership Agreement" means the Amended and Restated Limited Partnership Agreement of the Partnership, dated as of March 22, 1999, among the Company, as general partner, and the limited partners who are parties thereto, as amended from time to time.

"Performance Period" means the period beginning on the Effective Date and ending on the Valuation Date.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, other entity or "group" (as defined in the Exchange Act).

"Public Announcement" means, with respect to a Change of Control, the earliest press release, filing with the Securities and Exchange Commission, or other publicly available or widely disseminated communication issued by the Company or another Person who is a party to such transaction which discloses the consideration payable in connection with and other material terms of the transaction that ultimately results in the Change of Control; provided, however, that if such consideration is subsequently increased or decreased, then the term "Public Announcement" shall be deemed to refer to the most recent such press release, filing or communication disclosing a change in the consideration whereby the final consideration and material terms of the transaction that ultimately results in the Change of Control are announced.

"Securities Act" means the Securities Act of 1933, as amended.

"Special LTIP Units" means LTIP Units as defined in the Partnership Agreement and designated as Special LTIP Units pursuant to Section 8 of this Agreement.

"Units" means OP Units (as defined in the Partnership Agreement) that are outstanding or are issuable upon the conversion, exercise, exchange or redemption of any securities of any kind convertible, exercisable, exchangeable or redeemable for OP Units.

"Valuation Date" means December 31, 2020.

Section 3. Award of LTIP Units; Effectiveness of Award.

(a) Award of LTIP Units. On the terms and conditions set forth in this Agreement, as well as the terms and conditions of the Plan, the Grantee is hereby granted this Award consisting of the number of LTIP Units set forth on Schedule A hereto, which is incorporated herein by reference (the "Award LTIP Units"). Award LTIP Units shall have the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption and conversion set forth herein and in the Partnership Agreement and shall constitute and be treated as the property of the Grantee, subject to the terms of this Agreement and the Partnership Agreement. In connection with each subsequent issuance of Award LTIP Units, if any, the Grantee shall execute and deliver to the Company and the Partnership such documents, comparable to the documents executed and delivered in connection with this Agreement, as the Company and/or the Partnership reasonably request in order to comply with all applicable legal requirements, including, without limitation, federal and state securities laws. Award LTIP Units will be subject to vesting as provided in Section 4 hereof, subject to the terms and conditions of Sections 5 and 6.

(b) Effectiveness of Award. As of the Grant Date, the Grantee shall be admitted as a partner of the Partnership with beneficial ownership of the number of Award LTIP Units issued to the Grantee as of such date by: (A) signing and delivering to the Partnership a copy of this Agreement; and (B) signing, as a Limited Partner, and delivering to the Partnership a counterpart signature page to the Partnership Agreement (attached hereto as Exhibit B). The Partnership Agreement shall be amended from time to time as applicable to reflect the issuance to the Grantee of Award LTIP Units, whereupon the Grantee shall have all the rights of a Limited Partner of the Partnership with respect to the number of LTIP Units then held by the Grantee, as set forth in the Partnership Agreement, subject, however, to the restrictions and conditions specified herein and in the Partnership Agreement.

Section 4. Vesting of Award LTIP Units. The Award LTIP Units are subject to time-based vesting and performance-based vesting, as follows.

(a) Time-Based LTIP Units. With respect to fifty percent (50%) of the Award LTIP Units (the "Time-Based LTIP Units"), vesting shall occur in substantially equal installments commencing on January 6, 2019, and on each of the first, second, third and fourth anniversaries thereof (each a "Vesting Date"), subject to the Grantee's continuous employment with the Company through each applicable Vesting Date.

(b) Performance-Based LTIP Units.

(i) With respect to fifty percent (50%) of the Award LTIP Units (the "Performance-Based LTIP Units"), such Performance-Based LTIP Units shall be earned and thereafter vest if and only to the extent the performance criteria set forth on Exhibit A attached hereto for the Performance Period are achieved, subject to the Grantee's continuous employment with the Company through the end of the Performance Period. Promptly following the conclusion of the Performance Period, but in no event later than forty-five (45) days thereafter, the Company shall determine (and the Committee shall certify) whether and to what extent such performance criteria were achieved and determine the Performance Percentage (as defined on Exhibit A attached hereto) and the number of Performance-Based LTIP Units subject to this Award, if any, that are earned. For the avoidance of doubt, the Grantee shall have no rights to the Performance-Based LTIP Units pursuant to this Section 4(b) until the Committee has determined that such Performance-Based LTIP Units have been earned.

