CBL & ASSOCIATES PROPERTIES INC
Form 10-K
March 03, 2014

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

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

Or

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 NO. 1-12494 (CBL & ASSOCIATES PROPERTIES, INC.)
COMMISSION FILE NO. 333-182515-01 (CBL & ASSOCIATES LIMITED PARTNERSHIP)
____

CBL & ASSOCIATES PROPERTIES, INC.
CBL & ASSOCIATES LIMITED PARTNERSHIP
(Exact Name of Registrant as Specified in Its Charter)

Delaware (CBL & Associates Properties, Inc.) Delaware (CBL & Associates Limited Partnership) (State or other jurisdiction of incorporation or organization)	62-1545718 62-1542285 (I.R.S. Employer Identification No.)
2030 Hamilton Place Blvd., Suite 500 Chattanooga, TN (Address of principal executive offices)	37421 (Zip Code)

Registrant's telephone number, including area code: 423.855.0001
Securities registered pursuant to Section 12(b) of the Act:
CBL & Associates Properties, Inc.:

Title of each Class	Name of each exchange on which registered
Common Stock, $0.01 par value	New York Stock Exchange
7.375% Series D Cumulative Redeemable Preferred Stock, $0.01 par value	New York Stock Exchange
6.625% Series E Cumulative Redeemable Preferred Stock, $0.01 par value	New York Stock Exchange

CBL & Associates Limited Partnership: None

Securities registered pursuant to Section 12(g) of the Act:
CBL & Associates Properties, Inc.: None
CBL & Associates Limited Partnership: None

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

CBL & Associates Properties, Inc.	Yes x	No o
CBL & Associates Limited Partnership	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 Act.

CBL & Associates Properties, Inc.	Yes o	No x
CBL & Associates Limited Partnership	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.

CBL & Associates Properties, Inc.	Yes x	No o
CBL & Associates Limited Partnership	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).

CBL & Associates Properties, Inc.	Yes x	No o
CBL & Associates Limited Partnership	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, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

CBL & Associates Properties, Inc.

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

CBL & Associates Limited Partnership

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

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

CBL & Associates Properties, Inc.	Yes o	No x
CBL & Associates Limited Partnership	Yes o	No x

The aggregate market value of the 169,529,371 shares of CBL & Associates Properties, Inc.'s common stock held by non-affiliates of the registrant as of June 30, 2013 was $3,567,059,127, based on the closing price of $21.42 per share on the New York Stock Exchange on June 28, 2013. (For this computation, the registrant has excluded the market value of all shares of its common stock reported as beneficially owned by executive officers and directors of the registrant; such exclusion shall not be deemed to constitute an admission that any such person is an "affiliate" of the registrant.)

As of February 24, 2014, 170,266,519 shares of common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of CBL & Associates Properties, Inc.'s Proxy Statement for the 2014 Annual Meeting of Stockholders are incorporated by reference in Part III.

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2013 of CBL & Associates Properties, Inc. and CBL & Associates Limited Partnership. Unless stated otherwise or the context otherwise requires, references to the "Company" mean CBL & Associates Properties, Inc. and its subsidiaries. References to the "Operating Partnership" mean CBL & Associates Limited Partnership and its subsidiaries. The terms "we," "us" and "our" refer to the Company or the Company and the Operating Partnership collectively, as the context requires.

The Company is a real estate investment trust ("REIT") whose stock is traded on the New York Stock Exchange. The Company is the 100% owner of two qualified REIT subsidiaries, CBL Holdings I, Inc. and CBL Holdings II, Inc. At December 31, 2013, CBL Holdings I, Inc., the sole general partner of the Operating Partnership, owned a 1.0% general partner interest in the Operating Partnership and CBL Holdings II, Inc. owned an 84.2% limited partner interest for a combined interest held by the Company of 85.2%.

As the sole general partner of the Operating Partnership, the Company's subsidiary, CBL Holdings I, Inc., has exclusive control of the Operating Partnership's activities. Management operates the Company and the Operating Partnership as one business. The management of the Company consists of the same individuals that manage the Operating Partnership. The Company's only material asset is its indirect ownership of partnership interests of the Operating Partnership. As a result, the Company conducts substantially all its business through the Operating Partnership as described in the preceding paragraph. The Company also issues public equity from time to time and guarantees certain debt of the Operating Partnership. The Operating Partnership holds all of the assets and indebtedness of the Company and, through affiliates, retains the ownership interests in the Company's joint ventures. Except for the net proceeds of offerings of equity by the Company, which are contributed to the Operating Partnership in exchange for partnership units on a one-for-one basis, the Operating Partnership generates all remaining capital required by the Company's business through its operations and its incurrence of indebtedness.

We believe that combining the two annual reports on Form 10-K for the Company and the Operating Partnership provides the following benefits:

- enhances investors' understanding of the Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner that management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation, since a substantial portion of the disclosure applies to both the Company and the Operating Partnership; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

To help investors understand the differences between the Company and the Operating Partnership, this report provides separate consolidated financial statements for the Company and the Operating Partnership. Noncontrolling interests, shareholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership. A single set of notes to consolidated financial statements is presented that includes separate discussions for the Company and the Operating Partnership, when applicable. A combined Management's Discussion and Analysis of Financial Condition and Results of Operations section is also included that presents combined information and discrete information related to each entity, as applicable.

In order to highlight the differences between the Company and the Operating Partnership, this report includes the following sections that provide separate financial information for the Company and the Operating Partnership:

- consolidated financial statements;
- certain accompanying notes to consolidated financial statements, including Note 2- Summary of Significant Accounting Policies, Note 6 - Mortgage and Other Indebtedness, Note 7 - Shareholders' Equity and Partners' Capital and Note 8 - Redeemable Interests and Noncontrolling Interests;
- selected financial data in Item 6 of this report;
- controls and procedures in Item 9A of this report; and
- certifications of the Chief Executive Officer and Chief Financial Officer included as Exhibits 31.1 through 32.4.

TABLE OF CONTENTS

Cautionary Statement Regarding Forward-Looking Statements

Certain statements included or incorporated by reference in this Annual Report on Form 10-K may be deemed "forward looking statements" within the meaning of the federal securities laws. All statements other than statements of historical fact should be considered to be forward-looking statements. In many cases, these forward looking statements may be identified by the use of words such as "will," "may," "should," "could," "believes," "expects," "anticipates," "estimates," "inte "projects," "goals," "objectives," "targets," "predicts," "plans," "seeks," or similar expressions. Any forward-looking statemer speaks only as of the date on which it is made and is qualified in its entirety by reference to the factors discussed throughout this report.

Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of future performance or results and we can give no assurance that these expectations will be attained. It is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of known and unknown risks and uncertainties. In addition to the risk factors discussed in Part I, Item 1A of this report, such known risks and uncertainties include, without limitation:

- general industry, economic and business conditions;
- interest rate fluctuations;
- costs and availability of capital and capital requirements;
- costs and availability of real estate;
- inability to consummate acquisition opportunities and other risks associated with acquisitions;
- competition from other companies and retail formats;
- changes in retail demand and rental rates in our markets;
- shifts in customer demands;
- tenant bankruptcies or store closings;
- changes in vacancy rates at our Properties;
- changes in operating expenses;
- changes in applicable laws, rules and regulations;
- sales of real property;
- changes in our credit ratings; and
- the ability to obtain suitable equity and/or debt financing and the continued availability of financing in the amounts and on the terms necessary to support our future refinancing requirements and business.

This list of risks and uncertainties is only a summary and is not intended to be exhaustive. We disclaim any obligation to update or revise any forward-looking statements to reflect actual results or changes in the factors affecting the forward-looking information.

PART I

ITEM 1. BUSINESS

Background

CBL & Associates Properties, Inc. ("CBL") was organized on July 13, 1993, as a Delaware corporation, to acquire substantially all of the real estate properties owned by CBL & Associates, Inc., which was formed by Charles B. Lebovitz in 1978, and by certain of its related parties. On November 3, 1993, CBL completed an initial public offering (the "Offering"). Simultaneous with the completion of the Offering, CBL & Associates, Inc., its shareholders and affiliates and certain senior officers of the Company (collectively, "CBL's Predecessor") transferred substantially all of their interests in its real estate properties to CBL & Associates Limited Partnership (the "Operating Partnership") in exchange for common units of limited partner interest in the Operating Partnership. The interests in the Operating Partnership contain certain conversion rights that are more fully described in Note 7 to the consolidated financial statements. The terms "we," "us" and "our" refer to the Company or the Company and the Operating Partnership collectively, as the context requires.

The Company’s Business

We are a self-managed, self-administered, fully integrated REIT. We own, develop, acquire, lease, manage, and operate regional shopping malls, open-air centers, associated centers, community centers and office properties. Our Properties are located in 27 states, but are primarily in the southeastern and midwestern United States. We have elected to be taxed as a REIT for federal income tax purposes.

We conduct substantially all of our business through the Operating Partnership. We are the 100% owner of two qualified REIT subsidiaries, CBL Holdings I, Inc. and CBL Holdings II, Inc. CBL Holdings I, Inc. is the sole general partner of the Operating Partnership. At December 31, 2013, CBL Holdings I, Inc. owned a 1.0% general partner interest and CBL Holdings II, Inc. owned a 84.2% limited partner interest in the Operating Partnership, for a combined interest held by us of 85.2%.

As of December 31, 2013, we owned:

controlling interests in 75 regional malls/open-air and outlet centers (including one mixed-use center) and noncontrolling interests in 9 regional malls/open-air centers (the “Malls”), controlling interests in 25 associated centers and noncontrolling interests in 4 associated centers (the “Associated Centers”), controlling interests in 7 community centers and noncontrolling interests in 4 community centers (the “Community Centers”), and controlling interests in 8 office buildings which include our corporate office building, and noncontrolling interests in 5 office buildings (the “Office Buildings”);

controlling interests in two mall redevelopments and one outlet center, owned in a 65%/35% joint venture, and a noncontrolling interest in one community center development under construction at December 31, 2013 (the "Construction Properties"), as well as options to acquire certain shopping center development sites owned by third parties; and

mortgages on five Properties, each of which is collateralized by either a first mortgage, a second mortgage or by assignment of 100% of the ownership interests in the underlying real estate and related improvements (the “Mortgages”).

The Malls, Associated Centers, Community Centers, Office Buildings, Construction Properties and Mortgages are collectively referred to as the “Properties” and individually as a “Property.”

We conduct our property management and development activities through CBL & Associates Management, Inc. (the “Management Company”) to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). The Operating Partnership owns 100% of the Management Company’s outstanding preferred stock and common stock.

The Management Company manages all but seven of the Properties. Governor’s Square and Governor’s Plaza in Clarksville, TN and Kentucky Oaks Mall in Paducah, KY are all owned by unconsolidated joint ventures and are managed by a property manager that is affiliated with the third party managing general partner, which receives a fee for its services. The managing general partner of each of these Properties controls the cash flow distributions, although our approval is required for certain major decisions. The Outlet Shoppes at Oklahoma City in Oklahoma City, OK, The Outlet Shoppes at Gettysburg in Gettysburg, PA, The Outlet Shoppes at El Paso in El Paso, TX and The Outlet Shoppes at Atlanta in Woodstock, GA are owned by consolidated joint ventures and managed by a property manager that is affiliated with the third party partner, which receives a fee for its services.

Revenues are primarily derived from leases with retail tenants and generally include fixed minimum rents, percentage rents based on tenants’ sales volumes and reimbursements from tenants for expenditures related to real estate taxes, insurance, common area maintenance and other recoverable operating expenses, as well as certain capital expenditures. We also generate revenues from management, leasing and development fees, advertising, sponsorships, sales of peripheral land at the Properties and from sales of operating real estate assets when it is determined that we can realize an appropriate value for the assets. Proceeds from such sales are generally used to retire related indebtedness or reduce outstanding balances on our credit facilities.

The following terms used in this Annual Report on Form 10-K will have the meanings described below:

GLA – refers to gross leasable area of retail space in square feet, including anchors and mall tenants.

Anchor – refers to a department store, other large retail store or theater greater than or equal to 50,000 square feet.

Junior Anchor - non-traditional department store, retail store or theater comprising more than 20,000 square feet and less than 50,000 square feet.

Freestanding – property locations that are not attached to the primary complex of buildings that comprise the mall shopping center.

Outparcel – land used for freestanding developments, such as retail stores, banks and restaurants, which are generally on the periphery of the Properties.

Significant Markets and Tenants

Top Five Markets

Our top five markets, based on percentage of total revenues, were as follows for the year ended December 31, 2013:

Market	Percentage of Total Revenues
St. Louis, MO	8.1%
Chattanooga, TN	3.8%
Madison, WI	3.4%
Lexington, KY	2.8%
Winston-Salem, NC	2.6%

Top 25 Tenants

Our top 25 tenants based on percentage of total revenues were as follows for the year ended December 31, 2013:

Tenant	Number of Stores	Square Feet	Percentage of Total Revenues
Limited Brands, LLC (1)	162	835,292	3.38%
Foot Locker, Inc.	148	609,465	2.43%
AE Outfitters Retail Company	85	509,051	2.19%
Ascena Retail Group, Inc. (2)	180	900,378	2.17%
The Gap, Inc.	73	809,662	1.76%
Signet Jewelers Limited (3)	107	202,115	1.66%
Genesco Inc. (4)	196	305,028	1.64%
Dick's Sporting Goods, Inc. (5)	25	1,394,109	1.52%
JC Penney Company, Inc. (6)	71	8,168,179	1.52%
Abercrombie & Fitch, Co.	63	425,775	1.40%
Aeropostale, Inc.	96	349,905	1.37%
Luxottica Group, S.P.A. (7)	126	275,475	1.34%
Zale Corporation	122	127,966	1.26%
Express Fashions	46	376,921	1.25%
Finish Line, Inc.	64	335,672	1.23%
Charlotte Russe Holding, Inc.	53	356,363	1.18%
Forever 21 Retail, Inc.	23	421,545	1.04%
New York & Company, Inc.	44	304,084	1.03%
Best Buy Co., Inc. (8)	63	519,556	1.01%
The Buckle, Inc.	50	254,020	1.01%
The Children's Place Retail Stores, Inc.	62	271,634	0.86%
Sun Capital Partners, Inc. (9)	44	620,726	0.86%
Claire's Stores, Inc.	115	140,552	0.85%
Barnes & Noble Inc.	19	579,099	0.79%
Shoe Show, Inc.	49	557,684	0.77%
	2,086	19,650,256	35.52%

(1) Limited Brands, LLC operates Victoria's Secret and Bath & Body Works.

(2) Ascena Retail Group, Inc. operates Justice, Dressbarn, Maurices, Lane Bryant, Catherines and Fashion Bug.

(3) Signet Jewelers Limited operates Kay Jewelers, Marks & Morgan, JB Robinson, Shaw's Jewelers, Osterman's Jewelers, LeRoy's Jewelers, Jared Jewelers, Belden Jewelers and Rogers Jewelers.

(4) Genesco Inc. operates Journey's, Jarman, Underground Station, Hat World, Lids, Hat Zone, and Cap Factory stores.
(5) Dick's Sporting Goods, Inc. operates Dick's Sporting Goods, Field & Stream and Golf Galaxy Stores.
(6) JC Penney Company, Inc. owns 33 of these stores. In January 2014, JC Penney Company, Inc. announced plans to close three leased stores and one owned store in 2014.
(7) Luxottica Group, S.P.A. operates Lenscrafters, Sunglass Hut, and Pearle Vision.
(8) Best Buy Co., Inc. operates Best Buy and Best Buy Mobile.
(9) Sun Capital Partners, Inc. operates Gordmans, Limited Stores, Fazoli's Restaurants, Smokey Bones, and Bar Louie Restaurants.

Growth Strategy

Our objective is to achieve growth in funds from operations (see page 78 for a discussion of funds from operations) by maximizing cash flows through a variety of methods as further discussed below.

Leasing, Management and Marketing

Our objective is to maximize cash flows from our existing Properties through:
- aggressive leasing that seeks to increase occupancy and facilitate an optimal merchandise mix,
- originating and renewing leases at higher gross rents per square foot compared to the previous lease,
- merchandising, marketing, sponsorship and promotional activities and
- actively controlling operating costs and resulting tenant occupancy costs.

Redevelopments

Redevelopments represent situations where we capitalize on opportunities to add incremental square footage or increase the productivity of previously occupied space through aesthetic upgrades, retenanting and/or changing the retail use of the space. Many times, redevelopments result from acquiring possession of anchor space and subdividing it into multiple spaces. The following presents the redevelopments we completed during 2013 and those under construction at December 31, 2013 (dollars in thousands):

Property	Location	Total Project Square Feet	Total Cost (1)	Cost to Date (2)	Actual/ Expected Opening Date	Initial Unleveraged Yield
Completed in 2013:						
Monroeville Mall - JC Penney/Cinemark (3)	Pittsburgh, PA	78,223	$26,178	$22,592	October-12/ November-13	7.6%
Northgate Mall - The Shoppes at Northgate	Chattanooga, TN	75,018	6,105	5,748	September-13	9.2%
Southpark Mall - Dick's Sporting Goods	Colonial Heights, VA	85,322	9,379	7,922	July-13	7.4%
		238,563	$41,662	$36,262		
Currently under construction:						
College Square - Longhorn Steakhouse & T.J. Maxx	Morristown, TN	30,271	$3,229	$2,134	Spring-14	10.0%
Northgate Mall - Burlington	Chattanooga, TN	78,021	7,826	374	Fall-14	7.2%
		108,292	$11,055	$2,508		

(1) Total cost is presented net of reimbursements to be received.
(2) Cost to date does not reflect reimbursements until they are received.
(3) JC Penney opened in October 2012 and Cinemark opened in JC Penney's former space in November 2013.

Our total cost of the redevelopment projects completed in 2013 was $36.3 million. Our total investment upon completion of redevelopment projects that are under construction as of December 31, 2013 is projected to be $11.1 million.

Renovations

Renovations usually include remodeling and upgrading existing facades, uniform signage, new entrances and floor coverings, updating interior décor, resurfacing parking lots and improving the lighting of interiors and parking lots. Renovations can result in attracting new retailers, increased rental rates, sales and occupancy levels and maintaining the Property's market dominance. Our 2013 renovation program included upgrades at five of our malls including

Friendly Center in Greensboro, NC; Greenbrier Mall in Chesapeake, VA; Acadiana Mall in Lafayette, LA; Northgate Mall in Chattanooga, TN and Mid Rivers Mall in St. Peters, MO. Our 2014 renovation program includes upgrades at five of our malls. Renovations are scheduled to be completed in 2014 at Governor's Square in Clarksville, TN; Volusia Mall in Daytona Beach, FL; Richland Mall in Waco, TX; Janesville Mall in Janesville, WI and Old Hickory Mall in Jackson, TN. Renovation expenditures for 2013 and 2014 also include certain capital expenditures related to the parking decks at West County Center.

We invested $36.6 million in renovations in 2013. The total investment in the renovations that are scheduled for 2014 is projected to be $27.4 million.

Development of New Retail Properties and Expansions

In general, we seek development opportunities in middle-market trade areas that we believe are under-served by existing retail operations. These middle-markets must also have sufficient demographics to provide the opportunity to effectively maintain a competitive position. The following presents the new developments we opened during 2013 and those under construction at December 31, 2013 (dollars in thousands):

Property	Location	Total Project Square Feet	Total Cost (1)	Cost to Date (2)	Actual/ Expected Opening Date	Initial Unleveraged Yield
Completed in 2013:						
The Crossings at Marshalls Creek	Middle Smithfield, PA	104,525	$18,983	$21,807	June-13	9.8%
The Outlet Shoppes at Atlanta (3)	Woodstock, GA	370,456	80,490	71,398	July-13	11.7%
		474,981	$99,473	$93,205		
Currently under construction:						
Fremaux Town Center - Phase I (4)	Slidell, LA	333,636	$52,269	$43,830	March-14	8.5%
The Outlet Shoppes at Louisville (4)	Simpsonville, KY	374,724	80,472	41,033	August-14	10.2%
		708,360	$132,741	$84,863		

(1) Total cost is presented net of reimbursements to be received.

(2) Cost to date does not reflect reimbursements until they are received.

(3) This Property is a 75/25 joint venture. Total cost and cost to date are reflected at 100%.

(4) These Properties are 65/35 joint ventures. Total cost and cost to date are reflected at 100%.

We can also generate additional revenues by expanding a Property through the addition of department stores, mall stores and large retail formats. An expansion also protects the Property's competitive position within its market. The following presents the expansions that were completed during 2013 (dollars in thousands):

Property	Location	Total Project Square Feet	Total Cost (1)	Cost to Date (2)	Opening Date	Initial Unleveraged Yield
Completed in 2013:						
Cross Creek Mall - The District	Fayetteville, NC	45,620	$15,831	$10,851	November-13	9.8%
The Shoppes at Southaven Towne Center - Phase II	Southaven, MS	22,925	3,968	3,372	November-13	12.2%
South County Center - Dick's Sporting Goods	St. Louis, MO	50,000	8,051	6,365	November-13	9.5%
Volusia Mall - Restaurant District	Daytona Beach, FL	27,500	7,114	5,805	November-13	10.4%
West Towne Mall - ULTA & Lane Bryant	Madison, WI	22,500	5,454	4,002	September-13	11.8%
		168,545	$40,418	$30,395		

(1) Total cost is presented net of reimbursements to be received.
(2) Cost to date does not reflect reimbursements until they are received.

The total cost of the new Properties and expansions that opened in 2013 was $139.9 million, our share of which is $119.8 million. The cost of the new Properties under construction as of December 31, 2013 is projected to be $132.7 million, our share of which is $86.3 million.

Shadow Development Pipeline

Our shadow pipeline consists of projects for Properties on which we have completed initial project analysis and design but which have not commenced construction as of December 31, 2013. The following presents our shadow development pipeline at December 31, 2013 (dollars in thousands):

Property	Location	Total Project Square Feet	Estimated Total Cost (1)	Expected Opening Date	Initial Unleveraged Yield
Outlet Centers:					
The Outlet Shoppes at El Paso - Phase II (2)	El Paso, TX	45,000	$7,000 - $8,000	2014	10% - 12%
The Outlet Shoppes at Oklahoma City - Phase III (2)	Oklahoma City, OK	35,000	$5,000 - $5,800	2014	9% - 12%
		80,000	$12,000 - $13,800		
Community Center:					
Fremaux Town Center - Phase II (3)	Slidell, LA	265,000	$30,000 - $40,000	2015	9% - 10%
Associated Center:					
West Towne Crossing - Nordstrom Rack	Madison, WI	30,750	$5,000 - $6,000	Fall 2014	9% - 10%
Mall Redevelopment:					
CoolSprings Galleria - Sears Redevelopment	Nashville, TN	160,000	$50,000 - $60,000	2015/2016	7%
Fayette Mall - Sears Redevelopment	Lexington, KY	115,000	$65,000 - $75,000	2015	7%
Monroeville Mall - Dick's Sporting Goods	Pittsburgh, PA	85,000	$9,000 - $9,500	2014	8% - 9%
		360,000	$124,000 - $144,500		
		735,750	$171,000 - $204,300		

(1)Total cost is presented net of reimbursements to be received.
(2)These Properties are 75/25 joint ventures. Total cost and cost to date are reflected at 100%.
(3)This Property is a 65/35 joint venture. Total cost and cost to date are reflected at 100%.

Acquisitions

We believe there is opportunity for growth through acquisitions of regional malls and other associated properties that complement our portfolio. We selectively acquire properties we believe can appreciate in value through our development, leasing and management expertise.

Environmental Matters

A discussion of the current effects and potential future impacts on our business and Properties of compliance with federal, state and local environmental regulations is presented in Item 1A of this Annual Report on Form 10-K under the subheading "Risks Related to Real Estate Investments."

Competition

The Properties compete with various shopping facilities in attracting retailers to lease space. In addition, retailers at our Properties face competition from discount shopping centers, outlet centers, wholesale clubs, direct mail, television shopping networks, the internet and other retail shopping developments. The extent of the retail competition varies from market to market. We work aggressively to attract customers through marketing promotions and campaigns.

Many of our retailers have adopted an omni-channel approach which leverages sales through both on-line and in-store retailing channels.

Seasonality

The shopping center business is, to some extent, seasonal in nature with tenants typically achieving the highest levels of sales during the fourth quarter due to the holiday season, which generally results in higher percentage rent income in the fourth quarter. Additionally, the Malls earn most of their "temporary" rents (rents from short-term tenants) during the holiday period. Thus, occupancy levels and revenue production are generally the highest in the fourth quarter of each year. Results of operations realized in any one quarter may not be indicative of the results likely to be experienced over the course of our fiscal year.

Recent Developments

Impairment Losses

During the year ended December 31, 2013, we recorded a loss on impairment totaling $75.2 million. Of this total, $5.2 million is attributable to a portfolio sale of six Properties which were sold in 2013 and included in discontinued operations, $67.7 million is attributable to two existing Properties, $1.8 million relates to the sale of an outparcel and $0.5 million represents the write-down of the depreciated book value of the corporate airplane owned by the Management Company to its fair value at its trade-in date.

Acquisition

In the second quarter of 2013, we acquired the remaining 51.0% interest in Kirkwood Mall in Bismarck, ND for $61.1 million, including the assumption of $20.6 million in debt.

Dispositions

We sold three malls, three associated centers and five office buildings in 2013 for an aggregate gross sales price of $220.4 million, less commissions and closing costs generating an aggregate $215.5 million of net proceeds. Additionally, we sold a parcel of land, which a third party development company had been ground leasing, for $22.4 million, which consisted of $15.0 million in cash and a promissory note of $7.4 million.

Financing and Capital Markets Activity

2013 was a transformational year as we achieved many of our financing objectives and long-term goals ahead of schedule. Highlights of financing and capital markets activity for the year ended December 31, 2013 include the following:

- Received investment grade ratings from Moody's Investors Service ("Moody's") and Fitch Ratings ("Fitch");
- Added the Operating Partnership as a public registrant and completed a $450.0 million 5.250% senior unsecured notes offering due in 2023 (the "Notes");
- Initiated a $300.0 million at-the-market ("ATM") equity program which, through the issuance of 8.4 million shares of common stock, generated $209.6 million in net proceeds;
- Redeemed all outstanding perpetual preferred joint venture units ("PJV units") of our joint venture, CW Joint Venture, LLC ("CWJV") with Westfield Group ("Westfield"), which were originally issued in 2007 in conjunction with the acquisition of four malls, for $413.0 million;
- Converted our third credit facility from secured to unsecured with a capacity of $100.0 million;
- Closed on two unsecured term loans totaling $450.0 million and retired a $228.0 million unsecured term loan;
- Completed financing of $416.6 million on new and extended loans on eight Properties owned in joint ventures and retired over $290.0 million in wholly-owned property-specific loans; and
- Increased our quarterly dividend by 6.5% in the fourth quarter of 2013 to $0.245 per share from $0.23 per share.

Equity

Common Stock

Our authorized common stock consists of 350,000,000 shares at $0.01 par value per share. We had 170,048,144 and 161,309,652 shares of common stock issued and outstanding as of December 31, 2013 and 2012, respectively.

Preferred Stock

Our authorized preferred stock consists of 15,000,000 shares at $0.01 par value per share. A description of our cumulative redeemable preferred stock is listed below.