(ii) If the number of earned Performance-Based LTIP Units is smaller than the number of Performance-Based LTIP Units previously issued to the Grantee, then the Grantee, as of the Valuation Date, shall forfeit a number of Performance-Based LTIP Units equal to the difference without payment of any consideration by the Partnership; thereafter, the term "Performance-Based LTIP Units" will only refer to the Performance-Based LTIP Units that were not so forfeited, and neither the Grantee nor any of his/her successors, heirs, assigns or personal representatives will thereafter have any future rights or interests in the LTIP Units that were so forfeited. If the number of earned Performance-Based LTIP Units is the same as the number of Performance-Based LTIP Units previously issued to the Grantee, then there will be no change to the number of Performance-Based LTIP Units under this Award pursuant to this Section 4.

(iii) If any of the Performance-Based LTIP Units have been earned based on performance as provided in Section 4(b), subject to Sections 5 and 6 hereof, the Performance-Based LTIP Units shall become vested in the following amounts and at the following times, subject to the Grantee's continuous employment with the Company through and on the applicable vesting date, or the accelerated vesting date provided in Sections 5 and 6 hereof, as applicable:

(A) Sixty percent (60%) of the earned Performance-Based LTIP Units shall become vested on January 6, 2021; and

(B) Forty percent (40%) of the earned Performance-Based LTIP Units shall become vested in substantially equal installments on each of January 6, 2022 and January 6, 2023.

(iv) Any Performance-Based LTIP Units that do not become vested pursuant to Section 4(b)(iii), or Sections 5 and 6 hereof, as applicable, shall, without payment of any consideration by the Company or the Partnership, automatically and without notice be forfeited and be and become null and void, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Performance-Based LTIP Units.

Section 5. Termination of Grantee's Employment.

(a) Termination Generally. Except as otherwise provided in this Section 5, (i) if the Grantee's employment with the Company is voluntarily or involuntarily terminated for any reason prior to the final Vesting Date with respect to the Time-Based LTIP Units, all such Time-Based LTIP Units which have not yet vested shall immediately and automatically be forfeited and returned to the Company; and (ii) if the Grantee's employment with the Company is voluntarily or involuntarily terminated for any reason prior to the end of the Performance Period with respect to the Performance-Based LTIP Units, such Performance-Based LTIP Units which have not yet been earned shall immediately and automatically be forfeited and returned to the Company.

(b) Qualifying Termination. Notwithstanding the foregoing, and notwithstanding the terms of any employment, consulting or similar service agreement(s) then in effect between the Grantee, on the one hand, and the Company and/or the Partnership on the other hand (a "Service Agreement"), the Award LTIPs shall be treated as follows in the event of certain terminations of employment:

(i) Time-Based LTIP Units. If, prior to the final Vesting Date (or, if sooner, the date of a Change of Control), the Grantee's employment or service relationship with the Company (i) is terminated by the Company without Cause, (ii) is terminated by the Grantee for Good Reason or (iii) terminates due to the Grantee's death or Disability (each of (i), (ii) and (iii), a "Qualifying Termination"), then all unvested Time-Based LTIP Units outstanding as of the date of such Qualifying Termination shall accelerate and become vested in full.

(ii) Performance-Based LTIP Units. If, prior to the end of the Performance Period (or, if sooner, the date of a Change of Control), the Grantee experiences a Qualifying Termination, then the Performance-Based LTIP Units shall remain outstanding following such Qualifying Termination and will be subject to the same conditions as are otherwise set forth herein, and the vesting of such Performance-Based LTIP Units will be determined pursuant to the performance criteria set forth in Exhibit A attached hereto in the same manner as they would have been in the absence of a Qualifying Termination. In addition, the service requirements pursuant to Section 4(b)(iii) hereof shall be deemed satisfied.

Section 6. Change of Control. Notwithstanding the foregoing and further notwithstanding any provision of the Grantee's Service Agreement, if applicable, to the contrary, the Award LTIP Units shall be treated as follows upon the occurrence of a Change of Control.

(a) Time-Based LTIP Units. If a Change of Control occurs prior to the final Vesting Date, then all unvested Time-Based LTIP Units shall accelerate and become vested in full upon the consummation of such Change of Control.

(b) Performance-Based LTIP Units. If a Change of Control occurs prior to the end of the Performance Period, then the Grantee will be deemed to have earned the number of Performance-Based LTIP Units based on the performance criteria set forth in Exhibit A attached hereto, calculated from the Effective Date through the date of the Public Announcement of the Change of Control. In addition, the service requirements pursuant to Section 4(b)(iii) hereof shall be deemed satisfied, subject to the Grantee's continuous employment with the Company through the consummation of the Change of Control, or, if earlier, the date the Grantee experiences a Qualifying Termination.

Section 7. **Payments by Award Recipients**. A capital contribution in the amount of $0.01 per Award LTIP Unit shall be payable to the Company or the Partnership by the Grantee in respect of this Award, with such amount being netted against cash compensation otherwise payable to the Grantee.

Section 8. **Distributions**. To the extent provided for in the Partnership Agreement, the Grantee shall be entitled to receive distributions with respect to the Award LTIP Units. The Performance-Based LTIP Units shall be designated as "Special LTIP Units" under the Partnership Agreement. In the event of any discrepancy or inconsistency between this Section 8 and the Partnership Agreement, the terms and conditions of the Partnership Agreement shall control. For purposes of this Section 8, all capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Partnership Agreement.

(a) Time-Based LTIP Units. The Time-Based LTIP Units shall be treated as "LTIP Units" under the Partnership Agreement and shall not be designated as "Special LTIP Units." As of the Grant Date, the Time-Based LTIP Units shall be entitled to the full distribution payable on Units outstanding as of the record date for the quarterly distribution period during which the Time-Based LTIP Units are issued, even though it will not have been outstanding for the whole period, and to subsequent distributions. All distributions paid with respect to the Time-Based LTIP Units shall be fully vested and non-forfeitable when paid whether the underlying Time-Based LTIP Units are vested or unvested.

(a) Performance-Based LTIP Units. The Performance-Based LTIP Units shall be designated as "Special LTIP Units" under the Partnership Agreement. With respect to the Performance-Based LTIP Units and to the extent provided for in the Partnership Agreement, the Special LTIP Unit Full Distribution Participation Date shall be the Valuation Date; provided that prior to such date, Performance-Based LTIP Units shall be entitled to receive the Special LTIP Unit Sharing Percentage (i.e., ten percent (10%)) of the distributions payable on Units outstanding as of the record date for the quarterly distribution periods occurring during the Performance Period. For the avoidance of doubt, after the Valuation Date, Performance-Based LTIP Units, both vested and (until and unless forfeited pursuant to Section 4(b)(iv) or Section 5(a)) unvested, shall be entitled to receive the same distributions payable with respect to Units if the payment date for such distributions is after the Valuation Date, even though the Partnership Record Date for such distributions is before the Valuation Date. All distributions paid with respect to Performance-Based LTIP Units, both before and after the Valuation Date, shall be fully vested and non-forfeitable when paid, whether or not the underlying LTIP Units have been earned based on performance or have become vested based on the passage of time as provided in Section 4 hereof. Subsequent to the Special LTIP Unit Full Distribution Participation Date, vested Performance-Based LTIP Units may be entitled to receive the Interim Distribution Amount to the extent provided for in the Partnership Agreement.

Section 9. **Restrictions on Transfer**. None of the Award LTIP Units shall be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered (whether voluntarily or involuntarily or by judgment, levy, attachment, garnishment or other legal or equitable proceeding) (each such action a "Transfer"), or redeemed in accordance with the Partnership Agreement (a) prior to vesting, (b) for a period of two (2) years beginning on the Grant Date other than in connection with a Change of Control, and (c) unless such Transfer is in compliance with all applicable securities laws (including, without limitation, the Securities Act, and such Transfer is in accordance with the applicable terms and conditions of the Partnership Agreement; provided that, upon the approval of, and subject to the terms and conditions specified by, the Committee, unvested Award LTIP Units that have been held for a period of at least two (2) years may be Transferred to (i) the spouse, children or grandchildren of the Grantee ("Immediate Family Members"), (ii) a trust or trusts for the exclusive benefit of the Grantee and such Immediate Family Members, (iii) a partnership in which the Grantee and such Immediate Family Members are the only partners, or (iv) one or more entities in which the Grantee has a ten percent (10%) or greater equity interest, provided that

the Transferee agrees in writing with the Company and the Partnership to be bound by all the terms and conditions of this Agreement and that subsequent transfers of unvested Award LTIP Units shall be prohibited except those in accordance with this Section 9. In connection with any Transfer of Award LTIP Units, the Partnership may require the Grantee to provide an opinion of counsel, satisfactory to the Partnership, that such Transfer is in compliance with all federal and state securities laws (including, without limitation, the Securities Act). Any attempted Transfer of Award LTIP Units not in accordance with the terms and conditions of this Section 9 shall be null and void, and the Partnership shall not reflect on its records any change in record ownership of any LTIP Units as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer of any LTIP Units. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