In October 2012, we completed an underwritten public offering of 6,900,000 depositary shares, each representing 1/10th of a share of our newly designated 6.625% Series E Cumulative Redeemable Preferred Stock (the "Series E Preferred Stock") at $25.00 per depositary share. We received net proceeds from the offering of approximately $166.6 million after deducting the underwriting discount and offering expenses. A portion of the net proceeds from this offering was used to redeem all our outstanding 7.75% Series C Cumulative Redeemable Preferred Stock (the "Series

C Shares") with a liquidation preference of

7

$115.0 million and $0.9 million related to accrued and unpaid dividends for an aggregate redemption amount of $115.9 million. The remaining net proceeds of $50.7 million were used to reduce outstanding balances on our credit facilities. We will pay cumulative dividends on the Series E Preferred Stock from the date of original issuance in the amount of $1.65625 per depositary share each year, which is equivalent to 6.625% of the $25.00 liquidation preference per depositary share. We may not redeem the Series E Preferred Stock before October 12, 2017, except in limited circumstances to preserve our REIT status or in connection with a change of control. On or after October 12, 2017, we may, at our option, redeem the Series E Preferred Stock in whole at any time or in part from time to time by paying $25.00 per depositary share, plus any accrued and unpaid dividends up to, but not including, the date of redemption. The Series E Preferred Stock generally has no stated maturity and will not be subject to any sinking fund or mandatory redemption. The Series E Preferred Stock is not convertible into any of our securities, except under certain circumstances in connection with a change of control. Owners of the depositary shares representing Series E Preferred Stock generally have no voting rights except under dividend default.
We had 18,150,000 depositary shares outstanding, each representing 1/10th of a share of our 7.375% Series D Cumulative Redeemable Preferred Stock (the "Series D Preferred Stock") with a par value of $0.01 per share, as of December 31, 2013 and 2012. The Series D Preferred Stock has a liquidation preference of $250.00 per share ($25.00 per depositary share). The dividends on the Series D Preferred Stock are cumulative, accrue from the date of issuance and are payable quarterly in arrears at a rate of $18.4375 per share ($1.84375 per depositary share) per annum. The Series D Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption, and is not convertible into any other securities. We may redeem shares, in whole or in part, at any time for a cash redemption price of $250.00 per share ($25.00 per depositary share) plus accrued and unpaid dividends.
On November 5, 2012, we redeemed all 460,000 Series C Shares and all outstanding depositary shares, each representing 1/10th of a Series C Share for $115.9 million. We recorded a charge to preferred dividends of $3.8 million upon redemption to write off the unamortized portion of direct issuance costs related to the Series C Shares and underlying depositary shares.

Financial Information About Segments

See Note 11 to the consolidated financial statements for information about our reportable segments.

Employees

CBL does not have any employees other than its statutory officers. Our Management Company currently has 663 full-time and 198 part-time employees. None of our employees are represented by a union.

Corporate Offices

Our principal executive offices are located at CBL Center, 2030 Hamilton Place Boulevard, Suite 500, Chattanooga, Tennessee, 37421 and our telephone number is (423) 855-0001.

Available Information

There is additional information about us on our web site at cblproperties.com. Electronic copies of our Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to those reports, are available free of charge by visiting the “investor relations” section of our web site. These reports are posted as soon as reasonably practical after they are electronically filed with, or furnished to, the Securities and Exchange Commission. The information on the web site is not, and should not be considered, a part of this Form 10-K.

ITEM 1A. RISK FACTORS

Set forth below are certain factors that may adversely affect our business, financial condition, results of operations and cash flows. Any one or more of the following factors may cause our actual results for various financial reporting periods to differ materially from those expressed in any forward-looking statements made by us, or on our behalf. See "Cautionary Statement Regarding Forward-Looking Statements" contained herein on page 1.

RISKS RELATED TO REAL ESTATE INVESTMENTS

Real property investments are subject to various risks, many of which are beyond our control, that could cause declines in the operating revenues and/or the underlying value of one or more of our Properties.

A number of factors may decrease the income generated by a retail shopping center property, including:

- national, regional and local economic climates, which may be negatively impacted by loss of jobs, production slowdowns, adverse weather conditions, natural disasters, acts of violence, war or terrorism, declines in residential real estate activity and other factors which tend to reduce consumer spending on retail goods;
- adverse changes in levels of consumer spending, consumer confidence and seasonal spending (especially during the holiday season when many retailers generate a disproportionate amount of their annual profits);
- local real estate conditions, such as an oversupply of, or reduction in demand for, retail space or retail goods, and the availability and creditworthiness of current and prospective tenants;
- increased operating costs, such as increases in repairs and maintenance, real property taxes, utility rates and insurance premiums;
- delays or cost increases associated with the opening of new or renovated properties, due to higher than estimated construction costs, cost overruns, delays in receiving zoning, occupancy or other governmental approvals, lack of availability of materials and labor, weather conditions, and similar factors which may be outside our ability to control;
- perceptions by retailers or shoppers of the safety, convenience and attractiveness of the shopping center;
- the willingness and ability of the shopping center's owner to provide capable management and maintenance services; and
- the convenience and quality of competing retail properties and other retailing options, such as the internet.

In addition, other factors may adversely affect the value of our Properties without affecting their current revenues, including:

- adverse changes in governmental regulations, such as local zoning and land use laws, environmental regulations or local tax structures that could inhibit our ability to proceed with development, expansion, or renovation activities that otherwise would be beneficial to our Properties;
- potential environmental or other legal liabilities that reduce the amount of funds available to us for investment in our Properties;
- any inability to obtain sufficient financing (including construction financing and permanent debt), or the inability to obtain such financing on commercially favorable terms, to fund repayment of maturing loans, new developments, acquisitions, and property expansions and renovations which otherwise would benefit our Properties; and
- an environment of rising interest rates, which could negatively impact both the value of commercial real estate such as retail shopping centers and the overall retail climate.

Illiquidity of real estate investments could significantly affect our ability to respond to adverse changes in the performance of our Properties and harm our financial condition.

Substantially all of our total consolidated assets consist of investments in real properties. Because real estate investments are relatively illiquid, our ability to quickly sell one or more Properties in our portfolio in response to changing economic, financial and investment conditions is limited. The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand for space, that are beyond our control. We cannot predict whether we will be able to sell any Property for the price or on the terms we set, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a Property. In addition, current economic and capital market conditions might make it more difficult for us to sell Properties or might adversely affect the price we receive for Properties that we do sell, as prospective buyers might experience increased costs of debt financing or other difficulties in obtaining debt financing. Moreover, there are some limitations under federal income tax laws applicable to REITs that limit our ability to sell assets. In addition, because our Properties are generally mortgaged to secure our debts, we may not be able to obtain a release of a lien on a mortgaged Property without the payment of the associated debt and/or a substantial prepayment penalty, which restricts our ability to dispose of a Property, even though the sale might otherwise be desirable. Furthermore, the number of prospective buyers interested in purchasing shopping centers is limited. Therefore, if we want to sell one or more of our Properties, we may not be able to dispose of it in the desired time period and may receive less consideration than we originally invested in the Property.

Before a Property can be sold, we may be required to make expenditures to correct defects or to make improvements. We cannot assure you that we will have funds available to correct those defects or to make those improvements, and if we cannot do so, we might not be able to sell the Property, or might be required to sell the Property on unfavorable terms. In acquiring a property, we might agree to provisions that materially restrict us from selling that property for a period of time or impose other restrictions, such as limitations on the amount of debt that can be placed or repaid on that property. These factors and any others that would impede our ability to respond to adverse changes in the performance of our Properties could adversely affect our financial condition and results of operations.

We may elect not to proceed with certain development or expansion projects once they have been undertaken, resulting in charges that could have a material adverse effect on our results of operations for the period in which the charge is taken.

We intend to pursue development and expansion activities as opportunities arise. In connection with any development or expansion, we will incur various risks, including the risk that development or expansion opportunities explored by us may be abandoned for various reasons including, but not limited to, credit disruptions that require the Company to conserve its cash until the capital markets stabilize or alternative credit or funding arrangements can be made. Developments or expansions also include the risk that construction costs of a project may exceed original estimates, possibly making the project unprofitable. Other risks include the risk that we may not be able to refinance construction loans which are generally with full recourse to us, the risk that occupancy rates and rents at a completed project will not meet projections and will be insufficient to make the project profitable, and the risk that we will not be able to obtain anchor, mortgage lender and property partner approvals for certain expansion activities.

When we elect not to proceed with a development opportunity, the development costs ordinarily are charged against income for the then-current period. Any such charge could have a material adverse effect on our results of operations for the period in which the charge is taken.

Certain of our Properties are subject to ownership interests held by third parties, whose interests may conflict with ours and thereby constrain us from taking actions concerning these Properties which otherwise would be in the best interests of the Company and our stockholders.

We own partial interests in 16 malls, 8 associated centers, 7 community centers and 8 office buildings. Governor’s Square and Governor’s Plaza in Clarksville, TN and Kentucky Oaks Mall in Paducah, KY are all owned by unconsolidated joint ventures and are managed by a property manager that is affiliated with the third party managing general partner, which receives a fee for its services. The managing general partner of each of these Properties controls the cash flow distributions, although our approval is required for certain major decisions. The Outlet Shoppes at Oklahoma City in Oklahoma City, OK, The Outlet Shoppes at Gettysburg in Gettysburg, PA, The Outlet Shoppes at El Paso in El Paso, TX and The Outlet Shoppes at Atlanta in Woodstock, GA are owned by consolidated joint ventures and managed by a property manager that is affiliated with the third party partner, which receives a fee for its services.

Where we serve as managing general partner (or equivalent) of the entities that own our Properties, we may have certain fiduciary responsibilities to the other owners of those entities. In certain cases, the approval or consent of the other owners is required before we may sell, finance, expand or make other significant changes in the operations of such Properties. To the extent such approvals or consents are required, we may experience difficulty in, or may be prevented from, implementing our plans with respect to expansion, development, financing or other similar transactions with respect to such Properties.

With respect to those Properties for which we do not serve as managing general partner (or equivalent), we do not have day-to-day operational control or control over certain major decisions, including leasing and the timing and amount of distributions, which could result in decisions by the managing entity that do not fully reflect our interests. This includes decisions relating to the requirements that we must satisfy in order to maintain our status as a REIT for tax purposes. However, decisions relating to sales, expansion and disposition of all or substantially all of the assets and financings are subject to approval by the Operating Partnership.

Bankruptcy of joint venture partners could impose delays and costs on us with respect to the jointly owned retail Properties.

In addition to the possible effects on our joint ventures of a bankruptcy filing by us, the bankruptcy of one of the other investors in any of our jointly owned shopping centers could materially and adversely affect the relevant Property or Properties. Under the bankruptcy laws, we would be precluded from taking some actions affecting the estate of the other investor without prior approval of the bankruptcy court, which would, in most cases, entail prior notice to other parties and a hearing in the bankruptcy court. At a minimum, the requirement to obtain court approval may delay the actions we would or might want to take. If the relevant joint venture through which we have invested in a Property has incurred recourse obligations, the discharge in bankruptcy of one of the other investors might result in our ultimate liability for a greater portion of those obligations than we would otherwise bear.

We may incur significant costs related to compliance with environmental laws, which could have a material adverse effect on our results of operations, cash flows and the funds available to us to pay dividends.

Under various federal, state and local laws, ordinances and regulations, a current or previous owner or operator of real estate may be liable for the costs of removal or remediation of petroleum, certain hazardous or toxic substances on, under or in such real estate. Such laws typically impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances. The costs of remediation or removal of such substances may be substantial. The presence of such substances, or the failure to promptly remove or remediate such substances, may adversely affect the owner's or operator's ability to lease or sell such real estate or to borrow using such real estate as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of such substances at the disposal or treatment facility, regardless of whether such facility is owned or operated by such person. Certain laws also impose requirements on conditions and activities that may affect the environment or the impact of the environment on human health. Failure to comply with such requirements could result in the imposition of monetary penalties (in addition to the costs to achieve compliance) and potential liabilities to third parties. Among other things, certain laws require abatement or removal of friable and certain non-friable asbestos-containing materials in the event of demolition or certain renovations or remodeling. Certain laws regarding asbestos-containing materials require building owners and lessees, among other things, to notify and train certain employees working in areas known or presumed to contain asbestos-containing materials. Certain laws also impose liability for release of asbestos-containing materials into the air and third parties may seek recovery from owners or operators of real properties for personal injury or property damage associated with asbestos-containing materials. In connection with the ownership and operation of properties, we may be potentially liable for all or a portion of such costs or claims.

All of our Properties (but not properties for which we hold an option to purchase but do not yet own) have been subject to Phase I environmental assessments or updates of existing Phase I environmental assessments. Such assessments generally consisted of a visual inspection of the Properties, review of federal and state environmental databases and certain information regarding historic uses of the Property and adjacent areas and the preparation and issuance of written reports. Some of the Properties contain, or contained, underground storage tanks used for storing petroleum products or wastes typically associated with automobile service or other operations conducted at the Properties. Certain Properties contain, or contained, dry-cleaning establishments utilizing solvents. Where believed to be warranted, samplings of building materials or subsurface investigations were undertaken. At certain Properties, where warranted by the conditions, we have developed and implemented an operations and maintenance program that establishes operating procedures with respect to asbestos-containing materials. The cost associated with the development and implementation of such programs was not material. We have also obtained environmental insurance coverage at certain of our Properties.

We believe that our Properties are in compliance in all material respects with all federal, state and local ordinances and regulations regarding the handling, discharge and emission of hazardous or toxic substances. As of December 31, 2013, we have recorded in our consolidated financial statements a liability of $2.9 million related to potential future asbestos abatement activities at our Properties which are not expected to have a material impact on our financial condition or results of operations. We have not been notified by any governmental authority, and are not otherwise aware, of any material noncompliance, liability or claim relating to hazardous or toxic substances in connection with any of our present or former Properties. Therefore, we have not recorded any liability related to hazardous or toxic substances. Nevertheless, it is possible that the environmental assessments available to us do not reveal all potential environmental liabilities. It is also possible that subsequent investigations will identify material contamination, that adverse environmental conditions have arisen subsequent to the performance of the environmental assessments, or that there are material environmental liabilities of which management is unaware. Moreover, no assurances can be given that (i) future laws, ordinances or regulations will not impose any material environmental liability or (ii) the current environmental condition of the Properties has not been or will not be affected by tenants and occupants of the Properties, by the condition of properties in the vicinity of the Properties or by third parties unrelated to us, the Operating Partnership or the relevant Property's partnership.

Possible terrorist activity or other acts of violence could adversely affect our financial condition and results of operations.

Future terrorist attacks in the United States, and other acts of violence, including terrorism or war, might result in declining consumer confidence and spending, which could harm the demand for goods and services offered by our tenants and the values of our Properties, and might adversely affect an investment in our securities. 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 and, to the extent our tenants are affected, could adversely affect their ability to continue to meet obligations under their existing leases. Terrorist activities also could directly affect the value of our Properties through damage, destruction or loss. Furthermore, terrorist acts might result in increased volatility in national and international financial markets, which could limit our access to capital or increase our cost of obtaining capital.

RISKS RELATED TO OUR BUSINESS AND THE MARKET FOR OUR STOCK

Declines in economic conditions, including increased volatility in the capital and credit markets, could adversely affect our business, results of operations and financial condition.

An economic recession can result in extreme volatility and disruption of our capital and credit markets. The resulting economic environment may be affected by dramatic declines in the stock and housing markets, increases in foreclosures, unemployment and costs of living, as well as limited access to credit. This economic situation can, and most often will, impact consumer spending levels, which can result in decreased revenues for our tenants and related decreases in the values of our Properties. A sustained economic downward trend could impact our tenants' ability to meet their lease obligations due to poor operating results, lack of liquidity, bankruptcy or other reasons. Our ability to lease space and negotiate rents at advantageous rates could also be affected in this type of economic environment. Additionally, access to capital and credit markets could be disrupted over an extended period, which may make it difficult to obtain the financing we may need for future growth and/or to meet our debt service obligations as they mature. Any of these events could harm our business, results of operations and financial condition.

The market price of our common stock or other securities may fluctuate significantly.

The market price of our common stock 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;
- changes in our credit ratings;
- 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 stock 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 stock 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.

Competition could adversely affect the revenues generated by our Properties, resulting in a reduction in funds available for distribution to our stockholders.

There are numerous shopping facilities that compete with our Properties in attracting retailers to lease space. In addition, retailers at our Properties face competition for customers from:

- discount shopping centers;
- outlet malls;
- wholesale clubs;
- direct mail;
- television shopping networks; and
- shopping via the internet.

Each of these competitive factors could adversely affect the amount of rents and tenant reimbursements that we are able to collect from our tenants, thereby reducing our revenues and the funds available for distribution to our stockholders.

We compete with many commercial developers, real estate companies and major retailers for prime development locations and for tenants. New regional malls or other retail shopping centers with more convenient locations or better rents may attract tenants or cause them to seek more favorable lease terms at, or prior to, renewal.

Increased operating expenses and decreased occupancy rates may not allow us to recover the majority of our common area maintenance (CAM) and other operating expenses from our tenants, which could adversely affect our financial position, results of operations and funds available for future distributions.

Energy costs, repairs, maintenance and capital improvements to common areas of our Properties, janitorial services, administrative, property and liability insurance costs and security costs are typically allocable to our Properties' tenants. Our lease agreements typically provide that the tenant is liable for a portion of the CAM and other operating expenses. While historically our lease agreements provided for variable CAM provisions, the majority of our current leases require an equal periodic tenant reimbursement amount for our cost recoveries which serves to fix our tenants' CAM contributions to us. In these cases, a tenant will pay a single specified rent amount, or a set expense reimbursement amount, subject to annual increases, regardless of the actual amount of operating expenses. The tenant's payment remains the same regardless of whether operating expenses increase or decrease, causing us to be responsible for any excess amounts or to benefit from any declines. As a result, the CAM and tenant reimbursements that we receive may or may not allow us to recover a substantial portion of these operating costs.

Additionally, in the event that our Properties are not fully occupied, we would be required to pay the portion of any operating, redevelopment or renovation expenses allocable to the vacant space(s) that would otherwise typically be paid by the residing tenant(s). Our cost recovery ratio was 97.9% for 2013.

The loss of one or more significant tenants, due to bankruptcies or as a result of consolidations in the retail industry, could adversely affect both the operating revenues and value of our Properties.

Regional malls are typically anchored by well-known department stores and other significant tenants who generate shopping traffic at the mall. A decision by an anchor tenant or other significant tenant to cease operations at one or more Properties could have a material adverse effect on those Properties and, by extension, on our financial condition and results of operations. The closing of an anchor or other significant tenant may allow other anchors and/or tenants at an affected Property to terminate their leases, to seek rent relief and/or cease operating their stores or otherwise adversely affect occupancy at the Property. In addition, key tenants at one or more Properties might terminate their leases as a result of mergers, acquisitions, consolidations, dispositions or bankruptcies in the retail industry. The bankruptcy and/or closure of one or more significant tenants, if we are not able to successfully re-tenant the affected space, could have a material adverse effect on both the operating revenues and underlying value of the Properties involved, reducing the likelihood that we would be able to sell the Properties if we decided to do so, or we may be required to incur redevelopment costs in order to successfully obtain new anchors or other significant tenants when such vacancies exist.

Our Properties may be subject to impairment charges which can adversely affect our financial results.

We periodically evaluate long-lived assets to determine if there has been any impairment in their carrying values and record impairment losses if the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts or if there are other indicators of impairment. If it is determined that an impairment has occurred, the amount of the impairment charge is equal to the excess of the asset's carrying value over its estimated fair value, which could have a material adverse effect on our financial results in the accounting period in which the adjustment is made. Our estimates of undiscounted cash flows expected to be generated by each Property are based on a number of assumptions such as leasing expectations, operating budgets, estimated useful lives, future maintenance expenditures, intent to hold for use and capitalization rates. These assumptions are subject to economic and market uncertainties including, but not limited to, demand for space, competition for tenants, changes in market rental rates and costs to operate each Property. As these factors are difficult to predict and are subject to future events that may alter our assumptions, the future cash flows estimated in our impairment analyses may not be achieved. For the year ended December 31, 2013, we recorded a loss on impairment of real estate totaling $75.2 million. As described in Note 3 to the consolidated financial statements, we recognized a total of $5.2 million in impairment of real estate, which is included in discontinued operations in our consolidated statements of operations, related to six Properties that were sold in 2013. Additionally for the year ended December 31, 2013, as described in Note 15 to the consolidated financial statements, we recorded a loss on impairment of real estate of $67.7 million for two of our Properties, $1.8 million related to the sale of an outparcel and $0.5 million represents the write-down of the depreciated book value of the corporate airplane owned by the Management Company to its fair value at its trade-in date.

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

Increased inflation could have a 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, which could be lower than the increase in inflation at any given time. Inflation could also have an adverse effect on consumer spending which could impact our tenants' sales and, in turn, our percentage rents, where applicable.

Deflation can result in a decline in general price levels, often caused by a decrease in the supply of money or credit. The predominant effects of deflation are high unemployment, credit contraction and weakened consumer demand. Restricted lending practices could impact our ability to obtain financings or refinancings for our Properties and our tenants' ability to obtain credit. Decreases in consumer demand can have a direct impact on our tenants and the rents we receive.

Certain agreements with prior owners of Properties that we have acquired may inhibit our ability to enter into future sale or refinancing transactions affecting such Properties, which otherwise would be in the best interests of the Company and our stockholders.

Certain Properties that we originally acquired from third parties had unrealized gain attributable to the difference between the fair market value of such Properties and the third parties' adjusted tax basis in the Properties immediately prior to their contribution of such Properties to the Operating Partnership pursuant to our acquisition. For this reason, a taxable sale by us of any of such Properties, or a significant reduction in the debt encumbering such Properties, could result in adverse tax consequences to the third parties who contributed these Properties in exchange for interests in the Operating Partnership. Under the terms of these transactions, we have generally agreed that we either will not sell or refinance such an acquired Property for a number of years in any transaction that would trigger adverse tax consequences for the parties from whom we acquired such Property, or else we will reimburse such parties for all or a portion of the additional taxes they are required to pay as a result of the transaction. Accordingly, these agreements may cause us not to engage in future sale or refinancing transactions affecting such Properties which otherwise would be in the best interests of the Company and our stockholders, or may increase the costs to us of engaging in such transactions.

Uninsured losses could adversely affect our financial condition, and in the future our insurance may not include coverage for acts of terrorism.

We carry a comprehensive blanket policy for general liability, property casualty (including fire, earthquake and flood) and rental loss covering all of the Properties, with specifications and insured limits customarily carried for similar properties. However, even insured losses could result in a serious disruption to our business and delay our receipt of revenue. Furthermore, there are some types of losses, including lease and other contract claims, as well as some types of environmental losses, that generally are not insured or are not economically insurable. If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital we have invested in a Property, as well as the anticipated future revenues from the Property. If this happens, we, or the applicable Property's partnership, may still remain obligated for any mortgage debt or other financial obligations related to the Property.

The general liability and property casualty insurance policies on our Properties currently include coverage for losses resulting from acts of terrorism, whether foreign or domestic. While we believe that the Properties are adequately insured in accordance with industry standards, the cost of general liability and property casualty insurance policies that include coverage for acts of terrorism has risen significantly subsequent to September 11, 2001. The cost of coverage for acts of terrorism is currently mitigated by the Terrorism Risk Insurance Act (“TRIA”). If TRIA is not extended beyond its current expiration date of December 31, 2014, we may incur higher insurance costs and greater difficulty in obtaining insurance that covers terrorist-related damages. Our tenants may also experience similar difficulties.

RISKS RELATED TO DEBT AND FINANCIAL MARKETS

A deterioration of the capital and credit markets could adversely affect our ability to access funds and the capital needed to refinance debt or obtain new debt.

We are significantly dependent upon external financing to fund the growth of our business and ensure that we meet our debt servicing requirements. Our access to financing depends on the willingness of lending institutions to grant credit to us and conditions in the capital markets in general. An economic recession may cause extreme volatility and disruption in the capital and credit markets. We rely upon our largest credit facilities as sources of funding for numerous transactions. Our access to these funds is dependent upon the ability of each of the participants to the credit facilities to meet their funding commitments. When markets are volatile, access to capital and credit markets could be disrupted over an extended period of time and many financial institutions may not have the available capital to meet their previous commitments. The failure of one or more significant participants to our credit facilities to meet their funding commitments could have an adverse effect on our financial condition and results of operations. This may make it difficult to obtain the financing we may need for future growth and/or to meet our debt service obligations as they mature. Although we have successfully obtained debt for refinancings of our maturing debt, acquisitions and the construction of new developments in the past, we cannot make any assurances as to whether we will be able to obtain debt in the future, or that the financing options available to us will be on favorable or acceptable terms.

Our indebtedness is substantial and could impair our ability to obtain additional financing.

At December 31, 2013, our total share of consolidated and unconsolidated debt outstanding was approximately $5,507.0 million, which represented approximately 56.7% of our total market capitalization at that time. Our total share of consolidated and unconsolidated debt maturing in 2014, 2015 and 2016, giving effect to all maturity extensions that are available at our election, was approximately $196.7 million, $709.3 million, and $855.2 million, respectively. Our leverage could have important consequences. For example, it could:

- result in the acceleration of a significant amount of debt for non-compliance with the terms of such debt or, if such debt contains cross-default or cross-acceleration provisions, other debt;
- result in the loss of assets due to foreclosure or sale on unfavorable terms, which could create taxable income without accompanying cash proceeds, which could hinder the Company's ability to meet the REIT distribution requirements imposed by the Internal Revenue Code;
- materially impair our ability to borrow unused amounts under existing financing arrangements or to obtain additional financing or refinancing on favorable terms or at all;
- require us to dedicate a substantial portion of our cash flow to paying principal and interest on our indebtedness, reducing the cash flow available to fund our business, to pay dividends, including those necessary to maintain our REIT qualification, or to use for other purposes;
- increase our vulnerability to an economic downturn;
- limit our ability to withstand competitive pressures; or
- reduce our flexibility to respond to changing business and economic conditions.

If any of the foregoing occurs, our business, financial condition, liquidity, results of operations and prospects could be materially and adversely affected, and the trading price of our common stock or other securities could decline significantly.

Rising interest rates could both increase our borrowing costs, thereby adversely affecting our cash flows and the amounts available for distributions to our stockholders, and decrease our stock price, if investors seek higher yields through other investments.

An environment of rising interest rates could lead holders of our securities to seek higher yields through other investments, which could adversely affect the market price of our stock. One of the factors that may influence the price of our stock in public markets is the annual distribution rate we pay as compared with the yields on alternative investments. Numerous other factors, such as governmental regulatory action and tax laws, could have a significant impact on the future market price of our stock. In addition, increases in market interest rates could result in increased borrowing costs for us, which may adversely affect our cash flow and the amounts available for distributions to our stockholders.

As of December 31, 2013, our total share of consolidated and unconsolidated variable rate debt was $950.2 million. Increases in interest rates will increase our cash interest payments on the variable rate debt we have outstanding from time to time. If we do not have sufficient cash flow from operations, we might not be able to make all required payments of principal and interest on our debt, which could result in a default or have a material adverse effect on our financial condition and results of operations, and which might adversely affect our cash flow and our ability to make distributions to shareholders. These significant debt payment obligations might also require us to use a significant portion of our cash flow from operations to make interest and principal payments on our debt rather than for other purposes such as working capital, capital expenditures or distributions on our common equity.

Adverse changes in our credit ratings could negatively affect our borrowing costs and financing ability.