Section 10. **Changes in Capital Structure**. Without duplication with the provisions of the Plan, if (a) the outstanding Common Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any recapitalization, reclassification, share split, share dividend, combination or subdivision, merger, consolidation, or other similar transaction or (b) any other event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of appropriate equitable adjustment in the terms of this Award, the LTIP or the LTIP Units, then the Committee shall take such action as it deems necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Award, the LTIP and the terms of the LTIP Units prior to such event, including, without limitation: (i) adjustments in the Award LTIP Units and (ii) substitution of other awards under the Plan or otherwise. The Grantee shall have the right to vote the Award LTIP Units if and when voting is allowed under the Partnership Agreement, regardless of whether vesting has occurred.

Section 11. **Miscellaneous.**

(a) Amendments; Modifications. This Agreement may be amended or modified only with the consent of the Company and the Partnership acting through the Committee; provided that any such amendment or modification materially and adversely affecting the rights of the Grantee hereunder must be consented to by the Grantee to be effective as against him; and provided, further, that the Grantee acknowledges that the Plan may be amended or discontinued in accordance with its terms and that this Agreement may be amended or canceled by the Committee, on behalf of the Company and the Partnership, for the purpose of satisfying changes in law or for any other lawful purpose, so long as no such action shall impair the Grantee's rights under this Agreement without the Grantee's written consent. Notwithstanding the foregoing, this Agreement may be amended in writing signed only by the Company to correct any errors or ambiguities in this Agreement and/or to make such changes that do not materially adversely affect the Grantee's rights hereunder. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by the parties which are not set forth expressly in this Agreement. This grant shall in no way affect the Grantee's participation or benefits under any other plan or benefit program maintained or provided by the Company.

(b) Incorporation of Plan; Committee Determinations. The provisions of the Plan are hereby incorporated by reference as if set forth herein. In the event of a conflict between this Agreement and the Plan, this Agreement shall be controlling and determinative. The Committee will make the determinations and certifications required by this Award as promptly as reasonably practicable following the occurrence of the event or events necessitating such determinations or certifications.

(c) Status of LTIP Units under the Plan. Insofar as the LTIP has been established as an incentive program of the Company and the Partnership, the Award LTIP Units are both issued as equity securities of the Partnership and granted as awards under the Plan. The Company will have the right at its option, as set forth in the Partnership Agreement, to issue Common Shares in exchange for Units into which Award LTIP Units may have been converted pursuant to the Partnership Agreement, subject to certain limitations set forth in the Partnership Agreement, and such Common Shares, if issued, will be issued under the Plan. The Grantee must be eligible to receive the Award LTIP Units in compliance with applicable federal and state securities laws and to that effect is required to complete, execute and deliver certain covenants, representations and warranties (attached as Exhibit C). The Grantee acknowledges that the Grantee will have no right to approve or disapprove such eligibility determination by the Committee.

(d) Legend. If certificates are issued evidencing the Award LTIP Units, the records of the Partnership shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such Award LTIP Units are subject to restrictions as set forth herein, in the Plan and in the Partnership Agreement.

(e) Compliance with Securities Laws. The Partnership and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no Award LTIP Units will become vested or be issued at a time that such vesting or issuance would result in a violation of any such laws.

(f) Investment Representations; Registration. The Grantee hereby makes the covenants, representations and warranties and set forth on Exhibit C attached hereto. All of such covenants, warranties and representations shall survive the execution and delivery of this Agreement by the Grantee. The Partnership will have no obligation to register under the Securities Act any LTIP Units or any other securities issued pursuant to this Agreement or upon conversion or exchange of LTIP Units. In addition, any resale shall be made in compliance with the registration requirements of the Securities Act or an applicable exemption therefrom, including, without limitation, the exemption provided by Rule 144 promulgated thereunder (or any successor rule).

(g) Policy for Recoupment of Incentive Compensation. "Covered Officer" means any officer of the Company who (i) is subject to the reporting requirements of Section 16 of the Exchange Act. The Company will endeavor to inform the Grantee if the Grantee is designated as a "Covered Officer," it being understood, however, that failure to notify the Grantee will have no effect on the rights of the Company under the policy. If the Grantee is a Covered Officer, the Grantee hereby agrees that this Award and all compensation consisting of annual cash bonus and long-term incentive compensation in any form (including stock options, restricted stock and LTIP Units, whether time-based or performance-based) ("Incentive Compensation") awarded to the Grantee prior to the date hereof is subject to recoupment under the Company's Corporate Governance Guidelines, as in effect from time to time. For the avoidance of doubt, the purpose and effect of the foregoing agreement by the Grantee is to make such policy effective both prospectively and retroactively. As an example, in addition to this Award, Incentive Compensation previously awarded in the past, prior to this policy being in effect, is subject to such policy and is applicable to the Grantee if he or she was a Covered Officers during any relevant period even if he or she is no longer an employee of the Company at the time the determination to recoup Incentive Compensation is made.

(h) Severability. If, for any reason, any provision of this Agreement is held invalid, such invalidity shall not affect any other provision of this Agreement not so held invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect. If any provision of this Agreement shall be held invalid in part, such invalidity shall in no way affect the rest of such provision not held so

invalid, and the rest of such provision, together with all other provisions of this Agreement, shall to the full extent consistent with law continue in full force and effect.

(i) Governing Law. This Agreement is made under, and will be construed in accordance with, the laws of State of Delaware, without giving effect to the principles of conflict of laws of such state.

(j) No Obligation to Continue Position as an Employee, Consultant or Advisor. Neither the Company nor any affiliate is obligated by or as a result of this Agreement to continue to have the Grantee as an employee, consultant or advisor, and this Agreement shall not interfere in any way with the right of the Company or any affiliate to terminate the Grantee's service relationship at any time.

(k) Notices. Any notice to be given to the Company shall be addressed to the Secretary of the Company at its principal place of business and any notice to be given the Grantee shall be addressed to the Grantee at the Grantee's address as it appears on the employment records of the Company, or at such other address as the Company or the Grantee may hereafter designate in writing to the other.

(l) Withholding and Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for income tax purposes or subject to the Federal Insurance Contributions Act withholding with respect to this Award, the Grantee will pay to the Company or, if appropriate, any of its affiliates, or make arrangements satisfactory to the Committee regarding the payment of, any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee.

(m) Headings. The headings of paragraphs hereof are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

(n) Counterparts. This Agreement may be executed in multiple counterparts with the same effect as if each of the signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

(o) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and any successors to the Company and the Partnership, on the one hand, and any successors to the Grantee, on the other hand, by will or the laws of descent and distribution, but this Agreement shall not otherwise be assignable or otherwise subject to hypothecation by the Grantee.

(p) Complete Agreement. This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Award Agreement to be executed as of the [__] day of February, 2018.

ACADIA REALTY TRUST

By: _____

411 Theodore Fremd Avenue
Suite 300
Rye, NY 10580

ACADIA REALTY LIMITED PARTNERSHIP

By: Acadia Realty Trust, its general partner

By: _____

411 Theodore Fremd Avenue
Suite 300
Rye, NY 10580

GRANTEE

_____

[Name]

LIST OF AFFILIATES OF ACADIA REALTY TRUST

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Acadia Realty Trust	MD
Acadia Realty Limited Partnership	DE
ARLP GS LLC	DE
100 Bull LLC	DE
102 EB LLC	DE
110 UP NY LLC	DE
1035 Third Avenue LLC	DE
11 East Walton LLC	DE
120 West Broadway LLC	DE
120 West Broadway Lender LLC	DE
131-135 Prince Street LLC	DE
135 East 65th Street Lender LLC	DE
146 Geary LLC	DE
146 Geary Member LLC	DE
151 North State Owner LLC	DE
152-154 Spring Street Lender LLC	DE
152-154 Spring Street Retail LLC	DE
163 Highland Owner LLC	DE
165 Newbury Street Owner LLC	DE
17 East 71 Street LLC	DE
182-186 Spring Street Lender LLC	DE
188 Spring Street Lender LLC	DE
201 Needham Street Owner LLC	DE
201 WB LLC	DE
210 Bowery LLC	DE
210 Bowery Owners LLC	DE
210 Bowery Residential Owners LLC	DE
2207 Fillmore Member LLC	DE
2208-2216 Fillmore Member LLC	DE
230/240 WB LLC	DE
239 Greenwich Associates Limited Partnership	CT
2520 Flatbush Avenue LLC	DE
252-264 Greenwich Avenue Retail LLC	DE
2675 City Center Partner LLC	DE
2675 Geary Boulevard LP	DE
27 East 61st Street LLC	DE
300 WB LLC	DE
313-315 Bowery LLC	DE
313-315 Bowery Lender LLC	DE