In May 2013, we received an investment grade rating of Baa3 with a stable outlook from Moody’s. In July 2013, we also received an issuer default rating ("IDR") of BBB- with a stable outlook and a senior unsecured notes rating of BBB- from Fitch. However, there can be no assurance that we will be able to maintain these ratings. In conjunction with the receipt of our May 2013 rating from Moody’s, we made a one-time irrevocable election to use our credit rating to determine the interest rate on our three unsecured credit facilities. With this election and so long as we maintain our current credit ratings, borrowings under our three unsecured credit facilities bear interest at LIBOR plus 140 basis points. We also have an unsecured term loan that bears interest at LIBOR plus 150 basis points based on our current credit ratings. If both of our credit ratings decline, the interest rate on our unsecured credit facilities and unsecured term loan would bear interest at LIBOR plus 175 basis points and LIBOR plus 200 basis points, respectively, which would increase our borrowing costs. Additionally, a downgrade in our credit ratings may adversely impact our ability to obtain financing and limit our access to capital.

Our hedging arrangements might not be successful in limiting our risk exposure, and we might be required to incur expenses in connection with these arrangements or their termination that could harm our results of operations or financial condition.

From time to time, we use interest rate hedging arrangements to manage our exposure to interest rate volatility, but these arrangements might expose us to additional risks, such as requiring that we fund our contractual payment obligations under such arrangements in relatively large amounts or on short notice. Developing an effective interest rate risk strategy is complex, and no strategy can completely insulate us from risks associated with interest rate fluctuations. We cannot assure you that our hedging activities will have a positive impact on our results of operations or financial condition. We might be subject to additional costs, such as transaction fees or breakage costs, if we terminate these arrangements. In addition, although our interest rate risk management policy establishes minimum credit ratings for counterparties, this does not eliminate the risk that a counterparty might fail to honor its obligations, particularly given current market conditions.

The covenants in our credit facilities might adversely affect us.

Our credit facilities require us to satisfy certain affirmative and negative covenants and to meet numerous financial tests, and also contain certain default and cross-default provisions as described in more detail in Note 6 to the consolidated financial statements. Our credit facilities also restrict our ability to enter into any transaction that could result in certain changes in our ownership or structure as described under the heading “Change of Control/Change in Management” in the agreements to the credit facilities. The financial covenants under the unsecured credit facilities require, among other things, that our debt to total asset value ratio, as defined in the agreements to our unsecured credit facilities, be less than 60%, that our ratio of unencumbered asset value to unsecured indebtedness, as defined, be greater than 1.60, that our ratio of unencumbered net operating income ("NOI") to unsecured interest expense, as defined, be greater than 1.75, and that our ratio of earnings before income taxes, depreciation and amortization ("EBITDA") to fixed charges (debt service), as defined, be greater than 1.50. Compliance with each of these ratios is dependent upon our financial performance. The debt to total asset value ratio is based, in part, on applying a capitalization rate to EBITDA as defined in the agreements to our credit facilities. Based on this calculation method, decreases in EBITDA would result in an increased debt to total asset value ratio, assuming overall debt levels remain constant. If any future failure to comply with one or more of these covenants resulted in the loss of these credit facilities and we were unable to obtain suitable replacement financing, such loss could have a material, adverse impact on our financial position and results of operations.

RISKS RELATED TO THE OPERATING PARTNERSHIP'S NOTES

CBL has no significant operations and no material assets other than its indirect investment in the Operating Partnership; therefore, the limited guarantee of the Notes does not provide material additional credit support.

The limited guarantee provides that the Notes are guaranteed by CBL for any losses suffered by reason of fraud or willful misrepresentation by the Operating Partnership or its affiliates. However, CBL has no significant operations and no material assets other than its indirect investment in the Operating Partnership. Furthermore, the limited guarantee of the Notes is effectively subordinated to all existing and future liabilities and preferred equity of the Company's subsidiaries (including the Operating Partnership (except as to the Notes) and any entity the Company accounts for under the equity method of accounting) and any of the Company's secured debt, to the extent of the value of the assets securing any such indebtedness. Due to the narrow scope of the limited guarantee, the lack of significant operations or assets at CBL other than its indirect investment in the Operating Partnership and the structural subordination of the limited guarantee to the liabilities and any preferred equity of the Company's subsidiaries, the limited guarantee does not provide material additional credit support.

Our substantial indebtedness could materially and adversely affect us and the ability of the Operating Partnership to meet its debt service obligations under the notes.

Our level of indebtedness and the limitations imposed on us by our debt agreements could have significant adverse consequences to holders of the Notes, including the following:

- our cash flow may be insufficient to meet our debt service obligations with respect to the Notes and our other indebtedness, which would enable the lenders and other debtholders to accelerate the maturity of their indebtedness, or be insufficient to fund other important business uses after meeting such obligations;
- we may be unable to borrow additional funds as needed or on favorable terms;
- we may be unable to refinance our indebtedness at maturity or earlier acceleration, if applicable, or the refinancing terms may be less favorable than the terms of our original indebtedness or otherwise be generally unfavorable;
- because a significant portion of our debt bears interest at variable rates, increases in interest rates could materially increase our interest expense;
- we may be forced to dispose of one or more of our Properties, possibly on disadvantageous terms;
- we may default on our other unsecured indebtedness;
- we may default on our secured indebtedness and the lenders may foreclose on our Properties or our interests in the entities that own the Properties that secure such indebtedness and receive an assignment of rents and leases; and
- we may violate restrictive covenants in our debt agreements, which would entitle the lenders and other debtholders to accelerate the maturity of their indebtedness.

If any one of these events were to occur, our business, financial condition, liquidity, results of operations and prospects, as well as the Operating Partnership's ability to satisfy its obligations with respect to the Notes, could be materially and adversely affected. Furthermore, foreclosures could create taxable income without accompanying cash proceeds, a circumstance which could hinder the Company's ability to meet the REIT distribution requirements imposed by the Internal Revenue Code.

The structural subordination of the Notes may limit the Operating Partnership's ability to meet its debt service obligations under the Notes.

The Notes are the Operating Partnership's unsecured and unsubordinated indebtedness and rank equally with the Operating Partnership's existing and future unsecured and unsubordinated indebtedness, and are effectively junior to all liabilities and any preferred equity of the Operating Partnership's subsidiaries and to all of the Operating Partnership's indebtedness that is secured by the Operating Partnership's assets, to the extent of the value of the assets securing such indebtedness. While the indenture governing the Notes limits our ability to incur additional secured indebtedness in the future, it will not prohibit us from incurring such indebtedness if we are in compliance with certain financial ratios and other requirements at the time of its incurrence. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to us, the holders of any secured indebtedness will be entitled to proceed directly against the collateral that secures the secured indebtedness. Therefore, such collateral will not be available for satisfaction of any amounts owed under our unsecured indebtedness, including the Notes, until such secured indebtedness is satisfied in full.

The Notes also are effectively subordinated to all liabilities, whether secured or unsecured, and any preferred equity of the subsidiaries of the Operating Partnership. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to any such subsidiary, the Operating Partnership, as an equity owner of such subsidiary, and therefore holders of our debt, including the Notes, will be subject to the prior claims of such subsidiary's creditors, including trade creditors, and preferred equity holders. Furthermore, while the indenture governing the Notes limits the ability of our subsidiaries to incur additional unsecured indebtedness in the future, it does not prohibit our subsidiaries from incurring such indebtedness if such subsidiaries are in compliance with certain financial ratios and other requirements at the time of its incurrence.

We may not be able to generate sufficient cash flow to meet our debt service obligations.

Our ability to meet our debt service obligations on and to refinance our indebtedness and to fund our operations, working capital, acquisitions, capital expenditures and other important business uses, depends on our ability to generate sufficient cash flow in the future. To a certain extent, our cash flow is subject to general economic, industry, financial, competitive, operating, legislative, regulatory and other factors, many of which are beyond our control.

We cannot be certain that our business will generate sufficient cash flow from operations or that future sources of cash will be available to us in an amount sufficient to enable us to meet our debt service obligations on our indebtedness, including the Notes, or to fund our other important business uses. Additionally, if we incur additional indebtedness in connection with future acquisitions or development projects or for any other purpose, our debt service obligations could increase significantly and our ability to meet those obligations could depend, in large part, on the returns from such acquisitions or projects, as to which no assurance can be given.

We may need to refinance all or a portion of our indebtedness at or prior to maturity. Our ability to refinance our indebtedness or obtain additional financing will depend on, among other things:

- our financial condition, liquidity, results of operations and prospects and market conditions at the time; and
- restrictions in the agreements governing our indebtedness.

As a result, we may not be able to refinance any of our indebtedness, on favorable terms, or at all.

If we do not generate sufficient cash flow from operations, and additional borrowings or refinancings are not available to us, we may be unable to meet all of our debt service obligations. As a result, we would be forced to take other actions to meet those obligations, such as selling Properties, raising equity or delaying capital expenditures, any of which could have a material adverse effect on us. Furthermore, we cannot be certain that we will be able to effect any of these actions on favorable terms, or at all.

Despite our substantial outstanding indebtedness, we may still incur significantly more indebtedness in the future, which would exacerbate any or all of the risks described above.

We may be able to incur substantial additional indebtedness in the future. Although the agreements governing our revolving credit facilities, term loans and certain other indebtedness do, and the indenture governing the Notes does, limit our ability to incur additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. To the extent that we incur substantial additional indebtedness in the future, the risks associated with our substantial leverage described above, including our inability to meet our debt service obligations, would be exacerbated.

Federal and state statutes allow courts, under specific circumstances, to void guarantees and require holders of indebtedness and lenders to return payments received from guarantors.

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee, such as the limited guarantee provided by CBL or any future guarantee of the Notes issued by any subsidiary of the Operating Partnership, could be voided and required to be returned to the guarantor, or to a fund for the benefit of the creditors of the guarantor, if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee (i) received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee and (ii) one of the following was true with respect to the guarantor:

- was insolvent or rendered insolvent by reason of the incurrence of the guarantee;
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

In addition, any claims in respect of a guarantee could be subordinated to all other debts of that guarantor under principles of "equitable subordination," which generally require that the claimant must have engaged in some type of inequitable conduct, the misconduct must have resulted in injury to the creditors of the debtor or conferred an unfair advantage on the claimant, and equitable subordination must not be inconsistent with other provisions of the U.S. Bankruptcy Code.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they became absolute and mature; or
- it could not pay its debts as they become due.

The court might also void such guarantee, without regard to the above factors, if it found that a guarantor entered into its guarantee with actual or deemed intent to hinder, delay, or defraud its creditors.

A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee unless it benefited directly or indirectly from the issuance or incurrence of such indebtedness. This risk may be increased if any subsidiary of the Operating Partnership guarantees the Notes in the future, as no additional consideration would be received at the time such guarantee is issued. If a court voided such guarantee, holders of the indebtedness and lenders would no longer have a claim against such guarantor or the benefit of the assets of such guarantor constituting collateral that purportedly secured such guarantee. In addition, the court might direct holders of the indebtedness and lenders to repay any amounts already received from a guarantor.

The indenture governing the Notes contains restrictive covenants that may restrict our ability to expand or fully pursue certain of our business strategies.

The indenture governing the Notes contains financial and operating covenants that, among other things, restrict our ability to take specific actions, even if we believe them to be in our best interest, including, subject to various exceptions, restrictions on our ability to:

- consummate a merger, consolidation or sale of all or substantially all of our assets; and
- incur secured and unsecured indebtedness.

In addition, our revolving credit facilities, term loans and certain other debt agreements require us to meet specified financial ratios and the indenture governing the Notes requires us to maintain at all times a specified ratio of unencumbered assets to unsecured debt. These covenants may restrict our ability to expand or fully pursue our business strategies. Our ability to comply with these and other provisions of the indenture governing the Notes, our revolving credit facility and certain other debt agreements may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments or other events beyond our control. The breach of any of these covenants could result in a default under our indebtedness, which could result in the acceleration of the maturity of such indebtedness. If any of our indebtedness is accelerated prior to maturity, we may not be able to repay such indebtedness or refinance such indebtedness on favorable terms, or at all.

There is no prior public market for the Notes, so if an active trading market does not develop or is not maintained for the Notes, holders of the Notes may not be able to resell them on favorable terms when desired, or at all.

Prior to the offering, there was no public market for the Notes and we cannot be certain that an active trading market will ever develop for the Notes or, if one develops, will be maintained. Furthermore, we do not intend to apply for listing of the Notes on any securities exchange or for quotation of the Notes on any automated dealer quotation system. The underwriters informed us that they intend to make a market in the Notes. However, the underwriters may cease their market making at any time without notice to or the consent of existing holders of the Notes. The lack of a trading market could adversely affect a holder's ability to sell the Notes when desired, or at all, and the price at which a holder may be able to sell the Notes. The liquidity of the trading market, if any, and future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our financial condition, liquidity, results of operations and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. It is possible that the market for the Notes will be subject to disruptions which may have a negative effect on the holders of the Notes, regardless of our financial condition, liquidity, results of operations or prospects.

RISKS RELATED TO GEOGRAPHIC CONCENTRATIONS

Since our Properties are located principally in the Southeastern and Midwestern United States, our financial position, results of operations and funds available for distribution to shareholders are subject generally to economic conditions in these regions.

Our Properties are located principally in the southeastern and midwestern United States. Our Properties located in the southeastern United States accounted for approximately 45.9% of our total revenues from all Properties for the year ended December 31, 2013 and currently include 40 malls, 16 associated centers, 9 community centers and 12 office buildings. Our Properties located in the midwestern United States accounted for approximately 32.0% of our total revenues from all Properties for the year ended December 31, 2013 and currently include 27 malls and 4 associated centers. Our results of operations and funds available for distribution to shareholders therefore will be subject generally to economic conditions in the southeastern and midwestern United States. While we already have Properties located in eight states across the southwestern, northeastern and western regions, we will continue to look for opportunities to geographically diversify our portfolio in order to minimize dependency on any particular region; however, the expansion of the portfolio through both acquisitions and developments is contingent on many factors including consumer demand, competition and economic conditions.

Our financial position, results of operations and funds available for distribution to shareholders could be adversely affected by any economic downturn affecting the operating results at our Properties in the St. Louis, MO; Chattanooga, TN; Madison, WI; Lexington, KY; and Winston-Salem, NC metropolitan areas, which are our five largest markets.

Our Properties located in the St. Louis, MO; Chattanooga, TN; Madison, WI; Lexington, KY; and Winston-Salem, NC metropolitan areas accounted for approximately 8.1%, 3.8%, 3.4%, 2.8% and 2.6%, respectively, of our total revenues for the year ended December 31, 2013. No other market accounted for more than 2.4% of our total revenues for the year ended

December 31, 2013. Our financial position and results of operations will therefore be affected by the results experienced at Properties located in these metropolitan areas.

RISKS RELATED TO INTERNATIONAL INVESTMENTS

Ownership interests in investments or joint ventures outside the United States present numerous risks that differ from those of our domestic investments.

International development and ownership activities yield additional risks that differ from those related to our domestic properties and operations. These additional risks include, but are not limited to:

- impact of adverse changes in exchange rates of foreign currencies;
- difficulties in the repatriation of cash and earnings;
- differences in managerial styles and customs;
- changes in applicable laws and regulations in the United States that affect foreign operations;
- changes in foreign political, legal and economic environments; and
- differences in lending practices.

Our international activities are currently limited in their scope. We have an investment in a mall operating and real estate development company in China that is immaterial to our consolidated financial position. However, should our investments in international joint ventures or investments grow, these additional risks could increase in significance and adversely affect our results of operations.

RISKS RELATED TO DIVIDENDS

We may change the dividend policy for our common stock in the future.

Depending upon our liquidity needs, we reserve the right to pay any or all of a dividend in a combination of cash and shares of common stock, to the extent permitted by any applicable revenue procedures of the Internal Revenue Service ("IRS"). In the event that we pay a portion of our dividends in shares of our common stock pursuant to such procedures, taxable U.S. stockholders would be required to pay tax on the entire amount of the dividend, including the portion paid in shares of common stock, in which case such stockholders may have to use cash from other sources to pay such tax. If a U.S. stockholder sells the common stock it receives as a dividend in order to pay its taxes, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold federal tax with respect to our dividends, including dividends that are paid in common stock. In addition, if a significant number of our stockholders sell shares of our common stock in order to pay taxes owed on dividends, such sales would put downward pressure on the market price of our common stock.

The decision to declare and pay dividends on our common stock in the future, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of our Board of Directors and will depend on our earnings, taxable income, funds from operations, liquidity, financial condition, capital requirements, contractual prohibitions or other limitations under our indebtedness and preferred stock, the annual distribution requirements under the REIT provisions of the Internal Revenue Code, Delaware law and such other factors as our Board of Directors deems relevant. Any dividends payable will be determined by our Board of Directors based upon the circumstances at the time of declaration. Any change in our dividend policy could have a material adverse effect on the market price of our common stock.

Since we conduct substantially all of our operations through our Operating Partnership, our ability to pay dividends on our common and preferred stock depends on the distributions we receive from our Operating Partnership.

Because we conduct substantially all of our operations through our Operating Partnership, our ability to pay dividends on our common and preferred stock will depend almost entirely on payments and distributions we receive on our interests in our Operating Partnership. Additionally, the terms of some of the debt to which our Operating Partnership is a party may limit its ability to make some types of payments and other distributions to us. This in turn may limit our ability to make some types of payments, including payment of dividends to our stockholders, unless we meet certain financial tests. As a result, if our Operating Partnership fails to pay distributions to us, we generally will not be able to pay dividends to our stockholders for one or more dividend periods.

RISKS RELATED TO FEDERAL INCOME TAX LAWS

We conduct a portion of our business through taxable REIT subsidiaries, which are subject to certain tax risks.

We have established several taxable REIT subsidiaries including our Management Company. Despite our qualification as a REIT, our taxable REIT subsidiaries must pay income tax on their taxable income. In addition, we must comply with various tests to continue to qualify as a REIT for federal income tax purposes, and our income from and investments in our taxable REIT subsidiaries generally do not constitute permissible income and investments for these tests. While we will attempt to ensure that our dealings with our taxable REIT subsidiaries will not adversely affect our REIT qualification, we cannot provide assurance that we will successfully achieve that result. Furthermore, we may be subject to a 100% penalty tax, or our taxable REIT subsidiaries may be denied deductions, to the extent our dealings with our taxable REIT subsidiaries are not deemed to be arm's length in nature.

If we fail to qualify as a REIT in any taxable year, our funds available for distribution to stockholders will be reduced.

We intend to continue to operate so as to qualify as a REIT under the Internal Revenue Code. Although we believe that we are organized and operate in such a manner, no assurance can be given that we currently qualify and in the future will continue to qualify as a REIT. Such qualification involves the application of highly technical and complex Internal Revenue Code provisions for which there are only limited judicial or administrative interpretations. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify. In addition, no assurance can be given that legislation, new regulations, administrative interpretations or court decisions will not significantly change the tax laws with respect to qualification or its corresponding federal income tax consequences. Any such change could have a retroactive effect.

If in any taxable year we were to fail to qualify as a REIT, we would not be allowed a deduction for distributions to stockholders in computing our taxable income and we would be subject to federal income tax on our taxable income at regular corporate rates. Unless entitled to relief under certain statutory provisions, we also would be disqualified from treatment as a REIT for the four taxable years following the year during which qualification was lost. As a result, the funds available for distribution to our stockholders would be reduced for each of the years involved. This would likely have a significant adverse effect on the value of our securities and our ability to raise additional capital. In addition, we would no longer be required to make distributions to our stockholders. We currently intend to operate in a manner designed to qualify as a REIT. However, it is possible that future economic, market, legal, tax or other considerations may cause our Board of Directors, with the consent of a majority of our stockholders, to revoke the REIT election.

Any issuance or transfer of our capital stock to any person in excess of the applicable limits on ownership necessary to maintain our status as a REIT would be deemed void ab initio, and those shares would automatically be transferred to a non-affiliated charitable trust.

To maintain our status as a REIT under the Internal Revenue Code, not more than 50% in value of our outstanding capital stock 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 a taxable year. Our certificate of incorporation generally prohibits ownership of more than 6% of the outstanding shares of our capital stock by any single stockholder determined by vote, value or number of shares (other than Charles Lebovitz, Executive Chairman of our Board of Directors and our former Chief Executive Officer, David Jacobs, Richard Jacobs and their affiliates under the Internal Revenue Code's attribution rules). The affirmative vote of 66 2/3% of our outstanding voting stock is required to amend this provision.

Our Board of Directors may, subject to certain conditions, waive the applicable ownership limit upon receipt of a ruling from the IRS or an opinion of counsel to the effect that such ownership will not jeopardize our status as a REIT. Absent any such waiver, however, any issuance or transfer of our capital stock to any person in excess of the applicable ownership limit or any issuance or transfer of shares of such stock which would cause us to be beneficially owned by fewer than 100 persons, will be null and void and the intended transferee will acquire no rights to the stock. Instead, such issuance or transfer with respect to that number of shares that would be owned by the transferee in excess of the ownership limit provision would be deemed void ab initio and those shares would automatically be transferred to a trust for the exclusive benefit of a charitable beneficiary to be designated by us, with a trustee designated by us, but who would not be affiliated with us or with the prohibited owner. Any acquisition of our capital stock and continued holding or ownership of our capital stock constitutes, under our certificate of incorporation, a

continuous representation of compliance with the applicable ownership limit.
In order to maintain our status as a REIT and avoid the imposition of certain additional taxes under the Internal Revenue Code, we must satisfy minimum requirements for distributions to shareholders, which may limit the amount of cash we might otherwise have been able to retain for use in growing our business.
To maintain our status as a REIT under the Internal Revenue Code, we generally will be required each year to distribute to our stockholders at least 90% of our taxable income after certain adjustments. However, to the extent that we do not distribute all of our net capital gains or distribute at least 90% but less than 100% of our REIT taxable income, as adjusted, we will be

subject to tax on the undistributed amount at regular corporate tax rates, as the case may be. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which certain distributions paid by us during each calendar year are less than the sum of 85% of our ordinary income for such calendar year, 95% of our capital gain net income for the calendar year and any amount of such income that was not distributed in prior years. In the case of property acquisitions, including our initial formation, where individual Properties are contributed to our Operating Partnership for Operating Partnership units, we have assumed the tax basis and depreciation schedules of the entities contributing Properties. The relatively low tax basis of such contributed Properties may have the effect of increasing the cash amounts we are required to distribute as dividends, thereby potentially limiting the amount of cash we might otherwise have been able to retain for use in growing our business. This low tax basis may also have the effect of reducing or eliminating the portion of distributions made by us that are treated as a non-taxable return of capital.

Complying with REIT requirements might cause us to forego otherwise attractive opportunities.

In order to qualify as a REIT for U.S. federal income tax purposes, we must satisfy tests concerning, among other things, our sources of income, the nature of our assets, the amounts we distribute to our shareholders and the ownership of our stock. We may also be required to make distributions to our shareholders at disadvantageous times or when we do not have funds readily available for distribution. Thus, compliance with REIT requirements may cause us to forego opportunities we would otherwise pursue. In addition, the REIT provisions of the Internal Revenue Code impose a 100% tax on income from “prohibited transactions.” “Prohibited transactions” generally include sales of assets that constitute inventory or other property held for sale in the ordinary course of business, other than foreclosure property. This 100% tax could impact our desire to sell assets and other investments at otherwise opportune times if we believe such sales could be considered “prohibited transactions.”

Our holding company structure makes us dependent on distributions from the Operating Partnership.

Because we conduct our operations through the Operating Partnership, our ability to service our debt obligations and pay dividends to our shareholders is strictly dependent upon the earnings and cash flows of the Operating Partnership and the ability of the Operating Partnership to make distributions to us. Under the Delaware Revised Uniform Limited Partnership Act, the Operating Partnership is prohibited from making any distribution to us to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the Operating Partnership (other than some non-recourse liabilities and some liabilities to the partners) exceed the fair value of the assets of the Operating Partnership. Additionally, the terms of some of the debt to which our Operating Partnership is a party may limit its ability to make some types of payments and other distributions to us. This in turn may limit our ability to make some types of payments, including payment of dividends on our outstanding capital stock, unless we meet certain financial tests or such payments or dividends are required to maintain our qualification as a REIT or to avoid the imposition of any federal income or excise tax on undistributed income. Any inability to make cash distributions from the Operating Partnership could jeopardize our ability to pay dividends on our outstanding shares of capital stock and to maintain qualification as a REIT.

RISKS RELATED TO OUR ORGANIZATIONAL STRUCTURE

The ownership limit described above, as well as certain provisions in our amended and restated certificate of incorporation, amended and restated bylaws, and certain provisions of Delaware law, may hinder any attempt to acquire us.

There are certain provisions of Delaware law, our amended and restated certificate of incorporation, our amended and restated bylaws, and other agreements to which we are a party that may have the effect of delaying, deferring or preventing a third party from making an acquisition proposal for us. These provisions may also inhibit a change in control that some, or a majority, of our stockholders might believe to be in their best interest or that could give our stockholders the opportunity to realize a premium over the then-prevailing market prices for their shares. These provisions and agreements are summarized as follows:

- The Ownership Limit – As described above, to maintain our status as a REIT under the Internal Revenue Code, not more than 50% in value of our outstanding capital stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) during the last half of a taxable year. Our amended and restated certificate of incorporation generally prohibits ownership of more than 6% of the outstanding shares of our capital stock by any single stockholder determined by value (other than Charles Lebovitz, David Jacobs, Richard Jacobs and their affiliates under the Internal Revenue Code's attribution rules). In addition to preserving our status as a REIT, the ownership limit may have the effect of precluding an acquisition of control of us without the approval of our Board of Directors.

- Removal for Cause – Our stockholders can only remove directors for cause and only by a vote of 75% of the outstanding voting stock. This provision makes it more difficult to change the composition of our Board of Directors and may have the effect of encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our Board of Directors rather than pursue non-negotiated takeover attempts.

- Advance Notice Requirements for Stockholder Proposals – Our amended and restated bylaws establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures generally require advance written notice of any such proposals, containing prescribed information, to be given to our Secretary at our principal executive offices not less than 90 days or no more than 120 days prior to the meeting.
- Vote Required to Amend Bylaws – A vote of 66 2/3% of our outstanding voting stock (in addition to any separate approval that may be required by the holders of any particular class of stock) is necessary for stockholders to amend our bylaws.
- Delaware Anti-Takeover Statute – We are a Delaware corporation and are subject to Section 203 of the Delaware General Corporation Law. In general, Section 203 prevents an "interested stockholder" (defined generally as a person owning 15% or more of a company's outstanding voting stock) from engaging in a "business combination" (as defined in Section 203) with us for three years following the date that person becomes an interested stockholder unless:

(a) before that person became an interested holder, our Board of Directors approved the transaction in which the interested holder became an interested stockholder or approved the business combination;

(b) upon completion of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owns 85% of our voting stock outstanding at the time the transaction commenced (excluding stock held by directors who are also officers and by employee stock plans that do not provide employees with the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or

(c) following the transaction in which that person became an interested stockholder, the business combination is approved by our Board of Directors and authorized at a meeting of stockholders by the affirmative vote of the holders of at least two-thirds of our outstanding voting stock not owned by the interested stockholder.

Under Section 203, these restrictions also do not apply to certain business combinations proposed by an interested stockholder following the announcement or notification of certain extraordinary transactions involving us and a person who was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of our directors, if that extraordinary transaction is approved or not opposed by a majority of the directors who were directors before any person became an interested stockholder in the previous three years or who were recommended for election or elected to succeed such directors by a majority of directors then in office.