Name of Subsidiary	Jurisdiction of Incorporation or Organization
55-57 Spring Street Lender LLC	DE
61 Main Street Owner LLC	DE
640 Broadway Lender LLC	DE
640 Broadway Member LLC	DE
640 Broadway Owners LLC	DE
640 Broadway Owners Subsidiary I LLC	DE
640 Broadway Owners Subsidiary II LLC	DE
717 N Michigan Ave Owner LLC	DE
717 N Michigan Ave Owner Subsidiary LLC	DE
801 Madison Avenue Owner LLC	DE
865 West North Avenue LLC	DE
868 Broadway LLC	DE
900 W Randolph Lender LLC	DE
900 W Randolph Preferred Member LLC	DE
938 W. North Avenue, LLC	DE
960 Broadway LLC	DE
991 Madison Ave LLC	DE
1100 N. State Lender LLC	DE
1151 Third Avenue LLC	DE
1861 Union Member LLC	DE
1964 Union Member LLC	DE
3177 East Main LLC	DE
3200 M Street Lender LLC	DE
430 Broome Street Lender LLC	DE
555 9th Street LP	DE
555 9th Street Partner LLC	DE
8-12 East Walton LLC	DE
840 North Michigan Avenue Acquisition LLC	DE
A/L 3200 M Street LLC	DE
ABR Amboy Road LLC	DE
ABS Investor LLC	DE
ABS Preferred Equity Member LLC	DE
Acadia 152-154 Spring Street Retail LLC	DE
Acadia 1520 Milwaukee Avenue LLC	DE
Acadia 161ST Street LLC	DE
Acadia 181 Main Street LLC	DE
Acadia 216TH Street LLC	DE
Acadia 239 Greenwich Avenue, LLC	DE
Acadia 938 W. North Avenue LLC	DE
Acadia 28 Jericho Turnpike LLC	DE
Acadia 2914 Third Avenue LLC	DE
Acadia 3104 M Street Lender LLC	DE
Acadia 3104 M Street LLC	DE
Acadia 3200 M Street LLC	DE

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Acadia 330 River Street LLC	DE
Acadia 3780-3858 Nostrand Avenue LLC	DE
Acadia 4401 White Plains Road LLC	DE
Acadia 56 East Walton LLC	DE
Acadia 5-7 East 17th Street LLC	DE
Acadia 639 West Diversey LLC	DE
Acadia 654 Broadway LLC	DE
Acadia 654 Broadway Member LLC	DE
Acadia 83 Spring Street LLC	DE
Acadia Absecon LLC	DE
Acadia Albee LLC	DE
Acadia Albertsons Investors LLC	DE
Acadia Bartow Avenue, LLC	DE
Acadia Bloomfield NJ LLC	DE
Acadia Brandywine Holdings, LLC	DE
Acadia Brentwood LLC	DE
Acadia Cambridge LLC	DE
Acadia Canarsie LLC	DE
Acadia Chestnut LLC	DE
Acadia Chicago LLC	DE
Acadia Clark-Diversey LLC	DE
Acadia Connecticut Avenue LLC	DE
Acadia Cortlandt Crossing LLC	DE
Acadia Cortlandt LLC	DE
Acadia Crescent Plaza LLC	DE
Acadia Crossroads, LLC	DE
Acadia Cub Foods Investors LLC	DE
Acadia D.R. Management LLC	DE
Acadia Elmwood Park LLC	DE
Acadia Fund IV Investments LLC	DE
Acadia Gold Coast LLC	DE
Acadia Gotham Member LLC	DE
Acadia Heathcote LLC	DE
Acadia Hobson LLC	DE
Acadia L.U.F. LLC	DE
Acadia Lincoln Road LLC	DE
Acadia Mad River Property LLC	DE
Acadia Marcus Avenue LLC	DE
Acadia Mark Plaza LLC	DE
Acadia Market Square, LLC	DE
Acadia MCB Holding Company II LLC	DE
Acadia MCB Holding Company LLC	DE
Acadia Mercer Street LLC	DE
Acadia Merrillville LLC	DE