Certain ownership interests held by members of our senior management may tend to create conflicts of interest between such individuals and the interests of the Company and our Operating Partnership.

- Tax Consequences of the Sale or Refinancing of Certain Properties – Since certain of our Properties had unrealized gain attributable to the difference between the fair market value and adjusted tax basis in such Properties immediately prior to their contribution to the Operating Partnership, a taxable sale of any such Properties, or a significant reduction in the debt encumbering such Properties, could cause adverse tax consequences to the members of our senior management who owned interests in our predecessor entities. As a result, members of our senior management might not favor a sale of a Property or a significant reduction in debt even though such a sale or reduction could be beneficial to us and the Operating Partnership. Our amended and restated bylaws provide that any decision relating to the potential sale of any Property that would result in a disproportionately higher taxable income for members of our senior management than for us and our stockholders, or that would result in a significant reduction in such Property's debt, must be made by a majority of the independent directors of the Board of Directors. The Operating Partnership is required, in the case of such a sale, to distribute to its partners, at a minimum, all of the net cash proceeds from such sale up to an amount reasonably believed necessary to enable members of our senior management to pay any income tax liability arising from such sale.
- Interests in Other Entities; Policies of the Board of Directors – Certain entities owned in whole or in part by members of our senior management, including the construction company that built or renovated most of our Properties, may continue to perform services for, or transact business with, us and the Operating Partnership. Furthermore, certain Property tenants are affiliated with members of our senior management. Our amended and restated bylaws provide

that any contract or transaction between us or the Operating Partnership and one or more of our directors or officers, or between us or the Operating Partnership and any other entity in which one or more of our directors or officers are directors or officers or have a financial interest, must be approved by our disinterested directors or stockholders after the material facts of the relationship or interest of the contract or transaction are disclosed or are known to them. Our code of business conduct and ethics also contains provisions governing the approval of certain transactions involving the Company and employees (or immediate family members of employees, as defined therein) that are not subject to the provision of the amended and restated bylaws described above. Such transactions are also subject to the Company's related party transactions policy in the manner and to the extent detailed in the proxy statement filed with the SEC for the Company's 2012 annual meeting. Nevertheless, these affiliations could create conflicts between the interests of these members of senior management and the interests of the Company, our shareholders and the Operating Partnership in relation to any transactions between us and any of these entities.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Refer to Management’s Discussion and Analysis of Financial Condition and Results of Operations included in Item 7 for additional information pertaining to the Properties’ performance.

Malls

We owned a controlling interest in 75 Malls and non-controlling interests in 9 Malls as of December 31, 2013. The Malls are primarily located in middle markets and generally have strong competitive positions because they are the only, or the dominant, regional mall in their respective trade areas. The Malls are generally anchored by two or more department stores and a wide variety of mall stores. Anchor tenants own or lease their stores and non-anchor stores lease their locations. Additional freestanding stores and restaurants that either own or lease their stores are typically located along the perimeter of the Malls' parking areas.

We classify our regional Malls into three categories:

(1) Stabilized Malls - Malls that have completed their initial lease-up and have been open for more than three complete calendar years.

(2) Non-stabilized Malls - Malls that are in their initial lease-up phase. After three complete calendar years of operation, they are reclassified on January 1 of the fourth calendar year to the stabilized Mall category. The Outlet Shoppes at Atlanta, which opened in July 2013, and The Outlet Shoppes at Oklahoma City, which opened in August 2011, were classified as non-stabilized Malls as of December 31, 2013. The Outlet Shoppes at Oklahoma City was our only non-stabilized Mall as of December 31, 2012.

(3) Non-core Malls - Malls where we have determined that the current format of the Property no longer represents the best use of the Property and we are in the process of evaluating alternative strategies for the Property, which may include major redevelopment or an alternative retail or non-retail format, or after evaluating alternative strategies for the Property, we have determined that the Property no longer meets our criteria for long-term investment. Similar criteria apply to the classification of an Associated Center or Community Center as a non-core Property. Columbia Place, Citadel Mall, Chapel Hill Mall and Madison Square were classified as non-core Malls as of December 31, 2013. Additionally, Madison Plaza, an Associated Center adjacent to Madison Square, was classified as a non-core Property as of December 31, 2013. Columbia Place was our only non-core Mall as of December 31, 2012. The steps taken to reposition non-core Properties, such as signing tenants to short-term leases, which are not included in occupancy percentages, or leasing to regional or local tenants, which typically do not report sales, may lead to metrics which do not provide relevant information related to the condition of non-core Properties. Therefore, traditional performance measures, such as occupancy percentages and leasing metrics, exclude non-core Properties.

We own the land underlying each Mall in fee simple interest, except for Walnut Square, WestGate Mall, St. Clair Square, Brookfield Square, Bonita Lakes Mall, Meridian Mall, Stroud Mall, Wausau Center, Chapel Hill Mall and Eastgate Mall. We lease all or a portion of the land at each of these Malls subject to long-term ground leases.

The following table sets forth certain information for each of the Malls as of December 31, 2013:

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership		Total GLA [1]	Total Mall Store GLA[2]	Mall Store Sales per Square Foot [3]	Percentage Mall Store GLA Leased [4]		Anchors & Junior Anchors
TIER 1 Sales > $375.00 per square foot										
Acadiana Mall Lafayette, LA	1979/2005	2004	100	%	992,598	300,335	$443	100	%	Dillard's, JC Penney, Macy's, Sears
CoolSprings Galleria Nashville, TN	1991	1994	50	%	1,117,305	362,669	464	100	%	Belk, Dillard's, JC Penney, Macy's, Sears [5]
Cross Creek Mall Fayetteville, NC	1975/2003	2013	100	%	1,024,477	288,584	515	97	%	Belk, JC Penney, Macy's, Sears
Dakota Square Mall Minot, ND	1980/2012	2008	100	%	815,288	161,477	486	99	%	Barnes & Noble, Carmike Cinema, Herberger's, JC Penney, Scheels, Sears, Sleep Inn & Suites - Splashdown Dakota Super Slides, Target
Fayette Mall Lexington, KY	1971/2001	1993	100	%	1,183,900	355,849	565	100	%	Dick's Sporting Goods, Dillard's, JC Penney, Macy's, Sears [5]
Friendly Shopping Center and The Shops at Friendly Greensboro, NC	1957/ 2006/ 2007	2008	50	%	1,110,670	491,101	451	94	%	Barnes & Noble, Belk, The Grande Cinema, Harris Teeter, Macy's, REI, Sears, Whole Foods
Hamilton Place Chattanooga, TN	1987	1998	90	%	1,162,041	334,662	405	99	%	Barnes & Noble, Belk for Men, Kids & Home, Belk for Women, Dillard's for Men,

										Kids & Home, Dillard's for Women, Forever 21, JC Penney, Sears
Imperial Valley Mall El Centro, CA	2005	N/A	100	%	825,806	212,689	387	97	%	Cinemark, Dillard's, JC Penney, Kohl's, Macy's, Sears
Kirkwood Mall Bismarck, ND	1970/2012	2002	100	%	849,489	233,920	381	86	%	Herberger's, Keating Furniture, JC Penney, Scheels, Target
Mall del Norte Laredo, TX	1977/2004	1993	100	%	1,168,289	406,311	563	96	%	Beall's (6), Cinemark, Dillard's, Foot Locker, Forever 21, JC Penney, Joe Brand, Macy's, Macy's Home Store, Sears
Oak Park Mall Overland Park, KS	1974/2005	1998	50	%	1,606,891	430,764	441	99	%	Academy Sports & Outdoors, Barnes & Noble, Dillard's for Women, Dillard's for Men, Children & Home, H&M, JC Penney, Macy's, Nordstrom, XXI Forever
Park Plaza Little Rock, AR	1988/2004	N/A	100	%	540,859	237,109	388	95	%	Dillard's for Men & Children, Dillard's for Women & Home, XXI Forever
St. Clair Square (7) Fairview Heights, IL	1974/1996	1993	100	%	1,077,325	300,070	388	100	%	Dillard's, JC Penney, Macy's, Sears

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership		Total GLA [1]	Total Mall Store GLA[2]	Mall Store Sales per Square Foot [3]	Percentage Mall Store GLA Leased [4]		Anchors & Junior Anchors
Sunrise Mall Brownsville, TX	1979/2003	2000	100	%	755,618	240,861	427	92	%	A'gaci, Beall's [6], Cinemark, Dillard’s, JC Penney, Sears
The Outlet Shoppes at El Paso El Paso, TX	2007/2012	N/A	75	%	378,955	378,955	391	99	%	None
West County Center Des Peres, MO	1969/2007	2002	50	%	1,237,955	366,072	448	99	%	Barnes & Noble, Forever 21, Dick's Sporting Goods, JC Penney, Macy's, Nordstrom
West Towne Mall Madison, WI	1970/2001	2013	100	%	828,750	271,278	522	96	%	Boston Store, Dick's Sporting Goods, JC Penney, Sears, XXI Forever
Total Tier 1 Malls					16,676,216	5,372,706	$454	98	%	
TIER 2 Sales of $300.01 to $375.00 per square foot										
Arbor Place Atlanta (Douglasville), GA	1999	N/A	100	%	1,163,310	308,880	$350	97	%	Bed Bath & Beyond, Belk, Dillard's, Forever 21, H & M, JC Penney, Macy's, Regal Cinemas, Sears
Asheville Mall Asheville, NC	1972/1998	2000	100	%	973,707	287,752	357	98	%	Barnes & Noble, Belk, Dillard's for Men, Children & Home, Dillard's for Women, JC Penney, Sears
Brookfield Square [8] Brookfield, WI	1967/2001	2008	100	%	1,000,568	282,388	367	100	%	Barnes & Noble, Boston Store, JC Penney, Sears
Burnsville Center Burnsville, MN	1977/1998	N/A	100	%	1,044,658	401,303	336	96	%	Dick's Sporting Goods, Gordmans, JC

								Penney, Macy's, Sears
CherryVale Mall Rockford, IL	1973/2001	2007	100 %	847,066	332,481	354	98 %	Barnes & Noble, Bergner's, JC Penney, Macy's, Sears
Coastal Grand-Myrtle Beach Myrtle Beach, SC	2004	2007	50 %	1,038,524	342,549	355	98 %	Bed Bath & Beyond, Belk, Cinemark Theater, Dick's Sporting Goods, Dillard's, JC Penney, Sears
East Towne Mall Madison, WI	1971/2001	2004	100 %	796,439	237,715	325	97 %	Barnes & Noble, Boston Store, Dick's Sporting Goods, Gordman's, JC Penney, Sears, Steinhafels
EastGate Mall (9) Cincinnati, OH	1980/2003	1995	100 %	850,714	270,002	317	81 %	Dillard's, JC Penney, Kohl's, Sears
Eastland Mall Bloomington, IL	1967/2005	N/A	100 %	760,515	220,860	320	99 %	Bergner's, JC Penney, Kohl's, Macy's, Sears
Frontier Mall Cheyenne, WY	1981	1997	100 %	526,036	181,166	313	94 %	Carmike Cinema, Dillard's for Women, Dillard's for Men, Kids & Home, JC Penney, Sears, Sports Authority
Governor's Square Clarksville, TN	1986	1999	47.5 %	738,147	250,623	374	90 %	Belk, Best Buy, Carmike Cinema, Dick's Sporting Goods, Dillard's, JC Penney, Ross, Sears
Greenbrier Mall Chesapeake, VA	1981/2004	2004	100 %	896,582	267,563	324	94 %	Dillard's, JC Penney, Jillian's, Macy's, Sears
Gulf Coast Town Center Ft. Myers, FL	2005	2007	50 %	1,235,171	312,277	318	90 %	Babies R Us, Bass Pro Shops, Belk, Best Buy, Dick's Sporting Goods, Glowgolf, Homegoods, JC Penney, Jo-Ann Fabrics & Crafts, LA Fitness,

Marshall's, Regal Cinema, Ross, Staples, SuperTarget

26

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership		Total GLA [(1)]	Total Mall Store GLA[(2)]	Mall Store Sales per Square Foot [(3)]	Percentage Mall Store GLA Leased [(4)]		Anchors & Junior Anchors
Hanes Mall Winston-Salem, NC	1975/2001	1990	100	%	1,504,704	503,578	344	99	%	Belk, Dillard's, Encore, H&M, JC Penney, Macy's, Sears
Harford Mall Bel Air, MD	1973/2003	2007	100	%	505,341	181,165	368	100	%	Encore, Macy's, Sears
Honey Creek Mall Terre Haute, IN	1968/2004	1981	100	%	677,207	185,692	352	97	%	Carson's, Encore, JC Penney, Macy's, Sears
Jefferson Mall Louisville, KY	1978/2001	1999	100	%	903,093	250,199	368	98	%	Dillard's, JC Penney, Macy's, Ross, Sears
Laurel Park Place Livonia, MI	1989/2005	1994	100	%	490,091	191,281	342	99	%	Carson's, Von Maur
Layton Hills Mall Layton, UT	1980/2006	1998	100	%	636,917	209,212	370	99	%	Dick's Sporting Goods, JC Penney, Macy's, former Mervyn's (one level vacant)
Northpark Mall Joplin, MO	1972/2004	1996	100	%	955,598	274,747	303	91	%	Hollywood Theater, JC Penney, Jo-Ann Fabrics & Crafts, Joplin High School, Macy's Men & Home, Macy's Women & Children, Sears, Tilt, T.J. Maxx, V-Stock
Northwoods Mall Charleston, SC	1972/2001	1995	100	%	772,567	269,448	340	98	%	Belk, Books-A-Million, Dillard's, JC Penney, Sears
Old Hickory Mall Jackson, TN	1967/2001	1994	100	%	538,990	161,895	335	99	%	Belk, JC Penney, Macy's, Sears
Parkdale Mall Beaumont, TX	1972/2001	1986	100	%	1,247,523	331,314	343	88	%	Ashley Furniture, Beall's (9), Books-A-Million, Dillard's, JC Penney, Kaplan College, Hollywood Theater, Macy's, Marshall's, Sears,

										XXI Forever
Parkway Place Huntsville, AL	1957/1998	2002	100	%	648,210	272,385	338	98	%	Belk, Dillard's
Post Oak Mall College Station, TX	1982	1985	100	%	774,921	287,396	370	83	%	Beall's (9), Dillard's Men & Home, Dillard's Women & Children, Encore, JC Penney, Macy's, Sears
Richland Mall Waco, TX	1980/2002	1996	100	%	685,317	204,092	348	91	%	Beall's (6), Dillard's for Men, Kids & Home, Dillard's for Women, JC Penney, Sears, XXI Forever
South County Center St. Louis, MO	1963/2007	2001	100	%	1,019,727	312,366	362	92	%	Dick's Sporting Goods, Dillard's, JC Penney, Macy's, Sears
Southaven Towne Center Southaven, MS	2005	2013	100	%	529,089	145,994	317	97	%	Bed Bath & Beyond, Dillard's, Gordman's, HH Gregg, JC Penney
Southpark Mall Colonial Heights, VA	1989/2003	2007	100	%	687,613	244,353	338	95	%	Dick's Sporting Goods, JC Penney, Macy's, Regal Cinema, Sears
The Outlet Shoppes at Atlanta * Woodstock, GA	2013	N/A	75	%	371,098	346,291	N/A (10)	96	%	Saks Fifth Ave OFF FIFTH
The Outlet Shoppes at Oklahoma City * Oklahoma City, OK	2011	2012	75	%	376,422	349,474	352	100	%	Saks Fifth Ave OFF FIFTH
Triangle Town Center Raleigh, NC	2002/2005	N/A	50	%	1,263,694	428,225	308	92	%	Barnes & Noble, Belk, Dillard's, Macy's, Sak's Fifth Avenue, Sears
Turtle Creek Mall Hattiesburg, MS	1994	1995	100	%	845,665	192,278	329	97	%	Belk, Dillard's, Garden Ridge, JC Penney, Sears, Stein Mart, United Artist Theater

27

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership	Total GLA (1)	Total Mall Store GLA(2)	Mall Store Sales per Square Foot (3)	Percentage Mall Store GLA Leased (4)	Anchors & Junior Anchors
Valley View Mall Roanoke, VA	1985/2003	2007	100 %	844,272	285,254	340	100 %	Barnes & Noble, Belk, JC Penney, Macy's, Macy's for Home & Children, Sears
Volusia Mall Daytona Beach, FL	1974/2004	2013	100 %	1,071,516	252,973	366	97 %	Dillard's for Men & Home, Dillard's for Women, Dillard's for Children, JC Penney, Macy's, Sears
Westmoreland Mall Greensburg, PA	1977/2002	1994	100 %	999,640	303,801	318	99 %	BonTon, JC Penney, Macy's, Macy's Home Store, Old Navy, Sears
York Galleria York, PA	1989/1999	N/A	100 %	764,689	227,472	324	93 %	Bon Ton, Boscov's, JC Penney, Sears
Total Tier 2 Malls				30,985,341	10,106,444	$342	95 %	
TIER 3 Sales < $300.01 per square foot								
Alamance Crossing Burlington, NC	2007	2011	100 %	874,750	204,810	$231	79 %	Barnes & Noble, Belk, BJ's Wholesale Club, Carousel Cinemas, Dick's Sporting Goods, Dillard's, Hobby Lobby, JC Penney, Kohl's
Bonita Lakes Mall (11) Meridian, MS	1997	N/A	100 %	631,958	154,673	289	97 %	Belk, Dillard's, JC Penney, Sears, United Artists Theatres
Cary Towne Center Cary, NC	1979/2001	1993	100 %	917,101	267,751	273	95 %	Belk, Dave & Buster's, Dillard's, JC Penney, Macy's, Sears
	1976/2007	2006	100 %	1,286,475	491,357	273	96 %	

Chesterfield Mall Chesterfield, MO									AMC Theater, Dillard's, H&M, Macy's, Sears, V-Stock
College Square Morristown, TN	1988	1999	100	%	485,417	119,121	267	81 %	Belk, Carmike Cinema, Goody's, JC Penney, Kohl's, former Sears (under redevelopment) (12)
Fashion Square Saginaw, MI	1972/2001	1993	100	%	748,269	255,373	269	94 %	Carmike Cinema, Encore, JC Penney, Macy's, Sears
Foothills Mall Maryville, TN	1983/1996	2012	95	%	464,183	122,028	261	88 %	Belk, Carmike Cinema, Goody's, JC Penney, Sears, T.J. Maxx
Hickory Point Mall Decatur, IL	1977/2005	N/A	100	%	812,853	190,844	250	84 %	Bergner's, Cohn Furniture, Encore, JC Penney, Kohl's, Sears, Von Maur
Janesville Mall Janesville, WI	1973/1998	1998	100	%	614,593	166,763	289	98 %	Boston Store, JC Penney, Kohl's, Sears
Kentucky Oaks Mall Paducah, KY	1982/2001	1995	50	%	1,018,003	332,686	272	86 %	Best Buy, Dick's Sporting Goods, Dillard's, Dillard's Home Store, Elder-Beerman, JC Penney, Sears
Lakeshore Mall Sebring, FL	1992	1999	100	%	490,073	116,057	222	77 %	Beall's (6), Belk, Carmike, JC Penney, Kmart, Sears
Meridian Mall (13) Lansing, MI	1969/1998	2001	100	%	948,207	340,729	296	92 %	Bed Bath & Beyond, Dick's Sporting Goods, JC Penney, Macy's, Planet Fitness, Schuler Books & Music, Younkers for Her, Younkers Men, Kids & Home
Mid Rivers Mall St. Peters, MO	1987/2007	1999	100	%	1,089,025	305,706	296	93 %	Best Buy, Dick's Sporting Goods, Dillard's, JC Penney, Macy's, Sears, V-Stock, Wehrenberg

Theaters

28

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership		Total GLA [1]	Total Mall Store GLA[2]	Mall Store Sales per Square Foot [3]	Percentage Mall Store GLA Leased [4]		Anchors & Junior Anchors
Midland Mall Midland, MI	1991/2001	N/A	100	%	468,314	131,364	288	96	%	Barnes & Noble, Dunham's Sports, JC Penney, Sears, Target, Younkers
Monroeville Mall Pittsburgh, PA	1969/2004	2003	100	%	1,028,398	422,174	266	96	%	Barnes & Noble, Best Buy, Cinemark, Dick's Sporting Goods [14], H&M, JC Penney, Macy's
Northgate Mall Chattanooga, TN	1972/2011	2013	100	%	736,975	169,392	291	71	%	Belk, Carmike Cinemas, JC Penney, Michael's, Ross, Sears, T.J. Maxx
Pearland Town Center [15] Pearland, TX	2008	N/A	88	%	644,708	281,324	279	92	%	Barnes & Noble, Dillard's, Macy's, Sports Authority
Randolph Mall Asheboro, NC	1982/2001	1989	100	%	381,293	116,018	249	81	%	Belk, Cinemark, Dunham's Sports, JC Penney, Sears
Regency Mall Racine, WI	1981/2001	1999	100	%	789,449	212,042	233	89	%	Boston Store, Burlington Coat Factory, HH Gregg, JC Penney, Pay Half, Sears
River Ridge Mall Lynchburg, VA	1980/2003	2000	100	%	764,187	197,035	267	94	%	Belk, JC Penney, Liberty University, Macy's, Regal Cinema, T.J. Maxx
Stroud Mall [16] Stroudsburg, PA	1977/1998	2005	100	%	398,146	113,663	275	96	%	Bon-Ton, Cinemark, JC Penney, Sears
The Lakes Mall Muskegon, MI	2001	N/A	100	%	589,689	187,783	259	99	%	Bed Bath & Beyond, Dick's Sporting Goods, JC Penney, Sears, Younkers
The Outlet Shoppes at	2000/2012	N/A	50	%	249,937	249,937	259	99	%	None

Gettysburg Gettysburg, PA								
Walnut Square [17] Dalton, GA	1980	1992	100 %	495,331	169,896	239	99 %	Belk, Belk Home & Kids, Carmike Cinema, JC Penney, The Rush, Sears
Wausau Center [18] Wausau, WI	1983/2001	1999	100 %	423,556	150,356	262	99 %	JC Penney, Sears, Younkers
WestGate Mall [19] Spartanburg, SC	1975/1995	1996	100 %	953,801	247,643	288	90 %	Bed Bath & Beyond, Belk, Dick's Sporting Goods, Dillard's, JC Penney, Regal Cinema, Sears
Total Tier 3 Malls				18,304,691	5,716,525	$270	92 %	
Total Mall Portfolio				65,966,248	21,195,675	$356	95 %	

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership	Total GLA [1]	Total Mall Store GLA[2]	Mall Store Sales per Square Foot [3]	Percentage Mall Store GLA Leased [4]	Anchors & Junior Anchors
Non-Core Malls [20]								
Chapel Hill Mall [21] Akron, OH	1966/2004	1995	100 %	862,062	276,728	N/A	N/A	Encore, JC Penney, Macy's, Sears
Citadel Mall [22] Charleston, SC	1981/2001	2000	100 %	1,019,207	282,379	N/A	N/A	Belk, Dillard's, JC Penney, Sears, Target
Columbia Place [23] Columbia, SC	1977/2001	N/A	100 %	1,027,756	293,056	N/A	N/A	Burlington Coat Factory, Macy's, Sears, two vacancies
Madison Square Huntsville, AL	1984	1985	100 %	928,507	295,073	N/A	N/A	Belk, Dillard's, JC Penney, Sears, two vacancies
Total Non-Core Malls				3,837,532	1,147,236			

* Non-stabilized Mall

29

(1) Includes total square footage of the anchors (whether owned or leased by the anchor) and mall stores. Does not include future expansion areas.
(2) Excludes tenants over 20,000 square feet, anchors and junior anchors.
(3) Excludes sales for license agreement tenants. Totals represent weighted averages.
(4) Includes tenants paying rent for executed leases as of December 31, 2013.
(5) We acquired the Sears locations at CoolSprings Galleria and Fayette Mall in 2013 with plans to redevelop both buildings into new specialty stores and restaurants. Sears at Fayette Mall closed in January 2014. Sears at CoolSprings Galleria is expected to close in 2014.
(6) The Beall's operating at Lakeshore Mall is unrelated to the Beall's stores at Mall del Norte, Parkdale Mall, Post Oak Mall, Richland Mall and Sunrise Mall, which are owned by Stage Stores.
(7) St. Clair Square - We are the lessee under a ground lease for 20 acres. Assuming the exercise of available renewal options, at our election, the ground lease expires January 31, 2073. The rental amount is $40,500 per year. In addition to base rent, the landlord receives 0.25% of Dillard's sales in excess of $16,200,000.
(8) Brookfield Square - The annual ground rent for 2013 was $181,790.
(9) EastGate Mall - Ground rent is $24,000 per year.
(10) The Outlet Shoppes at Atlanta opened in July 2013. It is included in Tier 2 based on a projection of sales for a full calendar year.
(11) Bonita Lakes Mall - We are the lessee under a ground lease for 82 acres, which extends through June 2035, plus one 25-year renewal option. The annual ground rent for 2013 was $37,811, increasing by an average of 3% each year.
(12) College Square - T.J. Maxx and Longhorn Steakhouse are scheduled to open in 2014 in the former Sears space.
(13) Meridian Mall - We are the lessee under several ground leases in effect through March 2067, with extension options. Fixed rent is $18,700 per year plus 3% to 4% of all rents.
(14) Monroeville Mall - Dick's Sporting Goods is under development and scheduled to open in 2014.
(15) Pearland Town Center is a mixed-use center which combines retail, hotel, office and residential components. For segment reporting purposes, the retail portion of the center is classified in Malls, the office portion is classified in Office Buildings, and the hotel and residential portions are classified as Other.
(16) Stroud Mall - We are the lessee under a ground lease, which extends through July 2089. The current rental amount is $60,000 per year, increasing by $10,000 every ten years through 2059. An additional $100,000 is paid every 10 years.
(17) Walnut Square - We are the lessee under several ground leases. Assuming the exercise of renewal options available, at our election, the ground lease expires March 14, 2078. The rental amount is $149,450 per year. In addition to base rent, the landlord receives 20% of the percentage rents collected. The Company has a right of first refusal to purchase the fee.
(18) Wausau Center - Ground rent is $76,000 per year plus 10% of net taxable cash flow.
(19) WestGate Mall - We are the lessee under several ground leases for approximately 53% of the underlying land. Assuming the exercise of renewal options available, at our election, the ground lease expires October 31, 2084. The rental amount is $130,025 per year. In addition to base rent, the landlord receives 20% of the percentage rents collected. The Company has a right of first refusal to purchase the fee.
(20) Mall stores sales per square foot and occupancy percentage are not applicable as the steps taken to reposition non-core Malls lead to metrics which do not provide relevant information related to the condition of the non-core Malls.
(21) Chapel Hill Mall - Ground rent is the greater of $10,000 or 30% of aggregate fixed minimum rent paid by tenants of certain store units. The annual ground rent for 2013 was $11,333.
(22) In January 2014, an entity formed by the holders of the non-recourse mortgage loan secured by Citadel Mall completed the foreclosure sale process and acquired title to the Property.
(23) Columbia Place is in the process of foreclosure.

Anchors

Anchors are an important factor in a Mall’s successful performance. The public’s identification with a mall property typically focuses on the anchor tenants. Mall anchors are generally a department store whose merchandise appeals to a broad range of shoppers and plays a significant role in generating customer traffic and creating a desirable location for the mall store tenants.