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Acadia Merrillville Realty, L.P.	IN
Acadia Mervyn I, LLC	DE
Acadia Mervyn II, LLC	DE
Acadia Mervyn Investors I, LLC	DE
Acadia Mervyn Investors II, LLC	DE
Acadia Naamans Road LLC	DE
Acadia New Loudon, LLC	DE
Acadia North Michigan Avenue LLC	DE
Acadia Nostrand Avenue LLC	DE
Acadia Pacesetter LLC	DE
Acadia Paramus Plaza LLC	DE
Acadia Pelham Manor LLC	DE
Acadia Property Holdings, LLC	DE
Acadia Realty Acquisition I, LLC	DE
Acadia Realty Acquisition II, LLC	DE
Acadia Realty Acquisition III LLC	DE
Acadia Realty Acquisition IV LLC	DE
Acadia Realty Acquisition V LLC	DE
Acadia Republic Farmingdale LLC	DE
Acadia Rex LLC	DE
Acadia Rush Walton LLC	DE
Acadia Second City 1521 West Belmont LLC	DE
Acadia Second City 2206-08 North Halsted LLC	DE
Acadia Second City 2633 North Halsted LLC	DE
Acadia Second City 843-45 West Armitage LLC	DE
Acadia Self Storage Management Company LLC	DE
Acadia Self Storage Management Investment Company LLC	DE
Acadia Sherman Avenue LLC	DE
Acadia Shopko Investors LLC	DE
Acadia SP Investor LLC	DE
Acadia Strategic Opportunity Fund II, LLC	DE
Acadia Strategic Opportunity Fund III LLC	DE
Acadia Strategic Opportunity Fund III Special Member LLC	DE
Acadia Strategic Opportunity Fund IV LLC	DE
Acadia Strategic Opportunity Fund IV Promote Member LLC	DE
Acadia Strategic Opportunity Fund IV Special Member LLC	DE
Acadia Strategic Opportunity Fund V LLC	DE
Acadia Strategic Opportunity Fund V Promote Member LLC	DE
Acadia Strategic Opportunity Fund V Special Member LLC	DE
Acadia Town Center Holdco LLC	DE
Acadia Town Line, LLC	CT
Acadia Urban Development LLC	DE
Acadia West 54th Street LLC	DE
Acadia West Diversey LLC	DE

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Acadia West Shore Expressway LLC	DE
Acadia-Washington Square Albee LLC	DE
ACF Paramus Plaza LLC	DE
ACRS II LLC	DE
ACRS, Inc.	DE
Airport Mall Owner LLC	DE
A-K JV I LLC	DE
Albee Development LLC	DE
Albee Food LLC	DE
Albee Phase 3 Development LLC	DE
Albee Retail 21 Development LLC	DE
Albee Retail Development LLC	DE
Albee Tower I Management LLC	DE
Albee Tower I Member LLC	DE
Albee Tower I Owners LLC	NY
A-MCB Arundel Funding LLC	MD
A-MCB Arundel LLC	MD
A-MCB Arundel II LLC	MD
AMCB BB Woodlawn LLC	MD
AMCB Bloomfield LLC	DE
AMCB Eden Square LLC	DE
AMCB Kennedy LLC	DE
AMCB Manassas Promenade LLC	DE
AMCB Perring LLC	MD
AMCB Rhode Island Mall Owner LLC	DE
AP Fillmore LLC	DE
AP Fillmore II LLC	DE
AP Union I LLC	DE
AP Union II LLC	DE
ARA IV Class A Member LLC	DE
Aspen Cove Apartments, LLC	NY
Bedford Green LLC	DE
Brandywine Town Center Maintenance Corporation	DE
Brandywine Town Center/Market Square Lender LLC	DE
Broughton Street Partners Company LLC	DE
Broughton Street Partners Company II LLC	DE
California & Armitage Main Owner LLC	DE
California & Armitage Outparcel Owner LLC	DE
Canarsie Plaza LLC	DE
City Point 21 Development LLC	DE
City Point Retail Development LLC	DE
Colonie Plaza Owner LLC	DE
Concord & Milwaukee Owner LLC	DE
Cortlandt Crossing Sewage Works Corporation	NY