Anchors may own their stores and the land underneath, as well as the adjacent parking areas, or may enter into long-term leases with respect to their stores. Rental rates for anchor tenants are significantly lower than the rents charged to mall store tenants. Total rental revenues from anchors account for 12.6% of the total revenues from our Properties in 2013. Each anchor that owns its store has entered into an operating and reciprocal easement agreement with us covering items such as operating covenants, reciprocal easements, property operations, initial construction and future expansion.

During 2013, we added the following anchors and junior anchors to the following Malls:

Name	Property	Location
Academy Sports & Outdoors	Oak Park Mall	Overland Park, KS
Cinemark Theater	Monroeville Mall	Pittsburgh, PA
Dave & Buster's	Cary Towne Center	Cary, NC
Dick's Sporting Goods	South County Center	St. Louis, MO
Dick's Sporting Goods	Southpark Mall	Colonial Heights, VA
Dunham's Sports	Randolph Mall	Asheboro, NC
Encore	Harford Mall	Bel Air, MD
Garden Ridge	Turtle Creek Mall	Hattiesburg, MS
H&M	Oak Park Mall	Overland Park, KS
H&M	Monroeville Mall	Pittsburgh, PA
Homegoods	Gulf Coast Town Center	Fort Myers, FL
Liberty University	River Ridge Mall	Lynchburg, VA
Michael's	Northgate Mall	Chattanooga, TN
Pay Half	Regency Mall	Racine, WI
Planet Fitness	Meridian Mall	Lansing, MI
Ross Dress for Less	Governor's Square	Clarksville, TN
Ross Dress for Less	Northgate Mall	Chattanooga, TN
Saks Fifth Avenue OFF FIFTH	The Outlet Shoppes at Atlanta	Woodstock, GA
T.J. Maxx	River Ridge Mall	Lynchburg, VA

As of December 31, 2013, the Malls had a total of 330 anchors. The mall anchors and the amount of GLA leased or owned by each as of December 31, 2013 is as follows:

	Number of Stores			Gross Leaseable Area		
Anchor	Mall Leased	Anchor Owned	Total	Mall Leased	Anchor Owned	Total
JC Penney (1)	37	32	69	3,831,735	4,105,215	7,936,950
Sears (2)	22	41	63	2,472,399	5,849,621	8,322,020
Dillard's (3)	4	42	46	660,713	5,993,025	6,653,738
Sak's	—	1	1	—	83,066	83,066
Macy's (4)	14	29	43	1,837,454	4,608,131	6,445,585
Belk (5)	7	22	29	688,937	2,794,007	3,482,944
Bon-Ton:						
Bon-Ton	2	1	3	186,824	131,915	318,739

Bergner's (6)	1	2	3	128,330	257,071	385,401
Boston Store (7)	1	4	5	96,000	599,280	695,280
Carson's	2	—	2	219,190	—	219,190
Herberger's	2	—	2	144,968	—	144,968
Younkers (8)	2	2	4	168,496	206,695	375,191
Elder-Beerman	2	—	2	124,233	—	124,233
Subtotal	12	9	21	1,068,041	1,194,961	2,263,002

Anchor	Number of Stores			Gross Leaseable Area		
	Mall Leased	Anchor Owned	Total	Mall Leased	Anchor Owned	Total
Academy Sports & Outdoors	1	—	1	74,407	—	74,407
AMC Theaters	1	—	1	59,491	—	59,491
Bass Pro Outdoor World	1	—	1	130,000	—	130,000
BJ's Wholesale Club	1	—	1	85,188	—	85,188
Boscov's	—	1	1	—	150,000	150,000
Burlington Coat Factory	1	—	1	80,000	—	80,000
Carousel Cinemas	1	—	1	52,000	—	52,000
Cinemark Theater	4	—	4	240,271	—	240,271
Dick's Sporting Goods (9)	10	1	11	636,259	70,000	706,259
Dunham Sports	1	—	1	60,200	—	60,200
Forever 21	—	1	1	—	57,500	57,500
Garden Ridge	—	1	1	—	124,700	124,700
Gordman's	1	—	1	59,360	—	59,360
Grande Cinemas	1	—	1	60,400	—	60,400
Harris Teeter	—	1	1	—	72,757	72,757
Hobby Lobby	1	—	1	52,500	—	52,500
I. Keating Furniture	1	—	1	103,994	—	103,994
Joplin Schools	—	1	1	—	90,000	90,000
Kmart	1	—	1	86,479	—	86,479
Kohl's	5	2	7	421,568	132,000	553,568
Liberty University	—	1	1	—	113,074	113,074
Nordstrom (10)	—	2	2	—	385,000	385,000
Regal Cinemas	4	—	4	273,900	—	273,900
Scheel's All Sports	2	—	2	200,536	—	200,536
Sleep Inn & Suites	1	—	1	123,506	—	123,506
Target	1	3	4	100,000	400,236	500,236
Von Maur	—	2	2	—	233,280	233,280
Wehrenberg Theaters	1	—	1	56,000	—	56,000
Current Developments: (11)						
Dick's Sporting Goods	1	—	1	54,379	—	54,379
T.J. Maxx/Longhorn Steakhouse	1	—	1	67,438	—	67,438
	138	192	330	13,637,155	26,456,573	40,093,728

(1) Of the 32 stores owned by JC Penney, 5 are subject to ground lease payments to the Company.
(2) Of the 41 stores owned by Sears, 3 are subject to ground lease payments to the Company.
(3) Of the 42 stores owned by Dillard's, 4 are subject to ground lease payments to the Company.
(4) Of the 29 stores owned by Macy's, 6 are subject to ground lease payments to the Company.
(5) Of the 22 stores owned by Belk, 2 are subject to ground lease payments to the Company.
(6) Of the two stores owned by Bergner's, one is subject to ground lease payments to the Company.
(7) Of the four stores owned by Boston Store, one is subject to ground lease payments to the Company.
(8) Of the two stores owned by Younker's, one is subject to ground lease payments to the Company.
(9) The one store owned by Dick's Sporting Goods is subject to ground lease payments to the Company.

(10) Of the two stores owned by Nordstrom, one is subject to ground lease payments to the Company
(11) Stores are under development and will open in 2014.

As of December 31, 2013, the Malls had a total of 122 junior anchors including three vacant locations. The mall junior anchors and the amount of GLA leased or owned by each as of December 31, 2013 is as follows:

Junior Anchor	Number of Stores			Gross Leaseable Area		
	Mall Leased	Anchor Owned	Total	Mall Leased	Anchor Owned	Total
A'GACI	1	—	1	28,000	—	28,000
Ashley Furniture HomeStores	1	—	1	26,439	—	26,439
Babies "R" Us	1	—	1	30,700	—	30,700
Barnes & Noble	15	—	15	442,818	—	442,818
Beall Bros.	5	—	5	193,209	—	193,209
Beall's (Fla)	1	—	1	45,844	—	45,844
Bed, Bath & Beyond	6	—	6	179,915	—	179,915
Best Buy	3	—	3	98,481	—	98,481
Books A Million	2	—	2	44,180	—	44,180
Carmike Cinemas	7	—	7	261,332	—	261,332
Cinemark Theater	4	—	4	159,368	—	159,368
Cohn Furniture	1	—	1	20,030	—	20,030
Dave & Buster's	1	—	1	30,004	—	30,004
Dick's Sporting Goods	5	—	5	216,625	—	216,625
Dunham Sports	1	—	1	35,368	—	35,368
Encore	7	—	7	179,663	—	179,663
Foot Locker	1	—	1	22,847	—	22,847
Glowgolf	1	—	1	22,169	—	22,169
Goody's	2	—	2	61,358	—	61,358
Gordman's	2	—	2	96,979	—	96,979
H&M	5	—	5	103,485	—	103,485
HH Gregg	1	1	2	25,000	33,887	58,887
Homegoods	1	—	1	32,034	—	32,034
Jillian's	1	—	1	21,295	—	21,295
Jo-Ann Fabrics	2	—	2	57,989	—	57,989
Joe Brand	1	—	1	29,413	—	29,413
Kaplan College	1	—	1	30,294	—	30,294
Marshall's	1	—	1	32,996	—	32,996
Michael's	1	—	1	20,076	—	20,076
Old Navy	1	—	1	20,257	—	20,257
Pay Half	1	—	1	25,764	—	25,764
Planet Fitness	1	—	1	23,107	—	23,107
REI	1	—	1	24,427	—	24,427
Regal Cinemas	1	—	1	23,360	—	23,360
Ross Dress For Less	4	—	4	106,293	—	106,293
Saks Fifth Avenue OFF FIFTH	2	—	2	51,755	—	51,755
Schuler Books	1	—	1	24,116	—	24,116
Sports Authority (1)	1	1	2	24,750	42,085	66,835
Staples	1	—	1	20,388	—	20,388
Stein Mart	1	—	1	30,463	—	30,463

Steinhafels	1	—	1	28,828	—	28,828
The Rush Fitness Complex	1	—	1	30,566	—	30,566
Tilt	1	—	1	22,484	—	22,484
T.J. Maxx	4	—	4	113,201	—	113,201
United Artists Theatre	2	—	2	59,180	—	59,180
V-Stock	3	—	3	95,098	—	95,098
Whole Foods	—	1	1	—	34,320	34,320

Junior Anchor	Number of Stores Mall Leased	Anchor Owned	Total	Gross Leaseable Area Mall Leased	Anchor Owned	Total
XXI Forever / Forever 21	8	—	8	255,335	—	255,335
Vacant Junior Anchors:						
Steve & Barry's	3	—	3	96,812	—	96,812
	119	3	122	3,624,095	110,292	3,734,387

(1) The one store owned by Sports Authority is subject to ground lease payments to the Company.

Mall Stores

The Malls have approximately 7,752 mall stores. National and regional retail chains (excluding local franchises) lease approximately 66.9% of the occupied mall store GLA. Although mall stores occupy only 31.0% of the total mall GLA (the remaining 69.0% is occupied by anchors or is vacant), the Malls received 81.7% of their revenues from mall stores for the year ended December 31, 2013.

Mall Lease Expirations

The following table summarizes the scheduled lease expirations for mall stores as of December 31, 2013:

Year Ending December 31,	Number of Leases Expiring	Annualized Gross Rent (1)	GLA of Expiring Leases	Average Annualized Gross Rent Per Square Foot	Expiring Leases as % of Total Annualized Gross Rent (2)	Expiring Leases as a % of Total Leased GLA (3)
2014	1,456	$101,059,000	3,579,000	$28.24	14.0%	18.6%
2015	947	101,823,000	2,661,000	38.27	14.1%	13.8%
2016	865	97,118,000	2,479,000	39.18	13.5%	12.9%
2017	757	85,399,000	2,206,000	38.71	11.9%	11.4%
2018	682	84,493,000	2,133,000	39.61	11.7%	11.1%
2019	332	47,691,000	1,180,000	40.42	6.6%	6.1%
2020	277	41,378,000	950,000	43.55	5.7%	4.9%
2021	310	42,360,000	1,048,000	40.43	5.9%	5.4%
2022	329	46,288,000	1,108,000	41.76	6.4%	5.7%
2023	380	53,299,000	1,339,000	39.81	7.4%	6.9%

(1) Total annualized gross rent, including recoverable common area expenses and real estate taxes, in effect at December 31, 2013 for expiring leases that were executed as of December 31, 2013.

(2) Total annualized gross rent, including recoverable common area expenses and real estate taxes, of expiring leases as a percentage of the total annualized gross rent of all leases that were executed as of December 31, 2013.

(3) Total GLA of expiring leases as a percentage of the total GLA of all leases that were executed as of December 31, 2013.

See page 57 for a comparison between rents on leases that expired in the current reporting period compared to rents on new and renewal leases executed in 2013. Our goal is to continue to convert shorter term leases to longer terms. For leases expiring in 2014 that we are able to renew or replace with new tenants, we anticipate that we will be able to achieve higher rental rates than the existing rates of the expiring leases as retailers seek out space in our market-dominant Properties and new supply remains constricted. Page 57 also includes new and renewal leasing activity as of December 31, 2013 with commencement dates in 2013 and 2014.

Mall Tenant Occupancy Costs

Occupancy cost is a tenant's total cost of occupying its space, divided by sales. Mall store sales represents total sales amounts received from reporting tenants with space of less than 10,000 square feet. The following table summarizes tenant occupancy costs as a percentage of total mall store sales, excluding license agreements, for the three years ended December 31, 2013:

	Year Ended December 31, (1)		
	2013	2012	2011
Mall store sales (in millions)	$5,598.49	$5,767.43	$5,498.01
Minimum rents	8.58 %	8.29 %	8.39 %
Percentage rents	0.59 %	0.62 %	0.59 %
Tenant reimbursements (2)	3.65 %	3.67 %	3.78 %
Mall tenant occupancy costs	12.82 %	12.58 %	12.76 %

(1) In certain cases, we own less than a 100% interest in the Malls. The information in this table is based on 100% of the applicable amounts and has not been adjusted for our ownership share.

(2) Represents reimbursements for real estate taxes, insurance, common area maintenance charges, marketing and certain capital expenditures.

Debt on Malls

Please see the table entitled "Mortgage Loans Outstanding at December 31, 2013" included herein for information regarding any liens or encumbrances related to our Malls.

Associated Centers

We owned a controlling interest in 25 Associated Centers and a non-controlling interest in 4 Associated Centers as of December 31, 2013.

Associated Centers are retail properties that are adjacent to a regional mall complex and include one or more anchors, or big box retailers, along with smaller tenants. Anchor tenants typically include tenants such as T.J. Maxx, Target, Kohl's and Bed Bath & Beyond. Associated Centers are managed by the staff at the Mall since it is adjacent to and usually benefits from the customers drawn to the Mall.

We own the land underlying the Associated Centers in fee simple interest, except for Bonita Lakes Crossing, which is subject to a long-term ground lease.

The following table sets forth certain information for each of the Associated Centers as of December 31, 2013:

Associated Center / Location	Year of Opening/ Most Recent Expansion	Company's Ownership	Total GLA (1)	Total Leasable GLA (2)	Percentage GLA Occupied (3)	Anchors
Annex at Monroeville Pittsburgh, PA	1986	100 %	186,367	186,367	100 %	Burlington Coat Factory, Dick's Sporting Goods
Bonita Lakes Crossing (4) Meridian, MS	1997/1999	100 %	147,518	147,518	78 %	Ashley Home Store, T.J. Maxx

Chapel Hill Suburban Akron, OH	1969	100	%	118,603	118,603	75	%	Roses
Coastal Grand Crossing Myrtle Beach, SC	2005	50	%	35,013	35,013	97	%	PetSmart
CoolSprings Crossing Nashville, TN	1992	100	%	167,470	63,010	81	%	American Signature (5), HH Gregg (6), Target (5), Toys R Us (5), Whole Foods (6)
Courtyard at Hickory Hollow Nashville, TN	1979	100	%	71,038	71,038	79	%	Carmike Cinema

35

Associated Center / Location	Year of Opening/ Most Recent Expansion	Company's Ownership		Total GLA (1)	Total Leasable GLA (2)	Percentage GLA Occupied (3)		Anchors
EastGate Crossing Cincinnati, OH	1991 / 2012	100	%	208,223	184,739	100	%	Kroger, Marshall's, Office Max (5)
Foothills Plaza Maryville, TN	1983/1986	100	%	71,274	71,274	93	%	Ollie's Bargain Outlet
Frontier Square Cheyenne, WY	1985	100	%	186,552	16,527	100	%	PETCO (7), Ross (7), Target (5), T.J. Maxx (7)
Governor's Square Plaza Clarksville, TN	1985/1988	50	%	215,281	71,702	100	%	Bed Bath & Beyond, Premier Medical Group, Target (5)
Gunbarrel Pointe Chattanooga, TN	2000	100	%	273,913	147,913	100	%	Earthfare, Kohl's,Target (5)
Hamilton Corner Chattanooga, TN	1990/2005	90	%	67,243	67,243	71	%	None
Hamilton Crossing Chattanooga, TN	1987/2005	92	%	191,945	98,832	98	%	HomeGoods (8), Michaels (8), T.J. Maxx, Toys R Us (5)
Harford Annex Bel Air, MD	1973/2003	100	%	107,656	107,656	100	%	Best Buy, Office Depot, PetSmart
The Landing at Arbor Place Atlanta (Douglasville), GA	1999	100	%	162,954	85,267	85	%	Michaels, Toys R Us (5)
Layton Hills Convenience Center Layton, UT	1980	100	%	91,379	91,379	98	%	Big Lots
Layton Hills Plaza Layton, UT	1989	100	%	18,808	18,808	100	%	None
Parkdale Crossing Beaumont, TX	2002	100	%	80,102	80,102	98	%	Barnes & Noble
The Plaza at Fayette Lexington, KY	2006	100	%	190,207	190,207	99	%	Cinemark, Gordman's
The Shoppes at Hamilton Place Chattanooga, TN	2003	92	%	131,274	131,274	97	%	Bed Bath & Beyond, Marshall's, Ross
The Shoppes at St. Clair Square Fairview Heights, IL	2007	100	%	84,383	84,383	96	%	Barnes & Noble
Sunrise Commons Brownsville, TX	2001	100	%	201,960	100,515	100	%	K-Mart (5), Marshall's, Ross
The Terrace Chattanooga, TN	1997	92	%	156,612	156,612	100	%	Academy Sports
Triangle Town Place Raleigh, NC	2004	50	%	149,471	149,471	100	%	Bed Bath & Beyond, Dick's Sporting

							Goods, DSW Shoes
West Towne Crossing Madison, WI	1980	100 %	426,633	104,234	100 %	Barnes & Noble, Best Buy, Cub Foods (5), Gander Mountain (9), Kohl's (5), Office Max (5), Savers, Shopko (5)
WestGate Crossing Spartanburg, SC	1985/1999	100 %	157,870	157,870	71 %	Hamricks, Jo-Ann Fabrics & Crafts
Westmoreland Crossing Greensburg, PA	2002	100 %	280,570	280,570	100 %	Carmike Cinema, Dick's Sporting Goods, Levin Furniture, Michaels (10), T.J. Maxx (10)
York Town Center York, PA	2007	50 %	282,882	282,882	100 %	Bed Bath & Beyond, Best Buy, Christmas Tree Store, Dick's Sporting Goods, Ross, Staples
Total Associated Centers			4,463,201	3,301,009	95 %	
Non-Core Associated Center:						
Madison Plaza Huntsville, AL	1984	100 %	153,503	99,108	N/A	Haverty's, HH Gregg (11)

(1) Includes total square footage of the anchors (whether owned or leased by the anchor) and shops. Does not include future expansion areas.
(2) Includes leasable anchors.
(3) Includes tenants paying rent for executed leases as of December 31, 2013, including leased anchors.

36

(4) Bonita Lakes Crossing - We are the lessee under a ground lease for 34 acres, which extends through June 2035, including one 25-year renewal option. The annual rent at December 31, 2013 was $26,276, increasing by an average of 3% each year.
(5) Owned by the tenant.
(6) CoolSprings Crossing - Space is owned by SM Newco Franklin LLC, an affiliate of Developers Diversified, and subleased to HH Gregg and Whole Foods (vacant).
(7) Frontier Square - Space is owned by 1639 11th Street Associates and subleased to PETCO, Ross, and T.J. Maxx.
(8) Hamilton Crossing - Space is owned by Schottenstein Property Group and subleased to HomeGoods and Michaels.
(9) West Towne Crossing - Under redevelopment for addition of Nordstrom Rack.
(10) Westmoreland Crossing - Space is owned by Schottenstein Property Group and subleased to Michaels and T.J. Maxx.
(11) Madison Plaza - Space is owned by SM Newco Huntsville LLC, an affiliate of Developers Diversified, and subleased to HH Gregg.

Associated Centers Lease Expirations

The following table summarizes the scheduled lease expirations for Associated Center tenants in occupancy as of December 31, 2013:

Year Ending December 31,	Number of Leases Expiring	Annualized Gross Rent [1]	GLA of Expiring Leases	Average Annualized Gross Rent Per Square Foot	Expiring Leases as % of Total Annualized Gross Rent [2]	Expiring Leases as % of Total Leased GLA [3]
2014	20	$1,570,000	98,000	$15.97	3.6 %	3.2 %
2015	43	4,645,000	293,000	15.86	10.5 %	9.5 %
2016	37	5,499,000	388,000	14.17	12.4 %	12.7 %
2017	53	6,807,000	415,000	16.39	15.4 %	13.5 %
2018	40	6,344,000	378,000	16.80	14.4 %	12.3 %
2019	20	3,981,000	338,000	11.79	9.0 %	11.0 %
2020	15	2,265,000	207,000	10.94	5.1 %	6.8 %
2021	13	4,374,000	322,000	13.58	9.9 %	10.5 %
2022	22	4,148,000	311,000	13.34	9.4 %	10.1 %
2023	9	1,744,000	87,000	20.16	3.9 %	2.8 %

(1) Total annualized gross rent, including recoverable common area expenses and real estate taxes, in effect at December 31, 2013 for expiring leases that were executed as of December 31, 2013.
(2) Total annualized gross rent, including recoverable common area expenses and real estate taxes, of expiring leases as a percentage of the total annualized gross rent of all leases that were executed as of December 31, 2013.
(3) Total GLA of expiring leases as a percentage of the total GLA of all leases that were executed as of December 31, 2013.

Debt on Associated Centers

Please see the table entitled “Mortgage Loans Outstanding at December 31, 2013” included herein for information regarding any liens or encumbrances related to our Associated Centers.

Community Centers

We owned a controlling interest in seven Community Centers and a non-controlling interest in four Community Centers as of December 31, 2013. Community Centers typically have less development risk because of shorter development periods and lower costs. While Community Centers generally maintain higher occupancy levels and are more stable, they typically have slower rent growth because the anchor stores' rents are typically fixed and are for longer terms.

Community Centers are designed to attract local and regional area customers and are typically anchored by a combination of supermarkets, or value-priced stores that attract shoppers to each center's small shops. The tenants at our Community Centers typically offer necessities, value-oriented and convenience merchandise.

We own the land underlying the Community Centers in fee simple interest.

The following table sets forth certain information for each of our Community Centers at December 31, 2013:

Community Center / Location	Year of Opening/ Most Recent Expansion	Company's Ownership		Total GLA [1]	Total Leasable GLA [2]	Percentage GLA Occupied [3]		Anchors
Cobblestone Village at Palm Coast Palm Coast, FL	2007	100	%	96,891	22,876	97	%	Belk [4]
The Crossings at Marshalls Creek Middle Smithfield, PA	2013	100	%	84,943	84,943	95	%	Price Chopper
The Forum at Grandview Madison, MS	2010/2012	75	%	189,719	189,719	100	%	Best Buy, Dick’s Sporting Goods, Homegoods, Michaels, Stein Mart
Hammock Landing West Melbourne, FL	2009	50	%	343,897	206,896	96	%	HH Gregg, Kohl's [4], Marshall's, Michaels, Ross, Target [4]
High Pointe Commons Harrisburg, PA	2006/2008	50	%	341,789	118,786	98	%	Christmas Tree Shops, JC Penney [4], Target [4]
The Pavilion at Port Orange Port Orange, FL	2010	50	%	313,838	252,039	95	%	Belk, Hollywood Theaters, Marshall's, Michaels
Pemberton Plaza Vicksburg, MS	1986	100	%	77,894	26,948	91	%	T.J. Maxx [5]
The Promenade D'Iberville, MS	2009	85	%	528,464	311,504	100	%	Best Buy, Dick's Sporting Goods, Kohl's [4], Marshall's, Michaels, Target [4]
Renaissance Center Durham, NC	2003/2007	50	%	314,691	314,691	96	%	Best Buy, Nordstrom, REI, Toys R Us
Statesboro Crossing Statesboro, GA	2008	50	%	136,958	136,958	98	%	Hobby Lobby, T.J. Maxx
Waynesville Commons Waynesville, NC	2012	100	%	126,901	41,967	100	%	Belk [4]
Total Community Centers				2,555,985	1,707,327	97	%	

(1) Includes total square footage of the Anchors (whether owned or leased by the Anchor) and shops. Does not include future expansion areas.
(2) Includes leasable Anchors.
(3) Includes tenants paying rent for executed leases as of December 31, 2013, including leased anchors.
(4) Owned by tenant.
(5) Pemberton Plaza - Space is owned by The Kroger Company and subleased to T.J. Maxx.

Community Centers Lease Expirations

The following table summarizes the scheduled lease expirations for tenants in occupancy at Community Centers as of December 31, 2013:

Year Ending December 31,	Number of Leases Expiring	Annualized Gross Rent [1]	GLA of Expiring Leases	Average Annualized Gross Rent Per Square Foot	Expiring Leases as % of Total Annualized Gross Rent [2]	Expiring Leases as a % of Total Leased GLA [3]
2014	17	$1,269,000	39,000	$32.25	3.6 %	2.0 %
2015	29	2,314,000	89,000	25.94	6.6 %	4.5 %
2016	22	1,285,000	59,000	21.83	3.7 %	3.0 %
2017	31	2,636,000	121,000	21.71	7.6 %	6.2 %
2018	26	2,812,000	136,000	20.67	8.1 %	6.9 %
2019	25	4,070,000	212,000	19.24	11.7 %	10.7 %
2020	35	6,992,000	392,000	17.82	20.1 %	19.9 %
2021	15	2,563,000	139,000	18.4	7.4 %	7.1 %
2022	18	2,591,000	147,000	17.58	7.4 %	7.5 %
2023	26	3,555,000	209,000	17.00	10.2 %	10.6 %

(1) Total annualized gross rent, including recoverable common area expenses and real estate taxes, in effect at December 31, 2013 for expiring leases that were executed as of December 31, 2013.

(2) Total annualized gross rent, including recoverable common area expenses and real estate taxes, of expiring leases as a percentage of the total annualized gross rent of all leases that were executed as of December 31, 2013.
(3) Total GLA of expiring leases as a percentage of the total GLA of all leases that were executed as of December 31, 2013.

Debt on Community Centers

Please see the table entitled “Mortgage Loans Outstanding at December 31, 2013” included herein for information regarding any liens or encumbrances related to our Community Centers.

Office Buildings

We owned a controlling interest in eight Office Buildings and a non-controlling interest in five Office Buildings as of December 31, 2013.

We own a 92% interest in the 131,000 square foot office building where our corporate headquarters is located. As of December 31, 2013, we occupied 63.3% of the total square footage of the building.

The following tables set forth certain information for each of our Office Buildings at December 31, 2013:

Office Building / Location	Year of Opening/ Most Recent Expansion	Company's Ownership		Total GLA [1]	Total Leasable GLA	Percentage GLA Occupied	
840 Greenbrier Circle Chesapeake, VA	1983	100	%	50,820	50,820	82	%
850 Greenbrier Circle Chesapeake, VA	1984	100	%	81,318	81,318	100	%
Bank of America Building Greensboro, NC	1988	50	%	49,265	49,265	38	%
CBL Center Chattanooga, TN	2001	92	%	130,658	130,658	100	%
CBL Center II Chattanooga, TN	2008	92	%	76,437	76,437	95	%
First Citizens Bank Building Greensboro, NC	1985	50	%	43,357	43,357	95	%
Friendly Center Office Building Greensboro, NC	1972	50	%	29,086	29,086	86	%
Oak Branch Business Center Greensboro, NC	1990/1995	100	%	33,622	33,622	77	%
One Oyster Point Newport News, VA	1984	100	%	36,257	36,257	29	%
The Pavilion at Port Orange Port Orange, FL	2010	50	%	31,382	31,382	86	%
Pearland Office Pearland, TX	2009	88	%	30,100	30,100	100	%
Two Oyster Point Newport News, VA	1985	100	%	39,283	39,283	79	%
Wachovia Office Building Greensboro, NC	1992	50	%	12,000	12,000	100	%

Total Office Buildings	643,585	643,585	85	%

(1) Includes total square footage of the offices. Does not include future expansion areas.

Office Buildings Lease Expirations

The following table summarizes the scheduled lease expirations for tenants in occupancy at Office Buildings as of December 31, 2013:

Year Ending December 31,	Number of Leases Expiring	Annualized Gross Rent (1)	GLA of Expiring Leases	Average Annualized Gross Rent Per Square Foot	Expiring Leases as % of Total Annualized Gross Rent (2)		Expiring Leases as a % of Total Leased GLA (3)	
2014	8	$278,000	16,000	$17.18	2.5	%	3.2	%
2015	18	1,878,000	95,000	19.86	16.8	%	18.6	%
2016	19	1,068,000	56,000	19.15	9.6	%	11.0	%
2017	14	2,019,000	125,000	16.13	18.1	%	24.6	%
2018	16	1,705,000	61,000	27.83	15.3	%	12.0	%
2019	4	1,252,000	53,000	23.57	11.2	%	10.4	%
2020	—	—	—	—	—	%	—	%
2021	—	—	—	—	—	%	—	%
2022	2	464,000	15,000	—	4.2	%	2.9	%

(1) Total annualized contractual gross rent, including recoverable common area expenses and real estate taxes, in effect at December 31, 2013 for expiring leases that were executed as of December 31, 2013.

(2) Total annualized contractual gross rent, including recoverable common area expenses and real estate taxes, of expiring leases as a percentage of the total annualized gross rent of all leases that were executed as of December 31, 2013.

(3) Total GLA of expiring leases as a percentage of the total GLA of all leases that were executed as of December 31, 2013.

Debt on Office Buildings

Please see the table entitled “Mortgage Loans Outstanding at December 31, 2013” included herein for information regarding any liens or encumbrances related to our Offices.

Mortgages Notes Receivable

We own five mortgages, each of which is collateralized by either a first mortgage, a second mortgage or by assignment of 100% of the ownership interests in the underlying real estate and related improvements. The mortgages are more fully described on Schedule IV in Part IV of this report.

Mortgage Loans Outstanding at December 31, 2013 (in thousands):

Property	Our Ownership Interest		Stated Interest Rate		Principal Balance as of 12/31/13 (1)	Annual Debt Service	Maturity Date	Optional Extended Maturity Date	Balloon Payment Due on Maturity	Open to Prepayment Date (2)	Footnote
Consolidated Debt											
Malls:											
Acadiana Mall	100	%	5.67	%	$134,933	$10,435	Apr-17	—	$124,998	Open	

Alamance Crossing	100	%	5.83	%	49,350	3,589	Jul-21	—	43,046	Jul-14	
Arbor Place	100	%	5.10	%	119,319	7,948	May-22	—	100,861	Apr-14	
Asheville Mall	100	%	5.80	%	74,819	5,917	Sep-21	—	60,190	Sep-14	
Brookfield Square	100	%	5.08	%	90,117	6,822	Nov-15	—	85,807	Open	
Burnsville Center	100	%	6.00	%	77,565	6,417	Jul-20	—	63,589	Open	
Cary Towne Center	100	%	8.50	%	53,679	11,958	Mar-17	—	45,226	Open	
Chapel Hill Mall	100	%	6.10	%	68,681	5,599	Aug-16	—	64,747	Open	
CherryVale Mall	100	%	5.00	%	80,364	6,055	Oct-15	—	76,647	Open	
Chesterfield Mall	100	%	5.74	%	140,000	8,153	Sep-16	—	140,000	Open	
Citadel Mall	100	%	5.68	%	68,169	5,226	Apr-17	—	62,939	Open	(3)
Columbia Place	100	%	5.45	%	27,265	2,493	Sep-13	—	25,603	Open	(4)
Cross Creek Mall	100	%	4.54	%	133,964	9,376	Jan-22	—	102,260	Open	
Dakota Square Mall	100	%	6.23	%	57,642	4,562	Nov-16	—	54,843	Open	

40

Property	Our Ownership Interest	Stated Interest Rate	Principal Balance as of 12/31/13 (1)	Annual Debt Service	Maturity Date	Optional Extended Maturity Date	Balloon Payment Due on Maturity	Open to Prepayment Date (2)	Footnote
East Towne Mall	100%	5.00%	68,539	5,153	Nov-15	—	65,231	Open	
EastGate Mall	100%	5.83%	41,102	3,613	Apr-21	—	30,155	Apr-14	
Eastland Mall	100%	5.85%	59,400	3,475	Dec-15	—	59,400	Open	
Fashion Square	100%	4.95%	40,675	2,932	Jun-22	—	31,112	May-14	
Fayette Mall	100%	5.42%	175,319	13,527	May-21	—	139,177	Open	
Greenbrier Mall	100%	5.91%	75,543	6,055	Aug-16	—	71,111	Open	
Hamilton Place	90%	5.86%	103,888	8,292	Aug-16	—	97,757	Open	
Hanes Mall	100%	6.99%	153,977	13,080	Oct-18	—	140,968	Open	
Hickory Point Mall	100%	5.85%	29,005	2,347	Dec-15	—	27,690	Open	
Honey Creek Mall	100%	8.00%	29,988	3,373	Jul-19	—	23,290	Open	(5)
Imperial Valley Mall	100%	4.99%	51,278	3,859	Sep-15	—	49,019	Open	
Janesville Mall	100%	8.38%	3,797	1,857	Apr-16	—	—	Open	
Jefferson Mall	100%	4.75%	69,599	4,456	Jun-22	—	58,176	May-14	
Kirkwood Mall	100%	5.75%	39,778	2,885	Apr-18		37,109	Open	
Layton Hills Mall	100%	5.66%	96,433	7,453	Apr-17	—	89,327	Open	
Mall del Norte	100%	5.04%	113,400	5,715	Dec-14	—	113,400	Open	
Midland Mall	100%	6.10%	33,894	2,763	Aug-16	—	31,953	Open	
Northwoods Mall	100%	5.08%	71,294	4,743	Apr-22	—	60,292	May-14	
The Outlet Shoppes at Atlanta	75%	4.90%	79,902	5,095	Nov-23	—	65,036	Nov-14	
The Outlet Shoppes at El Paso	75%	7.06%	65,465	5,622	Dec-17	—	61,265	Open	
The Outlet Shoppes at Gettysburg	50%	5.87%	39,437	3,104	Feb-16	—	37,766	Open	
The Outlet Shoppes at Oklahoma City	75%	5.73%	57,812	4,521	Jan-22	—	45,428	Open	
Park Plaza Mall	100%	5.28%	93,909	7,165	Apr-21	—	74,428	Apr-14	
Parkdale Mall & Crossing	100%	5.85%	89,991	7,241	Mar-21	—	72,447	Mar-14	
Parkway Place	100%	6.50%	39,433	3,403	Jul-20	—	32,661	Open	
Southaven Towne Center	100%	5.50%	40,929	3,134	Jan-17	—	38,056	Open	
Southpark Mall	100%	4.85%	65,531	4,240	Jun-22	—	54,924	Jul-14	
St. Clair Square	100%	3.25%	122,375	5,477	Dec-16	—	117,875	Open	(6)

Stroud Mall	100	%	4.59	%	33,243	2,119	Apr-16	—	30,276	Open	(7)
Valley View Mall	100	%	6.50	%	61,027	5,267	Jul-20	—	50,547	Open	
Volusia Mall	100	%	8.00	%	51,586	5,802	Jul-19	—	40,064	Open	(5)
Wausau Center	100	%	5.85	%	18,790	1,509	Apr-21	—	15,100	Apr-14	
West Towne Mall	100	%	5.00	%	96,811	7,279	Nov-15	—	92,139	Open	
WestGate Mall	100	%	4.99	%	38,818	2,803	Jul-22	—	29,670	Open	
York Galleria	100	%	4.55	%	53,093	3,245	Apr-16	—	48,337	Open	(8)
					3,480,928	267,154			3,081,942		
Associated Centers:											
CoolSprings Crossing	100	%	4.54	%	12,427	792	Apr-16	—	11,313	Open	(9)
EastGate Crossing	100	%	5.66	%	15,024	1,159	May-17	—	13,893	Open	
Gunbarrel Pointe	100	%	4.64	%	11,067	701	Apr-16	—	10,083	Open	(10)
Hamilton Corner	90	%	5.67	%	15,289	1,183	Apr-17	—	14,164	Open	
Hamilton Crossing & Expansion	92	%	5.99	%	10,075	819	Apr-21	—	8,122	Open	
The Plaza at Fayette	100	%	5.67	%	39,834	3,081	Apr-17	—	36,901	Open	
The Shoppes at St. Clair Square	100	%	5.67	%	20,188	1,562	Apr-17	—	18,702	Open	

Property	Our Ownership Interest		Stated Interest Rate		Principal Balance as of 12/31/13 (1)		Annual Debt Service		Maturity Date	Optional Extended Maturity Date	Balloon Payment Due on Maturity		Open to Prepayment Date (2)	Footnote
The Terrace	92	%	7.25	%	13,963		1,284		Jun-20	—	11,755		Jul-15	
					137,867		10,581				124,933			
Community Centers:														
Statesboro Crossing	50	%	1.97	%	11,337		355		Jun-16	Jun-18	11,024		Open	(11)
The Promenade	85	%	1.87	%	51,300		3,599		Dec-14	Dec-18	51,300		Open	(11)
					62,637		3,954				62,324			
Office Building:														
CBL Center	92	%	5.00	%	21,095		1,651		Jun-22	—	14,949		Jul-14	
Unsecured Credit Facilities:														
$600,000 capacity	100	%	1.57	%	99,371		1,560		Nov-15	Nov-16	99,371		Open	
$600,000 capacity	100	%	1.57	%	124,383		1,953		Nov-16	Nov-17	124,383		Open	
$100,000 capacity	100	%	1.57	%	5,000		79		Feb-16	—	5,000		Open	
					228,754		3,592				228,754			
Unsecured Term Loans:														
$400,000 capacity	100	%	1.67	%	400,000		6,680		Jul-18	—	400,000		Open	
$50,000 capacity	100	%	2.07	%	50,000		1,035		Feb-18	—	50,000		Open	
					450,000		7,715				450,000			
Senior Unsecured Notes:														
5.25% notes	100	%	5.25	%	450,000		23,625		Dec-23	—	450,000		Open	
5.25% notes - discount	100	%	5.25	%	(4,626	)	(243	)	Dec-23	—	(4,626	)	Open	
					445,374		23,382				445,374			
Construction Property:														
The Outlet Shoppes at Louisville	65	%	2.17	%	2,983		65		Aug-16	Aug-18	2,983		Open	(11) (12)
Other:														
Pearland Town Center	88	%	8.00	%	17,570		1,406		Oct-14	—	N/A			(13)
					10,315		—				—			(14)

Unamortized Premiums (Discounts)											
Total Consolidated Debt					$4,857,523	$319,500			$4,411,259		
Unconsolidated Debt:											
Coastal Grand-Myrtle Beach	50	%	5.09	%	76,839	7,078	Oct-14	—	74,423	Open	(15)
CoolSprings Galleria	50	%	6.98	%	107,526	10,683	Jun-18	—	87,037	Open	
Fremaux Town Center	65	%	2.29	%	25,800	591	Mar-16	Mar-18	25,800	Open	(11) (12)
Friendly Shopping Center	50	%	3.48	%	100,000	3,480	Apr-23	—	82,392	Apr-14	(16)
Governor's Square Mall	48	%	8.23	%	19,619	3,476	Sep-16	—	14,089	Open	
Gulf Coast Town Center (Phase I)	50	%	5.60	%	190,800	10,687	Jul-17	—	190,800	Open	
Gulf Coast Town Center (Phase III)	50	%	2.75	%	6,258	758	Jul-15	—	5,401	Open	(11) (12)
Hammock Landing (Phase I)	50	%	2.17	%	41,011	1,658	Nov-15	Nov-17	39,596	Open	(11) (17)
Hammock Landing (Phase II)	50	%	2.42	%	4,530	110	Nov-15	Nov-17	4,530	Open	(11) (18)

Property	Our Ownership Interest		Stated Interest Rate		Principal Balance as of 12/31/13 (1)	Annual Debt Service	Maturity Date	Optional Extended Maturity Date	Balloon Payment Due on Maturity	Open to Prepayment Date (2)	Footnote
High Pointe Commons (Phase I)	50	%	5.74	%	13,511	1,212	May-17	—	12,112	Open	
High Pointe Commons (Phase II)	50	%	6.10	%	5,406	481	Jul-17	—	4,816	Open	
Kentucky Oaks Mall	50	%	5.27	%	23,101	2,429	Jan-17	—	19,223	Open	
Oak Park Mall	50	%	5.85	%	275,700	16,128	Dec-15	—	275,700	Open	
The Pavilion at Port Orange	50	%	2.17	%	62,559	2,510	Nov-15	Nov-17	52,392	Open	(11) (17)
Renaissance Center (Phase I)	50	%	5.61	%	33,129	2,569	Jul-16	—	31,297	Open	
Renaissance Center (Phase II)	50	%	3.49	%	16,000	558	Apr-23	—	13,636	Apr-14	(19)
The Shops at Friendly Center	50	%	5.90	%	40,334	3,203	Jan-17	—	37,639	Open	
Triangle Town Center	50	%	5.74	%	179,336	14,367	Dec-15	—	171,092	Open	
West County Center	50	%	3.40	%	190,000	6,460	Dec-22	—	162,270	Jan-15	(20)
York Town Center	50	%	4.90	%	36,536	2,657	Feb-22	—	28,293	Open	
York Town Center - Pier 1	50	%	2.92	%	1,476	56	Feb-22	—	1,088	Open	(11)
Total Unconsolidated Debt					$1,449,471	$91,151			$1,333,626		
Total Consolidated and Unconsolidated Debt					$6,306,994	$410,651			$5,744,885		
Company's Pro-Rata Share of Total Debt					$5,506,988	$358,307					(21)

(1) The amount listed includes 100% of the loan amount even though the Company may have less than a 100% ownership interest in the Property.

(2) Prepayment premium is based on yield maintenance or defeasance.

(3) The foreclosure process on Citadel Mall was completed in January 2014.

(4) Columbia Place is in the process of foreclosure, which the Company anticipates will be complete by the second quarter of 2014.

(5) The mortgages on Honey Creek and Volusia Mall are cross-collateralized and cross-defaulted.

(6) This loan was retired subsequent to December 31, 2013.

(7)

The Company has an interest rate swap on a notional amount of $33,243, amortizing to $30,276 over the term of the swap, related to Stroud Mall to effectively fix the interest rate on that variable-rate loan. Therefore, this amount is currently reflected as having a fixed rate. The swap terminates in April 2016.

(8) The Company has an interest rate swap on a notional amount of $53,093, amortizing to $48,337 over the term of the swap, related to York Galleria to effectively fix the interest rate on that variable-rate loan. Therefore, this amount is currently reflected as having a fixed rate. The swap terminates in April 2016.

(9) The Company has an interest rate swap on a notional amount of $12,427, amortizing to $11,313 over the term of the swap, related to CoolSprings Crossing to effectively fix the interest rate on that variable-rate loan. Therefore, this amount is currently reflected as having a fixed rate. The swap terminates in April 2016.

(10) The Company has an interest rate swap on a notional amount of $11,067, amortizing to $10,083 over the term of the swap, related to Gunbarrel Pointe to effectively fix the interest rate on that variable-rate loan. Therefore, this amount is currently reflected as having a fixed rate. The swap terminates in April 2016.

(11) The interest rate is variable at various spreads over LIBOR priced at the rates in effect at December 31, 2013. The note is prepayable at any time without prepayment penalty.

(12) The Company owns less than 100% of the Property but guarantees 100% of the debt.

(13) We own 88% and our joint venture partner owns 12%. of Pearland Town Center. Our joint venture partner's equity contribution is accounted for using the financing method. The 8.0% rate represents our partner's rate of preferred return.

(14) Represents net premiums related to debt assumed to acquire real estate assets, which had stated interest rates that were above or below the estimated market rates for similar debt instruments at the respective acquisition dates.

(15) The amounts shown represent a first mortgage securing the Property. In addition to the outstanding balance of the first mortgage shown above, there is also a total of $18,000 of B-notes that are payable to the Company and its joint venture partner, each of which hold $9,000 for Coastal Grand - Myrtle Beach.

(16) Annual debt service is interest only through May 2016. Thereafter, debt service will be $5,735.

(17) The Company guarantees 25% of the debt.

(18) The Company owns less than 100% of the Property but guarantees 100% of the debt. The guaranty will be reduced to 25% once the construction of Carmike Cinema is complete and the theater is in operation.

(19) Annual debt service is interest only through May 2016. Thereafter, debt service will be $861.

(20) Annual debt service is interest only through December 2015. In 2016 and thereafter, annual debt service will be $10,111.

(21) Represents the Company's pro rata share of debt, including our share of unconsolidated affiliates' debt and excluding noncontrolling interests' share of consolidated debt on shopping center properties.

The following is a reconciliation of consolidated debt to the Company's pro rata share of total debt (in thousands):

Total consolidated debt	$4,857,523	
Noncontrolling interests' share of consolidated debt	(93,075	)
Company's share of unconsolidated debt	742,540	
Company's pro rata share of total debt	$5,506,988	

Other than our property-specific mortgage or construction loans, there are no material liens or encumbrances on our Properties. See Note 5 and Note 6 to the consolidated financial statements for additional information regarding property-specific indebtedness and construction loans.

ITEM 3. LEGAL PROCEEDINGS

We are currently involved in certain litigation that arises in the ordinary course of business, most of which is expected to be covered by liability insurance. Based on current expectations, such matters, both individually and in the aggregate, are not expected to have a material adverse effect on our liquidity, results of operations, business or financial condition.

On March 11, 2010, The Promenade D'Iberville, LLC (“TPD”), a subsidiary of the Company, filed a lawsuit in the Circuit Court of Harrison County, Mississippi (the "Mississippi Case"), against M. Hanna Construction Co., Inc. (“M Hanna”), Gallet & Associates, Inc., LA Ash, Inc., EMJ Corporation (“EMJ”) and JEA (f/k/a Jacksonville Electric Authority), seeking damages for alleged property damage and related damages occurring at a shopping center development in D'Iberville, Mississippi. EMJ filed an answer and counterclaim denying liability and seeking to recover from TPD the retainage of approximately $0.3 million allegedly owed under the construction contract. Kohl's Department Stores, Inc. (“Kohl's”) was granted permission to intervene in the Mississippi Case and, on April 13, 2011, filed a cross-claim against TPD alleging that TPD is liable to Kohl's for unspecified damages resulting from the actions of the defendants and for the failure to perform the obligations of TPD under a Site Development Agreement with Kohl's. Kohl's also made a claim against us based on our guarantee of the performance of TPD under the Site Development Agreement. Although, based on information currently available, we believe the likelihood of an unfavorable outcome related to the claims made by EMJ and Kohl's against us in connection with the Mississippi case is remote, we are providing disclosure of this litigation due to the related party relationship between us and EMJ described below. In August 2013, TPD received a partial settlement of $8.2 million from certain of the defendants in the Mississippi Case described above. Subsequent to December 31, 2013, we received a partial settlement of $0.8 million from certain of the defendants in the Mississippi Case described above. Litigation continues with other defendants in the matter, and trial is scheduled for the September 2014 jury term.

TPD also has filed claims under several insurance policies in connection with this matter, and there are three pending lawsuits relating to insurance coverage. On October 8, 2010, First Mercury Insurance Company (“First Mercury”) filed an action in the United States District Court for the Eastern District of Texas against M Hanna and TPD seeking a declaratory judgment concerning coverage under a liability insurance policy issued by First Mercury to M Hanna. That case was dismissed for lack of federal jurisdiction and refiled in Texas state court. On June 13, 2011, TPD filed an action in the Chancery Court of Hamilton County, Tennessee (the "Tennessee Case") against National Union Fire Insurance Company of Pittsburgh, PA (“National Union”) and EMJ seeking a declaratory judgment regarding coverage under a liability insurance policy issued by National Union to EMJ and recovery of damages arising out of National Union's breach of its obligations. In March 2012, Zurich American and Zurich American of Illinois, which also have issued liability insurance policies to EMJ, intervened in the Tennessee Case and the case was set for trial on October 29, 2013 but, currently, the trial date has been extended while the parties mediate the case. The first mediation session took place on January 14-15, 2014, and the second session is scheduled for March 18-19, 2014. On February 14, 2012, TPD filed claims in the United States District Court for the Southern District of Mississippi against Factory Mutual Insurance Company and Federal Insurance Company seeking a declaratory judgment concerning coverage under certain builders risk and property insurance policies issued by those respective insurers to the Company.

Certain executive officers of the Company and members of the immediate family of Charles B. Lebovitz, Chairman of the Board of the Company, collectively have a significant non-controlling interest in EMJ, a major national construction company that the Company engaged to build a substantial number of the Company's properties. EMJ is one of the defendants in the Mississippi Case and in the Tennessee Case described above.

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

Common stock of CBL & Associates Properties, Inc. is traded on the New York Stock Exchange. The stock symbol is "CBL". Quarterly sale prices and dividends paid per share of common stock are as follows:

Quarter Ended	Market Price High	Low	Dividend
2013			
March 31	$23.79	$20.76	$0.230
June 30	$26.95	$20.22	$0.230
September 30	$24.12	$18.74	$0.230
December 31	$20.63	$17.76	$0.245
2012			
March 31	$19.50	$15.41	$0.220
June 30	$19.57	$16.65	$0.220
September 30	$22.55	$18.64	$0.220
December 31	$23.00	$20.60	$0.220

There were approximately 803 shareholders of record for our common stock as of February 24, 2014.

Future dividend distributions are subject to our actual results of operations, taxable income, economic conditions, issuances of common stock and such other factors as our Board of Directors deems relevant. Our actual results of operations will be affected by a number of factors, including the revenues received from the Properties, our operating expenses, interest expense, unanticipated capital expenditures and the ability of the anchors and tenants at the Properties to meet their obligations for payment of rents and tenant reimbursements.

See Part III, Item 12 contained herein for information regarding securities authorized for issuance under equity compensation plans.

The following table presents information with respect to repurchases of common stock made by us during the three months ended December 31, 2013:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan
Oct. 1–31, 2013	66	$19.42	—	$—
Nov. 1–30, 2013	—	—	—	—
Dec. 1–31, 2013	—	—	—	—
Total	66	$19.42	—	$—

(1) Represents shares surrendered to the Company by employees to satisfy federal and state income tax withholding requirements related to the vesting of shares of restricted stock issued under the CBL & Associates Properties,

Inc. Second Amended and Restated Stock Incentive Plan, as amended.

(2) Represents the market value of the common stock on the vesting date for the shares of restricted stock, which was used to determine the number of shares required to be surrendered to satisfy income tax withholding requirements.

ITEM 6. SELECTED FINANCIAL DATA (CBL & Associates Properties, Inc.)
(In thousands, except per share data)

	Year Ended December 31, [1]				
	2013	2012	2011	2010	2009
Total revenues	$1,053,625	$1,002,843	$1,019,899	$1,014,487	$1,020,041
Total operating expenses	722,860	632,922	671,477	622,945	638,243
Income from operations	330,765	369,921	348,422	391,542	381,798
Interest and other income	10,825	3,953	2,578	3,868	5,200
Interest expense	(231,856)	(242,357)	(262,608)	(275,951)	(281,041)
Gain (loss) on extinguishment of debt	(9,108)	265	1,029	—	(601)
Gain (loss) on investments	2,400	45,072	—	888	(9,260)
Gain on sales of real estate assets	1,980	2,286	59,396	2,887	3,820
Equity in earnings (losses) of unconsolidated affiliates	11,616	8,313	6,138	(188)	5,489
Income tax (provision) benefit	(1,305)	(1,404)	269	6,417	1,222
Income from continuing operations	115,317	186,049	155,224	129,463	106,627
Discontinued operations	(4,947)	(11,530)	29,770	(31,293)	(113,692)
Net income (loss)	110,370	174,519	184,994	98,170	(7,065)
Net (income) loss attributable to noncontrolling interests in:					
Operating Partnership	(7,125)	(19,267)	(25,841)	(11,018)	17,845
Other consolidated subsidiaries	(18,041)	(23,652)	(25,217)	(25,001)	(25,769)
Net income (loss) attributable to the Company	85,204	131,600	133,936	62,151	(14,989)
Preferred dividends	(44,892)	(47,511)	(42,376)	(32,619)	(21,818)
Net income (loss) available to common shareholders	$40,312	$84,089	$91,560	$29,532	$(36,807)
Basic per share data attributable to common shareholders:					
Income from continuing operations, net of preferred dividends	$0.27	$0.60	$0.46	$0.38	$0.37
Net income (loss) attributable to common shareholders	$0.24	$0.54	$0.62	$0.21	$(0.35)
Weighted average common shares outstanding	167,027	154,762	148,289	138,375	106,366
Diluted per share data attributable to common shareholders:					
Income from continuing operations, net of preferred dividends	$0.27	$0.60	$0.46	$0.38	$0.37
Net income (loss) attributable to common shareholders	$0.24	$0.54	$0.62	$0.21	$(0.35)
Weighted average common and potential dilutive common shares outstanding	167,027	154,807	148,334	138,416	106,366
Amounts attributable to common shareholders:					
Income from continuing operations, net of preferred dividends	$44,515	$93,469	$68,366	$52,323	$39,763
Discontinued operations	(4,203)	(9,380)	23,194	(22,791)	(76,570)
Net income (loss) attributable to common shareholders	$40,312	$84,089	$91,560	$29,532	$(36,807)
Dividends declared per common share	$0.935	$0.880	$0.840	$0.800	$0.580

	December 31,				
	2013	2012	2011	2010	2009
BALANCE SHEET DATA:					
Net investment in real estate assets	$6,067,157	$6,328,982	$6,005,670	$6,890,137	$7,095,035
Total assets	6,785,971	7,089,736	6,719,428	7,506,554	7,729,110
Total mortgage and other indebtedness	4,857,523	4,745,683	4,489,355	5,209,747	5,616,139
Redeemable noncontrolling interests	34,639	464,082	456,105	458,213	444,259
Total shareholders' equity	1,404,913	1,328,693	1,263,278	1,300,338	1,117,896
Noncontrolling interests	155,021	192,404	207,113	223,605	302,483
Total equity	1,559,934	1,521,097	1,470,391	1,523,943	1,420,379

	Year Ended December 31,				
	2013	2012	2011	2010	2009
OTHER DATA:					
Cash flows provided by (used in):					
Operating activities	$464,751	$481,515	$441,836	$429,792	$431,638
Investing activities	(125,693)	(246,670)	(27,645)	(5,558)	(160,302)
Financing activities	(351,806)	(212,689)	(408,995)	(421,400)	(275,834)
Funds From Operations ("FFO") of the Operating Partnership (2)	437,451	458,159	422,697	394,841	397,068
FFO allocable to Company shareholders	371,702	372,758	329,323	287,563	267,425

(1) Please refer to Note 3, 5 and 15 to the consolidated financial statements for a description of acquisitions, joint venture transactions and impairment charges that have impacted the comparability of the financial information presented. Also, please refer to Note 4 to the consolidated financial statements for a description of discontinued operations that resulted in revisions to certain amounts previously reported.