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Cortlandt Town Center LLC	DE
Cortlandt Town Center Member LLC	DE
Crossing Release Parcel Owner LLC	DE
Crossroads II	
Crossroads II, LLC	DE
Crossroads Joint Venture	
Crossroads Joint Venture, LLC	DE
Dauphin Plaza Member LLC	DE
Dauphin Plaza Owner LLC	DE
Dekalb Market Hall LLC	DE
Fairlane Green Condo Manager LLC	DE
Fairlane Green Owner LLC	DE
GDC Beechwood, LLC	NY
GDC SMG, LLC	NY
GT Metro Portfolio Member LLC	DE
Heathcote Associates, L.P.	NY
Hickory Ridge Owner LLC	DE
JP Waterville Owner LLC	DE
Lake Montclair-Dumfries, VA LLC	DE
Lincoln Place SC Owner LLC	DE
Lincoln Road III LLC	FL
Mark Plaza Fifty L.P.	PA
Mark Twelve Associates, L.P.	PA
Mayfair Center Owner LLC	DE
MCB Bloomfield LLC	NJ
Miami Beach Lincoln, LLC	
New Towne Center Owner LLC	DE
North & Kingsbury Owner LLC	DE
Pacesetter/Ramapo Associates	NY
Plaza Santa Fe Owner LLC	DE
RD Abington Associates Limited Partnership	DE
RD Absecon Associates, L.P.	DE
RD Bloomfield Associates Limited Partnership	DE
RD Branch Associates L.P.	NY
RD Elmwood Associates, L.P.	DE
RD Hobson Associates, L.P.	DE
RD Methuen Associates Limited Partnership	MA
RD Smithtown, LLC	NY
Restaurants at Fort Point LLC	DE
RIM Lender LLC	DE
RIM Member LLC	DE
Roosevelt Galleria LLC	DE
SC Retail Owner LLC	DE
Self Storage Management LLC	DE

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Shops At Grand Avenue LLC	DE
SMG Celebration, LLC	NY
SP Waterville Owner LLC	DE
SP Windham Owner LLC	DE
State & Washington Owner LLC	DE
Storage Post Holdings LLC	DE
The Crossings Investor LLC	DE
Trussville Promenade I Owner LLC	DE
Trussville Promenade II Owner LLC	DE
Wake Forest Crossing Owner LLC	DE
Wells Plaza Owner LLC	DE

Consent of Independent Registered Public Accounting Firm

The Board of Trustees
Acadia Realty Trust

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-157886, 333-31630, 333-139950, 333-114785, 333-126712, 333-180607, 333-104727, 333-195665, 333-203236 and 333-217594) and Form S-8 (Nos. 333-95966, 333-106758, 333-87993, 333-214923 and 333-184117) of Acadia Realty Trust of our reports dated February 27, 2018, relating to the consolidated financial statements and financial statement schedules and the effectiveness of Acadia Realty Trust and subsidiaries' internal control over financial reporting, which appear in this Form 10-K.

/s/ BDO USA, LLP

New York, New York
February 27, 2018

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a - 14(a)

(SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002)

I, Kenneth F. Bernstein, certify that:

1. I have reviewed this Annual Report on Form 10-K of Acadia Realty Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kenneth F. Bernstein
Kenneth F. Bernstein
President and Chief Executive Officer
February 27, 2018

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a - 14(a)

(SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002)

I, John Gottfried, certify that:

1. I have reviewed this Annual Report on Form 10-K of Acadia Realty Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ John Gottfried
John Gottfried
Senior Vice President and
Chief Financial Officer
February 27, 2018

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350

(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Annual Report on Form 10-K of Acadia Realty Trust (the "Company") for the year ended December 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenneth F. Bernstein, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Kenneth F. Bernstein
Kenneth F. Bernstein
President and Chief Executive Officer
February 27, 2018

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350

(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Annual Report on Form 10-K of Acadia Realty Trust (the "Company") for the year ended December 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Gottfried, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ John Gottfried
John Gottfried
Senior Vice President and
Chief Financial Officer
February 27, 2018