(2) Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations for the definition of FFO, which does not represent cash flows from operations as defined by accounting principles generally accepted in the United States and is not necessarily indicative of the cash available to fund all cash requirements. A reconciliation of FFO to net income (loss) attributable to common shareholders is presented on page 79.

ITEM 6. SELECTED FINANCIAL DATA (CBL & Associates Limited Partnership)
(In thousands, except per unit data)

	Year Ended December 31, (1)				
	2013	2012	2011	2010	2009
Total revenues	$1,053,625	$1,002,843	$1,019,899	$1,014,487	$1,020,041
Total operating expenses	722,860	632,922	671,477	622,945	636,768
Income from operations	330,765	369,921	348,422	391,542	383,273
Interest and other income	10,825	3,953	2,578	3,910	5,200
Interest expense	(231,856)	(242,357)	(262,608)	(275,951)	(281,041)
Gain (loss) on extinguishment of debt	(9,108)	265	1,029	—	(601)
Gain (loss) on investments	2,400	45,072	—	888	(9,260)
Gain on sales of real estate assets	1,980	2,286	59,396	2,887	3,820
Equity in earnings (losses) of unconsolidated affiliates	11,616	8,313	6,138	(188)	5,489
Income tax (provision) benefit	(1,305)	(1,404)	269	6,417	1,222
Income from continuing operations	115,317	186,049	155,224	129,505	108,102
Discontinued operations	(4,947)	(11,530)	29,770	(31,293)	(113,692)
Net income (loss)	110,370	174,519	184,994	98,212	(5,590)
Net income attributable to noncontrolling interests	(18,041)	(23,652)	(25,217)	(25,001)	(25,769)
Net income (loss) attributable to the Operating Partnership	92,329	150,867	159,777	73,211	(31,359)
Distributions to preferred unitholders	(44,892)	(47,511)	(42,376)	(32,619)	(21,818)
Net income (loss) available to common unitholders	$47,437	$103,356	$117,401	$40,592	$(53,177)

Basic per unit data attributable to common unitholders:					
Income from continuing operations, net of preferred distributions	$0.26	$0.59	$0.49	$0.33	$0.15
Net income (loss) attributable to common unitholders	$0.24	$0.54	$0.62	$0.21	$(0.34)
Weighted average common units outstanding	196,572	190,223	190,335	190,001	157,933
Diluted per unit data attributable to common unitholders:					
Income from continuing operations, net of preferred distributions	$0.26	$0.59	$0.49	$0.33	$0.15
Net income (loss) attributable to common unitholders	$0.24	$0.54	$0.62	$0.21	$(0.34)
Weighted average common and potential dilutive common units outstanding	196,572	190,268	190,380	190,043	157,970
Amounts attributable to common unitholders:					
Income from continuing operations, net of preferred distributions	$51,640	$112,736	$94,207	$63,383	$23,393
Discontinued operations	(4,203)	(9,380)	23,194	(22,791)	(76,570)
Net income (loss) attributable to common unitholders	$47,437	$103,356	$117,401	$40,592	$(53,177)
Distributions per unit	$0.97	$0.92	$0.89	$0.90	$0.74

47

	December 31,				
	2013	2012	2011	2010	2009
BALANCE SHEET DATA:					
Net investment in real estate assets	$6,067,157	$6,328,982	$6,005,670	$6,890,137	$7,105,034
Total assets	6,786,393	7,090,225	6,719,559	7,506,650	7,739,228
Total mortgage and other indebtedness	4,857,523	4,745,683	4,489,355	5,209,747	5,616,139
Redeemable interests	34,639	464,082	456,105	458,213	444,259
Total partners' capital	1,541,176	1,458,164	1,466,241	1,517,957	1,426,766
Noncontrolling interests	19,179	63,496	4,280	6,082	675
Total capital	1,560,355	1,521,660	1,470,521	1,524,039	1,427,441

	Year Ended December 31,				
	2013	2012	2011	2010	2009
OTHER DATA:					
Cash flows provided by (used in):					
Operating activities	$464,741	$481,181	$441,827	$429,815	$431,645
Investing activities	(125,693)	(246,683)	(27,645)	(5,559)	(160,302)
Financing activities	(351,806)	(212,331)	(408,995)	(421,400)	(275,832)

(1) Please refer to Notes 3, 5 and 15 to the consolidated financial statements for a description of acquisitions, joint venture transactions and impairment charges that have impacted the comparability of the financial information presented. Also, please refer to Note 4 to the consolidated financial statements for a description of discontinued operations that resulted in revisions to certain amounts previously reported.

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

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the consolidated financial statements and accompanying notes that are included in this annual report. Capitalized terms used, but not defined, in this Management's Discussion and Analysis of Financial Condition and Results of Operations have the same meanings as defined in the notes to the consolidated financial statements.

Executive Overview

We are a self-managed, self-administered, fully integrated REIT that is engaged in the ownership, development, acquisition, leasing, management and operation of regional shopping malls, open-air centers, associated centers, community centers and office properties. Our shopping centers are located in 27 states, but are primarily in the southeastern and midwestern United States. We have elected to be taxed as a REIT for federal income tax purposes.

As of December 31, 2013, we owned controlling interests in 75 regional malls/open-air and outlet centers (including one mixed-use center), 25 associated centers (each located adjacent to a regional shopping mall), seven community centers and eight office buildings, including our corporate office building. We consolidate the financial statements of all entities in which we have a controlling financial interest or where we are the primary beneficiary of a variable interest entity ("VIE"). As of December 31, 2013, we owned non-controlling interests in nine regional malls, four associated centers, four community centers and five office buildings. Because one or more of the other partners have substantive participating rights, we do not control these partnerships and joint ventures and, accordingly, account for these investments using the equity method. We had controlling interests in two mall redevelopments and one outlet center, owned in a 65%/35% joint venture, under construction at December 31, 2013. We had a noncontrolling interest in one community center development at December 31, 2013. We also hold options to acquire certain development properties owned by third parties.

We made significant progress regarding two of our major priorities for 2013: improving the performance of our portfolio and strengthening our balance sheet. Operationally, we took advantage of ongoing opportunities to invest in growing our core portfolio, strengthened our retail base and increased the focus on our disposition program. We made significant progress in strengthening our tenant base and, while a short-term effect of the turnover in tenants that were replaced was lost income resulting from downtime between store closings and openings, we expect the long-term impact to be positive as indicated by the 11.8% leasing spreads achieved for the full year. We did not experience the incremental increases in occupancy or reach the level of same-center NOI we forecasted as the downtime associated with our tenant upgrade strategy weighed on our results. However, occupancy levels remained at historically high levels at 94.7% for the portfolio as of December 31, 2013 and same-center NOI increased 0.9% for the year ended December 31, 2013. Additionally, many retailers have announced expansion plans which we anticipate will positively impact our leasing spreads and occupancy rates. We began a multi-year plan to transition our portfolio to a higher growth profile by disposing of several lower-performing Properties in 2013. We expect this transition will enable our higher-performing Properties to have a greater impact on our overall results. We will also continue to focus on redevelopments of many of our Properties and new outlet center developments.

We continually review the performance and trends of existing tenants including our department stores. For example, JCPenney's negative sales performance for the past two years has raised concerns in the market. We have reviewed their store base in our portfolio to develop alternative plans that would bring exciting new retail options to our malls. Of the 69 JCPenney stores at our malls, 33 of the stores are owned by JCPenney and 36 are leased. Cumulatively, this retailer accounts for only 1.5% of our total annual revenues. While at this time we do not anticipate any additional JCPenney store closures in 2014, should we have the opportunity to recapture some of their stores, we have multiple options to utilize these spaces including replacing with new anchors, redevelopment into additional boxes and restaurants, adding small shops or creating outparcels. As an example, our plans for redevelopment of the two Sears buildings we purchased in 2013 include newly created mall shop space for a mix of fashion retailers, restaurants and junior anchors.

We received two investment grade ratings in 2013 which increased our flexibility and access to financing options in the public debt markets. Our Operating Partnership completed a $450.0 million inaugural bond issuance. We converted our third and final credit facility from secured to unsecured, closed on two unsecured term loans with an aggregate total of $450.0 million, and retired or refinanced maturing secured loans taking advantage of favorable financing terms. Our ATM program generated net proceeds of $209.6 million through the sale of 8.4 million shares of common stock. Additionally, we redeemed the Westfield PJV units for $413.0. million. All of these initiatives serve to further strengthen our balance sheet and allow us the financial resources to continue to invest in our Properties and pursue strategic acquisitions.

FFO of our Operating Partnership, as adjusted, increased 5.6% to $435.9 million for the year ending December 31, 2013 as compared to $412.8 million in the prior year. Contributions from new properties and rent growth from existing properties were partially offset by dilution from the dispositions completed in 2013 and higher interest expense from the bond issuance. FFO is a key performance measure for real estate companies. Please see the more detailed discussion of this measure on page 78. We expect the additional interest expense from the bond issuance will be offset by lower interest expense on loans that we retired during the latter part of last year and throughout the upcoming year with our lines of credit.

Moving forward into 2014, we will continue to work on upgrading our retail mix, redeveloping and expanding higher performing Properties and divesting lower productivity assets. These operational strategies aligned with our strong financial resources will position us to strengthen our existing portfolio of Properties while also pursuing selective acquisitions and development.

Results of Operations

Comparison of the Year Ended December 31, 2013 to the Year Ended December 31, 2012

Properties that were in operation for the entire year during both 2013 and 2012 are referred to as the "2013 Comparable Properties." Since January 1, 2012, we have opened one outlet center and two community center developments and acquired two outlet centers and two malls as follows:

Property	Location	Date Opened /Acquired
New Developments:		
Waynesville Commons	Waynesville, NC	October 2012
The Crossings at Marshalls Creek	Middle Smithfield, PA	June 2013
The Outlet Shoppes at Atlanta (1)	Woodstock, GA	July 2013
Acquisitions:		
The Outlet Shoppes at El Paso (1)	El Paso, TX	April 2012
The Outlet Shoppes at Gettysburg (2)	Gettysburg, PA	April 2012

Dakota Square Mall	Minot, ND	May 2012
Kirkwood Mall (3)	Bismarck, ND	December 2012

(1) The Outlet Shoppes at Atlanta and The Outlet Shoppes at El Paso are 75/25 joint ventures, which are included in the accompanying consolidated statements of operations on a consolidated basis.
(2) The Outlet Shoppes at Gettysburg is a 50/50 joint venture and is included in the accompanying consolidated statements of operations on a consolidated basis.
(3) We acquired a 49.0% interest in Kirkwood Mall in December 2012 and the remaining 51.0% interest in April 2013. This Property has been included in the accompanying consolidated statements of operations on a consolidated basis since December 2012.

The Properties listed above are included in our operations on a consolidated basis and are collectively referred to as the "2013 New Properties." In addition to the above Properties, in December 2012, we purchased the remaining 40.0% noncontrolling interests in Imperial Valley Mall L.P. and Imperial Valley Peripheral L.P., collectively referred to as the "IV Property," from our joint venture partner. The results of operations of the IV Property, previously accounted for using the equity method of accounting, are included in our operations on a consolidated basis beginning December 2012. The transactions related to the 2013 New Properties and the IV Property impact the comparison of the results of operations for the year ended December 31, 2013 to the results of operations for the year ended December 31, 2012.

Revenues

Total revenues increased by $50.8 million for 2013 compared to the prior year. Rental revenues and tenant reimbursements increased $45.8 million due to increases of $32.5 million related to the 2013 New Properties and $13.5 million attributable to the IV Property, partially offset by a decrease of $0.2 million from the 2013 Comparable Properties. The 2013 Comparable Properties were impacted by a decrease of $5.3 million related to our non-core Properties and our Properties that were undergoing redevelopment.

Our cost recovery ratio decreased to 97.9% for 2013 compared to 100.9% for 2012. The decrease is primarily due to an increase in operating and maintenance and repairs expenses that was not fully recoverable in the period from tenant reimbursements as many of our leases contain fixed rate provisions.

The increase in management, development and leasing fees of $1.7 million was primarily attributable to increases of $1.2 million in management fees and $0.5 million in development fees. The $1.2 million management fee increase is due to new contracts to provide property management services to eight third party malls. One of the contracts to manage a portfolio of six third party malls began in the second quarter of 2012 and two additional contracts, each to manage one mall, began in the third quarter of 2013. The increase of $0.5 million in development fees is related to the development of an outlet center and a community center in 2013.

Other revenues increased $3.3 million primarily due to increases of $1.6 million in revenues of our subsidiary that provides security and maintenance services to third parties and $0.9 million received as a claims settlement for lost business at one Property as a result of the Deepwater Horizon oil spill.

Operating Expenses

Total operating expenses increased $89.9 million for 2013 compared to the prior year. Property operating expenses, including real estate taxes and maintenance and repairs, increased $19.5 million primarily due to increases of $8.7 million from the 2013 New Properties, $6.7 million related to the 2013 Comparable Properties and $4.0 million attributable to the IV Property. The $6.7 million increase in property operating expenses of the 2013 Comparable Properties is primarily attributable to increases of $2.6 million in insurance expense, $1.8 million for security and janitorial costs, $1.6 million in snow removal costs and $0.9 million in marketing expenses, which were partially offset by decreases of $1.8 million in real estate taxes.

The increase in depreciation and amortization expense of $23.5 million resulted from increases of $11.8 million related to the 2013 New Properties, $7.5 million attributable to the IV Property and $4.2 million from the 2013 Comparable Properties. The increase attributable to the 2013 Comparable Properties is primarily attributable to an increase of $6.4 million in depreciation expense related to capital expenditures for renovations, redevelopments and deferred maintenance and an increase of $0.4 million in amortization of tenant relationships and deferred leasing costs which were partially offset by a decrease of $1.6 million in amortization of tenant allowances and in-place leases.

General and administrative expenses decreased $2.4 million primarily as a result of decreases in consulting and legal fees, payroll and related expenses and acquisition-related costs, which were partially offset by an increase in capitalized overhead related to development projects and expenses related to obtaining an investment grade rating. As a percentage of revenues, general and administrative expenses were 4.6% in 2013 compared to 5.1% in 2012.

During 2013, we recorded a non-cash impairment of $70.0 million which consisted of a $67.7 million loss to reduce the depreciated book value of two malls to their estimated fair values, a $1.8 million loss on the sale of an outparcel and a loss of $0.5 million to write down the book value of the corporate aircraft to its fair value upon trade-in. See Item 9B of this report and Note 15 to the consolidated financial statements for additional information. During 2012, we recorded a non-cash impairment of real estate of $24.4 million. The $24.4 million impairment is attributable to a $20.3 million loss recorded to reduce the fair value of land available for the future expansion of an associated center, a

$3.0 million loss to write down the book value of an associated center and a $1.1 million loss from the sale of three outparcels. See Note 15 to the consolidated financial statements for further discussion of impairment charges.

Other expenses increased $3.7 million primarily due to higher expenses of $3.4 million related to our subsidiary that provides security and maintenance services to third parties and an increase of $0.4 million in abandoned projects expense.

Other Income and Expenses

Interest and other income increased $6.9 million in 2013 compared to the prior year period. The increase primarily relates to an $8.2 million partial settlement of a lawsuit. See Note 14 to the consolidated financial statements for additional information. The increase was partially offset by a decrease of $1.2 million attributable to two mezzanine loans for two outlet centers. In 2012, we earned $0.6 million in interest income on these loans and subsequently recognized $0.6 million of unamortized discounts on these loans as income when they terminated in connection with the acquisitions of member interests in both outlet centers in 2012.

Interest expense decreased $10.5 million in 2013 compared to the prior year period. Interest expense related to the 2013 Comparable Properties decreased $18.9 million. The decrease was partially offset by an increase of $6.4 million related to the 2013 New Properties and an increase of $2.0 million attributable to the IV Property. The decrease attributable to the 2013 Comparable Properties resulted from using our credit facilities to retire higher-rate mortgage loans and refinancing other Properties at lower fixed rates.

During 2013, we recorded a loss on extinguishment of debt of $9.1 million in connection with the early retirement of two mortgage loans. The loss was attributable to a prepayment fee of $8.7 million for the loan payoff of Mid Rivers Mall and $0.4 million to write-off unamortized financing costs for Mid Rivers Mall and South County Center. During 2012, we recorded a gain on extinguishment of debt of $0.3 million in connection with the early retirement of a mortgage loan.

We recorded a gain on investment of $2.4 million during 2013 for the full payment of a note receivable related to our investment in China that had been written down in 2009. We recorded a gain on investment of $45.1 million during 2012 related to the acquisition of a controlling interest in Imperial Valley Mall, located in El Centro, CA, when we acquired our joint venture partner's 40% interest.

In 2013, we recognized a $2.0 million gain on sales of real estate assets, which was comprised of $1.9 million in proceeds from the sale of nine parcels of land and $0.1 million attributable to additional consideration received for an outparcel previously taken through an eminent domain proceeding. We recognized a gain on sales of real estate assets of $2.3 million in 2012 related to the sale of a vacant anchor space at one of our malls and the sale of eight parcels of land.

Equity in earnings of unconsolidated affiliates increased by $3.3 million during 2013. The increase is primarily attributable to lower interest expense from the refinancing of West County Center in December 2012 and increases in base rents and tenant reimbursements due to occupancy improvements and growth in rental rates at several unconsolidated affiliates. These increases were partially offset by a decrease of $2.6 million as a result of the IV Property being consolidated in the 2013 period.

The income tax provision of $1.3 million in 2013 relates to the Management Company, which is a taxable REIT subsidiary, and consists of a current benefit of $0.5 million and a deferred income tax provision of $1.8 million. The income tax provision of $1.4 million in 2012 consists of a current tax benefit of $1.7 million and a deferred income tax provision of $3.1 million.

The operating loss from discontinued operations for 2013 includes a $5.2 million loss on impairment of real estate to write down the net book value of a portfolio of six Properties sold during the period to the net sales price, a $2.9 million write-off of straight-line rent for Properties sold during the period, the operating results of three malls, three associated centers and five office buildings sold in 2013, and settlement of estimated expenses based on actual amounts for Properties sold during previous periods. The operating loss from discontinued operations for 2012 of $12.5 million includes a loss of $26.5 million on impairment of real estate related to two malls and one community center that were sold in 2012, which was partially offset by the operating results of two malls and four community centers that were sold during 2012 and the operating results of three malls, three associated centers and five office buildings that were sold in 2013, as well as settlement of estimated expenses based on actual amounts for Properties sold during previous periods.

The $1.1 million gain on discontinued operations for 2013 represents the gain from the sale of five office buildings sold during the period as well as recognition of a gain from the sale of two office buildings, which had been deferred in 2008 until subsequent repayment of the related notes receivable. The gain on discontinued operations of $1.0 million in 2012 related to the sale of a community center.

Comparison of the Year Ended December 31, 2012 to the Year Ended December 31, 2011

Properties that were in operation for the entire year during both 2012 and 2011 are referred to as the "2012 Comparable Properties." From January 1, 2011 to December 31, 2012, we acquired or opened three outlet centers, three malls and one community center as follows:

Property	Location	Date Opened/Acquired
New Developments:		
The Outlet Shoppes at Oklahoma City (1)	Oklahoma City, OK	August 2011
Waynesville Commons	Waynesville, NC	October 2012
Acquisitions:		
Northgate Mall	Chattanooga, TN	September 2011
The Outlet Shoppes at El Paso (1)	El Paso, TX	April 2012
The Outlet Shoppes at Gettysburg (2)	Gettysburg, PA	April 2012
Dakota Square Mall	Minot, ND	May 2012
Kirkwood Mall (3)	Bismarck, ND	December 2012

(1) The Outlet Shoppes at Oklahoma City and The Outlet Shoppes at El Paso are 75/25 joint ventures, which are included in the accompanying consolidated statements of operations on a consolidated basis.

(2) The Outlet Shoppes at Gettysburg is a 50/50 joint venture and is included in the accompanying consolidated statements of operations on a consolidated basis.

(3) We acquired a 49.0% interest in Kirkwood Mall in December 2012 and pursuant to the agreement acquired the remaining 51.0% interest in April 2013. This Property is included in the accompanying consolidated statements of operations on a consolidated basis.

The Properties listed above are included in our operations on a consolidated basis and are collectively referred to as the "2012 New Properties." In addition to the above Properties, in December 2012, we purchased the remaining 40.0% noncontrolling interests in the IV Property, from our joint venture partner. The results of operations of the IV Property, previously accounted for using the equity method of accounting, are included in our operations on a consolidated basis beginning December 2012. The transactions related to the 2012 New Properties impact the comparison of the results of operations for the year ended December 31, 2012 to the results of operations for the year ended December 31, 2011.

In October 2011, we formed a joint venture, CBL/T-C, with TIAA-CREF. As described in Note 5 to the consolidated financial statements, we began accounting for our remaining interest in three of our malls, CoolSprings Galleria, Oak Park Mall and West County Center, which were previously accounted for on a consolidated basis, using the equity method of accounting upon formation of the joint venture. These Properties are collectively referred to as the "CBL/T-C Properties". This transaction impacts the comparison of the results of operations for the year ended December 31, 2012 to the results of operations for the year ended December 31, 2011.

Revenues

Total revenues decreased by $17.1 million for 2012 compared to the prior year. Rental revenues and tenant reimbursements decreased $17.4 million due to a decrease of $70.4 million related to the CBL/T-C Properties partially offset by an increase of $39.8 million from the 2012 New Properties and an increase of $13.2 million from the 2012 Comparable Properties. The increase in rental revenues and tenant reimbursements of the 2012 Comparable Properties was primarily driven by increases of $14.5 million in minimum rents and $1.1 million in sponsorship income partially offset by a decrease of $2.3 million in tenant reimbursements. High occupancy levels and continued improvement in leasing spreads led to the increase in minimum rents.

Our cost recovery ratio decreased to 100.9% for 2012 compared to 102.7% for 2011.

The increase in management, development and leasing fees of $3.8 million was mainly attributable to a new contract to provide property management services to a portfolio of six third party malls in 2012 as well as income from the

CBL/T-C joint venture.

Other revenues decreased $3.5 million primarily due to a decrease of $2.4 million in revenues of our subsidiary that provides security and maintenance services to third parties.

Operating Expenses

Total operating expenses decreased $38.6 million for 2012 compared to the prior year primarily due to a $26.9 million decrease in loss on impairment of real estate. Property operating expenses, including real estate taxes and maintenance and repairs, decreased $8.2 million due to a decrease of $21.6 million related to the CBL/T-C Properties partially offset by increases of $13.3 million related to the 2012 New Properties and $0.1 million attributable to the 2012 Comparable Properties.

The decrease in depreciation and amortization expense of $6.1 million resulted from a decrease of $23.8 million related to the CBL/T-C Properties and $1.8 million from the 2012 Comparable Properties, partially offset by an increase of $19.5 million from the 2012 New Properties. The decrease attributable to the 2012 Comparable Properties is primarily attributable to lower amortization of tenant allowances due to write-offs of unamortized tenant allowances in the prior year period related to certain store closings partially offset by ongoing capital expenditures for renovations, expansions and deferred maintenance.

General and administrative expenses increased $6.5 million primarily as a result of an increase of $3.9 million in payroll and related expenses, a decrease of $0.8 for capitalized overhead related to development projects, an increase of $0.7 million in legal and other professional services and an increase of $0.7 million related to accelerating the vesting of certain restricted stock awards. The balance of the increase was attributable to increased costs in acquisition costs and several other general and administrative accounts. As a percentage of revenues, general and administrative expenses were 5.1% in 2012 compared to 4.4% in 2011. General and administrative expenses as a percentage of revenues were slightly higher in 2012 due to lower revenues as a result of the deconsolidation of the CBL/T-C Properties.

During 2012, we recorded a non-cash impairment of real estate of $24.4 million. The $24.4 million impairment is attributable to a $20.3 million loss recorded to reduce the fair value of land available for the future expansion of an associated center, a $3.0 million loss to write down the book value of an associated center and a $1.1 million loss from the sale of three outparcels. During 2011, we recorded a non-cash impairment of real estate of $51.3 million, which consisted of $50.7 million related to Columbia Place in Columbia, SC and $0.6 million related to a loss on the sale of a land parcel. Columbia Place experienced declining cash flows as a result of changes in property-specific market conditions, which were further exacerbated by economic conditions that negatively impacted leasing activity and occupancy. See Note 15 to the consolidated financial statements for further discussion of impairment charges.

Other expenses decreased $3.8 million primarily due to lower expenses of $2.2 million related to our subsidiary that provides security and maintenance services to third parties, a write-down of $1.5 million recorded in 2011 to reduce the carrying value of a mortgage note receivable to equal its estimated realizable value, for which we foreclosed on the land that served as collateral on the loan, and a decrease of $0.1 million in abandoned projects expense.

Other Income and Expenses

Interest and other income increased $1.4 million in 2012 compared to the prior year period, primarily as a result of two mezzanine loans for two outlet centers. We earned $0.4 million in interest income on these loans and subsequently recognized $0.6 million of unamortized discounts on these loans when they terminated in connection with the acquisition of member interests in both outlet centers in 2012. We also earned $0.4 million of interest income on a note receivable related to the development of The Outlet Shoppes at Atlanta, located in Woodstock, GA.

Interest expense decreased $20.3 million in 2012 compared to the prior year period. Interest expense related to the CBL/T-C Properties decreased $25.2 million partially offset by an increase of $10.3 million related to the 2012 New Properties. The remaining decrease of $5.4 million attributable to the 2012 Comparable Properties was primarily related to our continued efforts to deleverage our balance sheet as we used our credit facilities to retire higher rate mortgages loans and refinanced other Properties at favorable fixed rates. Our weighted average interest rate was 4.86% as of December 31, 2012 compared to 5.04% as of December 31, 2011. Additionally, we modified and extended our two largest credit facilities in the fourth quarter of 2012 reducing average spreads by 60 basis points.

During 2012, we recorded a gain on extinguishment of debt of $0.3 million in connection with the early retirement of a mortgage loan. During 2011, we recorded a gain on extinguishment of debt of $1.0 million as a result of the early retirement of debt on two malls.

We recorded a gain on investment of $45.1 million during 2012 related to the acquisition of a controlling interest in Imperial Valley Mall, located in El Centro, CA, when we acquired our joint venture partner's 40% interest.

We recognized a gain on sale of real estate assets of $2.3 million in 2012 related to the sale of a vacant anchor space at one of our malls and the sale of eight parcels of land. During 2011, we recognized a gain on sales of real estate assets of $59.4 million. Of this amount, $54.3 million was related to the sale of a portion of our interests in the CBL/T-C Properties and $5.1 million was related to the sale of a vacant anchor space at one of our malls and five parcels of land.

Equity in earnings of unconsolidated affiliates increased by $2.2 million during 2012. Gains related to the sales of three outparcels comprised $1.4 million of the increase. Increases in revenues from several new tenants and favorable rent increases for existing tenants at several unconsolidated Properties also contributed to this increase, reflecting improved occupancy and rental rates consistent with the 2012 Comparable Properties.

The income tax provision of $1.4 million in 2012 primarily relates to our Management Company, which is a taxable REIT subsidiary, and consists of a current tax benefit of $1.7 million and a deferred income tax provision of $3.1 million. During 2011, we recorded an income tax benefit of $0.3 million, consisting of a current tax provision of $5.4 million, partially offset by a deferred income tax benefit of $5.7 million. Our taxable REIT subsidiary had higher income in 2012 compared to 2011 primarily as a result of an increase in the management fee income from our own portfolio of Properties. Because this fee income is from our consolidated

Properties, the fee income is eliminated in our consolidated financial statements; however, there is still a tax effect to the taxable REIT subsidiary.
Loss from discontinued operations for 2012 of $12.5 million includes an aggregate loss of $26.5 million on impairment of real estate which was partially offset by the operating results of two malls and four community centers that were sold during 2012, the operating results of three malls, three associated centers and five office buildings that were sold in 2013 and a $0.1 million gain on sale of real estate related to one community center that was sold in 2012.
Operating income from discontinued operations for 2011 of $29.8 million includes a gain on extinguishment of debt of $31.4 million for one mall sold in 2011, the operating results of one mall and one community center that were sold in 2011, the operating results of two malls and four community centers that were sold in 2012 and the operating results of three malls, three associated centers and five office buildings that were sold in 2013, which were partially offset by an aggregate loss on impairment of real estate of $7.4 million.
We also recorded a gain on discontinued operations of $0.9 million in 2012 related to the sale of a community center.

Same-Center Net Operating Income
NOI is a supplemental measure of the operating performance of our shopping centers and other Properties. We define NOI as property operating revenues (rental revenues, tenant reimbursements and other income) less property operating expenses (property operating, real estate taxes and maintenance and repairs).
Similar to FFO, we compute NOI based on our pro rata share of both consolidated and unconsolidated Properties. Our definition of NOI may be different than that used by other companies and, accordingly, our calculation of NOI may not be comparable to that of other companies.
Since NOI includes only those revenues and expenses related to the operations of our shopping center Properties, we believe that same-center NOI provides a measure that reflects trends in occupancy rates, rental rates and operating costs and the impact of those trends on our results of operations. In the fourth quarter of 2013, we modified our calculation of same-center NOI to exclude lease termination income, straight-line rent adjustments, and amortization of above and below market lease intangibles in order to enhance the comparability of results from one period to another, as these items can be impacted by one-time events that may distort same-center NOI trends and may result in same-center NOI that is not indicative of the ongoing operations of our shopping center and other Properties.
We included a Property in our same-center pool when we owned all or a portion of the Property as of December 31, 2013, and we owned it and it was in operation for both the entire preceding calendar year and the current year ending December 31, 2013. New Properties are excluded from same-center NOI, until they meet this criteria. The only Properties excluded from the same-center pool that would otherwise meet this criteria are non-core Properties, Properties under major redevelopment and Properties included in discontinued operations.

Due to the exclusions noted above, same-center NOI should only be used as a supplemental measure of our performance and not as an alternative to GAAP operating income (loss) or net income (loss). A reconciliation of our same-center NOI to net income attributable to the Company for the years ended December 31, 2013 and 2012 is as follows (in thousands):

	Year Ended December 31,	
	2013	2012
Net income attributable to the Company	$85,204	$131,600
Adjustments: [1]		
Depreciation and amortization	319,260	307,519
Interest expense	266,843	285,769
Abandoned projects expense	334	(39)
Gain on sales of real estate assets	(2,002)	(6,496)
(Gain) loss on extinguishment of debt	9,108	(265)
Gain on investments	(2,400)	(45,072)
Loss on impairment	75,283	50,840
Income tax provision	1,305	1,404
Lease termination fees	(4,217)	(3,819)
Straight-line rent and above and below market rent	(1,502)	(3,375)
Net income attributable to noncontrolling interest in earnings of Operating Partnership	7,125	19,267
(Gain) loss on discontinued operations	(1,144)	(938)
General and administrative expenses	48,867	51,251
Management fees and non-property level revenues	(45,988)	(38,948)
Company's share of property NOI	756,076	748,698
Non-comparable NOI	(58,186)	(56,741)
Total same-center NOI	$697,890	$691,957

(1) Adjustments are based on our pro rata ownership share, including our share of unconsolidated affiliates and excluding noncontrolling interests' share of consolidated Properties.

Same-center NOI increased $5.9 million for the year ended December 31, 2013 compared to 2012. Our NOI growth of 0.9% for 2013 as compared to the prior year was constrained by the impact of lower performing Properties, which we plan to continue to divest over time, subject to market conditions. Additionally, our strategy of upgrading our tenant mix impacted NOI as we saw longer downtimes between store closures and new store openings, which led to several months of lost rent. However, in the long term, the upgraded tenant mix is expected to contribute to stronger growth in sales and positively impact NOI in the future.

Operational Review

The shopping center business is, to some extent, seasonal in nature with tenants typically achieving the highest levels of sales during the fourth quarter due to the holiday season, which generally results in higher percentage rents in the fourth quarter. Additionally, the malls earn most of their rents from short-term tenants during the holiday period. Thus, occupancy levels and revenue production are generally the highest in the fourth quarter of each year. Results of operations realized in any one quarter may not be indicative of the results likely to be experienced over the course of the fiscal year.

We derive the majority of our revenues from the Mall Properties. The sources of our revenues by property type were as follows:

	Year Ended December 31,	
	2013	2012
Malls	88.3%	89.8%
Associated centers	4.0%	4.1%
Community centers	1.7%	1.2%

Mortgages, office buildings and other	6.0%	4.9%

Mall Store Sales

Mall store sales include reporting mall tenants of 10,000 square feet or less for stabilized malls and exclude license agreements, which are retail contracts that are temporary or short-term in nature and generally last more than three months but less than twelve months. Mall stores sales for the year ended December 31, 2013 on a comparable per square foot basis were $356 per square foot compared with $360 per square foot for 2012, representing a 1.1% decrease.

Occupancy

Our portfolio occupancy is summarized in the following table:

	As of December 31,			
	2013		2012	
Total portfolio	94.7%		94.7%	
Total mall portfolio	94.8%		94.7%	
Same-center stabilized malls	94.9%		94.8%	
Stabilized malls	94.7%		94.7%	
Non-stabilized malls	98.0%	(1)	100.0%	(2)
Associated centers	94.5%		94.8%	
Community centers	96.7%		95.9%	

(1) Represents occupancy for The Outlet Shoppes at Atlanta and The Outlet Shoppes at Oklahoma City as of December 31, 2013.

(2) Represents occupancy for The Outlet Shoppes at Oklahoma City as of December 31, 2012.

Occupancy results were relatively flat as we continued to upgrade our tenant mix, which led to increased downtime between store closings and openings. For 2014, we are forecasting occupancy improvements of 0 to 25 basis points as compared to 2013 for the total portfolio as well as for the stabilized mall portfolio.

Leasing

During 2013, we signed more than 6.8 million square feet of leases, including 6.1 million square feet of leases in our operating portfolio and 0.7 million square feet of development leases. The leases signed in our operating portfolio included approximately 1.7 million square feet of new leases and approximately 4.4 million square feet of renewals. This compares with a total of approximately 6.1 million square feet of leases signed during 2012, including 5.8 million square feet of leases in our operating portfolio and 0.3 million square feet of development leases.

Average annual base rents per square foot are based on contractual rents in effect as of December 31, 2013 and 2012, including the impact of any rent concessions. Average annual base rents per square foot for comparable small shop space of less than 10,000 square feet were as follows for each property type:

	December 31,	
	2013	2012
Same-Center stabilized malls (1)	$30.41	$30.12
Stabilized malls (1) (2)	30.35	30.12
Non-stabilized malls (3)	24.52	22.81
Associated centers	12.06	11.90
Community centers	15.77	16.02
Office buildings	19.38	18.62

(1) Excludes Kirkwood Mall, which was acquired in December 2012. Also excludes occupancy related to Citadel Mall and Columbia Place, both of which were in foreclosure proceedings as of December 31, 2013.

(2) Kirkwood Mall, which was acquired in December 2012, is excluded from average annual base rents as of December 31, 2012.

(3)

Represents average annual base rents for The Outlet Shoppes at Atlanta and The Outlet Shoppes at Oklahoma City as of December 31, 2013 and average annual base rents for The Outlet Shoppes at Oklahoma City as of December 31, 2012.

Results from new and renewal leasing of comparable small shop space of less than 10,000 square feet during the year ended December 31, 2013 for spaces that were previously occupied are as follows:

Property Type	Square Feet	Prior Gross Rent PSF	New Initial Gross Rent PSF	% Change Initial	New Average Gross Rent PSF (2)	% Change Average
All Property Types (1)	2,627,843	$38.01	$41.13	8.2%	$42.48	11.8%
Stabilized Malls	2,457,133	39.18	42.43	8.3%	43.82	11.8%
New leases	566,502	39.51	49.09	24.2%	51.98	31.6%
Renewal leases	1,890,631	39.08	40.43	3.5%	41.38	5.9%

(1) Includes stabilized malls, associated centers, community centers and office buildings.
(2) Average gross rent does not incorporate allowable future increases for recoverable common area expenses.

New and renewal leasing activity of comparable small shop space of less than 10,000 square feet for the year ended December 31, 2013 based on commencement date is as follows:

	Number of Leases	Square Feet	Term (in years)	Initial Rent PSF	Average Rent PSF	Expiring Rent PSF	Initial Rent Spread		Average Rent Spread	
Commencement 2013:										
New	226	567,905	7.92	$46.66	$49.34	$39.53	$7.13	18.0%	$9.81	24.8%
Renewal	715	1,950,144	4.39	39.95	40.88	39.08	0.87	2.2%	1.80	4.6%
Commencement 2013 Total	941	2,518,049	5.24	$41.46	$42.79	$39.18	$2.28	5.8%	3.61	9.2%
Commencement 2014:										
New	79	207,847	8.99	$49.14	$52.14	$37.10	$12.04	32.5%	15.04	40.5%
Renewal	265	833,698	4.32	36.96	37.90	34.40	2.56	7.4%	3.50	10.2%
Commencement 2014 Total	344	1,041,545	5.39	$39.39	$40.74	$34.94	$4.45	12.7%	5.80	16.6%
Total 2013/2014	1,285	3,559,594	5.28	$40.86	$42.19	$37.94	$2.92	7.7%	$4.25	11.2%

We continue to see positive leasing spreads and demand from retailers to lease space in our Properties. We anticipate retailers will continue with their expansion plans for 2014 and 2015, which will favorably impact our leasing results going forward.

Liquidity and Capital Resources

We received two investment grade ratings in 2013 which enabled us to take advantage of favorable market financing through a $450.0 million bond issuance by the Operating Partnership. Our ATM program, which was initiated in 2013, provided net proceeds of $209.6 million from the sale of 8.4 million shares at a weighted-average sales price of $25.12 per share. Additionally, we converted our third credit facility from secured to unsecured which furthers our goal to increase our pool of unencumbered Properties. We also closed on two unsecured term loans of $400.0 million and $50.0 million, respectively, taking advantage of low interest rates.

As discussed in Note 14 to the accompanying consolidated financial statements, under the terms of the joint venture agreement for CWJV, we redeemed Westfield's preferred units for $413.0 million further enhancing the strength of our balance sheet.

We derive a majority of our revenues from leases with retail tenants, which have historically been the primary source for funding short-term liquidity and capital needs such as operating expenses, debt service, tenant construction allowances, recurring capital expenditures, dividends and distributions. We believe that the combination of cash flows generated from our operations, combined with our debt and equity sources and the availability under our lines of credit will, for the foreseeable future, provide adequate liquidity to meet our cash needs. In addition to these factors, we have options available to us to generate additional liquidity, including but not limited to, equity offerings, joint venture investments, issuances of noncontrolling interests in our Operating Partnership, and decreasing expenditures related to tenant construction allowances and other capital expenditures. We also generate revenues from sales of peripheral land at the Properties and from sales of real estate assets when it is determined that we can realize an optimal value for the assets.

Cash Flows - Operating, Investing and Financing Activities

There was $65.5 million of unrestricted cash and cash equivalents as of December 31, 2013, a decrease of $12.7 million from December 31, 2012. Cash provided by operating activities during 2013 decreased $16.7 million to $464.8 million from $481.5 million during 2012. Reductions in operating cash flows related to the Properties sold in 2013, prepaid rents received at December 31, 2013 as compared to December 31, 2012, as well as the timing of certain other working capital items were partially offset by increases in operating cash flows resulting from the 2013 New Properties, reduced interest expense and increased same-center NOI of the 2013 Comparable Properties. Cash provided by operating activities during 2012 increased $39.7 million to $481.5 million from $441.8 million during 2011. The increase in operating cash flows was primarily due to the operations of the 2012 New Properties, same-center NOI growth of the 2012 Comparable Properties, an increase in fee income and the reduction in interest expense as a result of our ongoing efforts to reduce debt levels.

Cash flows used in investing activities was $125.7 million, $246.7 million and $27.6 million in 2013, 2012, and 2011, respectively. Investing activities for 2013 were primarily affected by:

- $314.3 million of expenditures related to our development, redevelopment, renovation and expansion programs,
- $41.4 million of acquisition expenditures related to Kirkwood Mall,
- additional investments in unconsolidated affiliates of $34.1 million related primarily to the development of Fremaux Town Center and the acquisition of the Sears store at CoolSprings Galleria, and
- proceeds of $240.2 million related to Properties sold in 2013.

Investing activities in 2012 were primarily affected by:

- $217.8 million of expenditures related to our development, redevelopment, renovation and expansion programs,
- $96.1 million of acquisition expenditures primarily related to interests in three malls and two outlet centers, and
- proceeds of $77.0 million primarily related to the sale of two malls, four community centers and several outparcels.

Investing activities in 2011 were primarily affected by:

- $205.4 million of expenditures related to our development, redevelopment, renovation and expansion programs,
- additional investments in unconsolidated affiliates of $35.5 million related primarily to expansions of several centers and the formation of our joint venture with TIAA-CREF, and
- $244.6 million of proceeds primarily related to the sale of a partial interest in certain Properties to TIAA-CREF in connection with the formation of our joint venture and the sale of one mall and one community center.

Cash flows used in financing activities were $351.8 million, $212.7 million and $409.0 million in 2013, 2012 and 2011, respectively. Financing activities in 2013 were primarily affected by:

- net proceeds from the issuance of mortgage and other indebtedness, net of principal payments, of $118.6 million,
- proceeds of $209.5 million from the issuance of common stock, primarily from our ATM equity offering program,
- the redemption of the Westfield PJV units of $408.6 million, and
- dividends and distributions of $254.9 million paid to holders of preferred stock, common stock and noncontrolling interests.

Financing activities in 2012 were primarily affected by:

- net repayment of mortgage and other indebtedness of $118.6 million,
- proceeds of $166.7 million from the issuance of the Series E Preferred Stock,
- the redemption of the Series C Preferred Stock of $115.0 million, and
- dividends and distributions of $243.1 million paid to holders of preferred stock, common stock and noncontrolling interests.

Financing activities in 2011 were primarily affected by:

- net repayment of mortgage and other indebtedness of $152.7 million, and
- dividends and distributions of $254.9 million paid to holders of preferred stock, common stock and noncontrolling interests.

58

Debt

Debt of the Company

All of our debt is held directly or indirectly by the Operating Partnership.

We are a limited guarantor of the 5.250% senior notes, issued by the Operating Partnership in November 2013, for losses suffered solely by reason of fraud or willful misrepresentation by the Operating Partnership or its affiliates. We also provide a similar limited guarantee of the Operating Partnership's obligations with respect to our unsecured credit facilities and two unsecured term loans as of December 31, 2013.

We also have guaranteed 100% of the debt secured by The Promenade in D'Ilberville, MS, which had a balance of $51.3 million at December 31, 2013.

Debt of the Operating Partnership

The following tables summarize debt based on our pro rata ownership share, including our pro rata share of unconsolidated affiliates and excluding noncontrolling investors' share of consolidated Properties, because we believe this provides investors and lenders a clearer understanding of our total debt obligations and liquidity (in thousands):

	Consolidated	Noncontrolling Interests	Unconsolidated Affiliates	Total	Weighted Average Interest Rate [1]
December 31, 2013:					
Fixed-rate debt:					
Non-recourse loans on operating properties [2]	$3,527,830	$(87,406)	$653,429	$4,093,853	5.50%
Senior unsecured notes [3]	445,374	—	—	445,374	5.25%
Financing method obligation [4]	17,570	—	—	17,570	8.00%
Total fixed-rate debt	3,990,774	(87,406)	653,429	4,556,797	5.48%
Variable-rate debt:					
Non-recourse term loans on operating properties	133,712	(5,669)	—	128,043	3.19%
Recourse term loan on operating property	51,300	—	63,311	114,611	2.08%
Construction loans	2,983	—	25,800	28,783	2.28%
Unsecured lines of credit [5]	228,754	—	—	228,754	1.57%
Unsecured term loans	450,000	—	—	450,000	1.71%
Total variable-rate debt	866,749	(5,669)	89,111	950,191	1.94%
Total	$4,857,523	$(93,075)	$742,540	$5,506,988	4.87%
	Consolidated	Noncontrolling Interests	Unconsolidated Affiliates	Total	Weighted Average Interest Rate [1]
December 31, 2012:					
Fixed-rate debt:					
Non-recourse loans on operating properties [2]	$3,776,245	$(89,530)	$660,563	$4,347,278	5.47%
Financing method obligation [4]	18,264	—	—	18,264	8.00%

Total fixed-rate debt	3,794,509	(89,530)	660,563	4,365,542	5.48	%
Variable-rate debt:						
Non-recourse term loan on operating property	123,875	—	—	123,875	3.36	%
Recourse term loans on operating properties	97,682	—	128,491	226,173	2.16	%
Construction loan	15,366	—	—	15,366	2.96	%
Unsecured lines of credit	475,626			475,626	2.07	%
Secured line of credit (5)	10,625	—	—	10,625	2.46	%
Unsecured term loan	228,000	—	—	228,000	1.82	%
Total variable-rate debt	951,174	—	128,491	1,079,665	2.39	%
Total	$4,745,683	$ (89,530)	$ 789,054	$5,445,207	4.86	%

(1) Weighted average interest rate includes the effect of debt premiums (discounts), but excludes amortization of deferred financing costs.

(2) We had four interest rate swaps on notional amounts outstanding totaling $109,830 as of December 31, 2013 and $113,885 as of December 31, 2012 related to four of our variable-rate loans on operating Properties to effectively fix the interest rates on these loans. Therefore, these amounts are reflected in fixed-rate debt at December 31, 2013 and 2012.

(3) In November 2013, the Operating Partnership issued $450,000 of senior unsecured notes in a public offering. The balance at December 31, 2013 includes a discount of $4,626 recorded upon issuance. See below for additional information.

(4) This amount represents the noncontrolling partner's equity contribution related to Pearland Town Center that is accounted for as a financing due to certain terms of the CBL/T-C, LLC joint venture agreement. See Note 5 to the consolidated financial statements for further information.

(5) We converted our secured line of credit from secured to unsecured in February 2013.

As of December 31, 2013, $220.7 million of our pro rata share of consolidated and unconsolidated debt, excluding debt premiums, is scheduled to mature during 2014 as well as $27.3 million that relates to the loan on Columbia Place, which matured in 2013 and is in the process of foreclosure by the lender, which we anticipate will occur during the second quarter of 2014. The $220.7 million that is scheduled to mature in 2014 includes one $51.3 million operating Property loan that has an extension we intend to exercise, leaving $169.4 million of debt maturities in 2014 that must be retired or refinanced, representing two operating Property loans and one financing method obligation. We plan to retire the loan secured by our wholly-owned Property using our lines of credit. We expect to refinance the loan secured by our joint venture Property. Subsequent to December 31, 2013, we retired one operating Property loan with an outstanding balance of $122.4 million as of December 31, 2013 that was scheduled to mature in 2016.

The weighted average remaining term of our total share of consolidated and unconsolidated debt was 4.8 years and 4.6 years at December 31, 2013 and 2012, respectively. The weighted average remaining term of our pro rata share of fixed-rate debt was 5.2 years at December 31, 2013 and 2012.

As of December 31, 2013 and 2012, our pro rata share of consolidated and unconsolidated variable-rate debt represented 17.3% and 19.8%, respectively, of our total pro rata share of debt. The decrease is primarily due to the retirement of several variable-rate loans during the year and the lower balances on our lines of credit, which were reduced using proceeds from our debut bond offering, excess proceeds from refinancings and other capital sources. As of December 31, 2013, our share of consolidated and unconsolidated variable-rate debt represented 9.8% of our total market capitalization (see Equity below) as compared to 10.7% as of December 31, 2012.

Senior Unsecured Notes

In November 2013, the Operating Partnership issued $450.0 million of senior unsecured notes that bear interest at 5.250% payable semiannually beginning June 1, 2014 and mature on December 1, 2023 ("the Notes"). The interest rate is subject to an increase ranging from 0.25% to 1.00% from time to time if, on or after January 1, 2016 and prior to January 1, 2020, our ratio of secured debt to total assets, as defined, is greater than 40% but less than 45%. The Notes are redeemable at the Operating Partnership's election, in whole or in part from time to time, on not less than 30 days notice to the holders of the Notes to be redeemed. The Notes may be redeemed prior to September 1, 2023 for cash, at a redemption price equal to the greater of (1) 100% of the aggregate principal amount of the Notes to be redeemed or (2) an amount equal to the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed, discounted to the redemption date on a semi-annual basis at the treasury rate, as defined, plus 0.40%, plus accrued and unpaid interest. On or after September 1, 2023, the Notes are redeemable for cash at a redemption price equal to 100% of the aggregate principal amount of the Notes to be redeemed plus accrued and unpaid interest. After deducting underwriting and other offering expenses of $4.2 million and a discount of $4.6 million, the net proceeds from the sale of the Notes was $441.2 million, which the Operating Partnership used to reduce the outstanding balances on its credit facilities.

Unsecured Lines of Credit

We have three unsecured credit facilities that are used for retirement of secured loans, repayment of term loans, working capital, construction and acquisition purposes, as well as issuances of letters of credit.

Wells Fargo Bank NA serves as the administrative agent for a syndicate of financial institutions for our two unsecured $600.0 million credit facilities ("Facility A" and "Facility B") for an aggregate amount of $1.2 billion. Facility A matures in November 2015 and has a one-year extension option for an outside maturity date of November 2016. Facility B matures in November 2016 and has a one-year extension option for an outside maturity date of November 2017. The extension options on both facilities are at our election, subject to continued compliance with the terms of the facilities, and have a one-time extension fee of 0.20% of the commitment amount of each credit facility.

In the first quarter of 2013, we amended and restated our $105.0 million secured credit facility with First Tennessee Bank, NA. The facility was converted from secured to unsecured with a capacity of $100.0 million and a maturity date of February 2016.

Prior to May 14, 2013, borrowings under our three unsecured lines of credit bore interest at LIBOR plus a spread ranging from 155 to 210 basis points based on our leverage ratio. We also paid annual unused facility fees, on a quarterly basis, at rates of either 0.25% or 0.30% based on any unused commitment of each facility. In May 2013, we obtained an investment grade rating from Moody's and, effective May 14, 2013, made a one-time irrevocable election to use our credit rating to determine the interest rate on each facility. Under the credit rating election, each facility now bears interest at LIBOR plus a spread of 100 to 175 basis points. In July 2013, we received an IDR of BBB- with a stable outlook and a senior unsecured notes rating of BBB- from Fitch. As of December 31, 2013, our interest rate based on our credit ratings from Moody's and Fitch is LIBOR plus 140 basis points. Additionally, we pay an annual facility fee that ranges from 0.15% to 0.35% of the total capacity of each facility rather than the unused commitment fees as described above. As of December 31, 2013, the annual facility fee is 0.30%. The three unsecured lines of credit had a weighted-average interest rate of 1.57% at December 31, 2013.

The following summarizes certain information about our unsecured lines of credit as of December 31, 2013 (in thousands):

	Total Capacity	Total Outstanding		Maturity Date	Extended Maturity Date
Facility A	$600,000	$99,371	(1)	November 2015	November 2016
First Tennessee	100,000	5,000		February 2016	N/A
Facility B	600,000	124,383	(2)	November 2016	November 2017
	$1,300,000	$228,754			

(1) There was an additional $2,000 outstanding on this facility as of December 31, 2013 for letters of credit. Up to $50,000 of the capacity on this facility can be used for letters of credit.

(2) There was an additional $617 outstanding on this facility as of December 31, 2013 for letters of credit. Up to $50,000 of the capacity on this facility can be used for letters of credit.

Secured Line of Credit

In the first quarter of 2013, we amended and restated our $105.0 million secured credit facility to convert it to an unsecured credit facility as described above.

Unsecured Term Loans

In the third quarter of 2013, we closed on a five-year $400.0 million unsecured term loan. Net proceeds from the term loan were used to reduce outstanding balances on our credit facilities. The loan bears interest at a variable-rate of LIBOR plus 150 basis points based on our current credit ratings and has a maturity date of July 2018. At December 31, 2013, the outstanding borrowings of $400.0 million had an interest rate of 1.67%.

In the first quarter of 2013, under the terms of our amended and restated agreement with First Tennessee Bank, NA, we obtained a $50.0 million unsecured term loan that bears interest at a variable-rate of LIBOR plus 190 basis points and matures in February 2018. At December 31, 2013, the outstanding borrowings of $50.0 million had a weighted-average interest rate of 2.07%.

We had an unsecured term loan of $228.0 million that bore interest at LIBOR plus a margin of 1.50% to 1.80% based on our leverage ratio, as defined in the loan agreement. We retired the unsecured term loan at its April 2013 maturity date with borrowings from our credit facilities.

Covenants and Restrictions

The agreements for the unsecured lines of credit, the Notes and unsecured term loans contain, among other restrictions, certain financial covenants including the maintenance of certain financial coverage ratios, minimum net worth requirements, minimum unencumbered asset and interest ratios, maximum secured indebtedness ratios, maximum total indebtedness ratios and limitations on cash flow distributions. We believe we were in compliance with all covenants and restrictions at December 31, 2013.

Unsecured Lines of Credit and Unsecured Term Loans

The following presents our compliance with key covenant ratios, as defined, of the credit facilities and term loans as of December 31, 2013:

Ratio	Required	Actual
Debt to total asset value	< 60%	51.6%
Ratio of unencumbered asset value to unsecured indebtedness	> 1.60x	2.51x
Ratio of unencumbered NOI to unsecured interest expense	> 1.75x	6.15x
Ratio of EBITDA to fixed charges (debt service)	>1.50x	2.20x

The agreements for the unsecured credit facilities and unsecured term loans described above contain default provisions customary for transactions of this nature (with applicable customary grace periods). Additionally, any default in the payment of any recourse indebtedness greater than or equal to $50.0 million or any non-recourse indebtedness greater than $150.0 million (for our ownership share) of CBL, the Operating Partnership or any Subsidiary, as defined, will constitute an event of default under the agreements to the credit facilities. The credit facilities also restrict our ability to enter into any transaction that could result in certain changes in our ownership or structure as described under the heading “Change of Control/Change in Management” in the agreements for the credit facilities. Prior to obtaining an investment grade rating in May 2013, our obligations under the agreements were unconditionally guaranteed, jointly and severally, by any of our subsidiaries to the extent such subsidiary was a material subsidiary and was not otherwise an excluded subsidiary, as defined in the agreements. Once we obtained an investment grade rating, guarantees by material subsidiaries were no longer required by the agreements.

Senior Unsecured Notes

The following presents our compliance with key covenant ratios, as defined, of the Notes as of December 31, 2013:

Ratio	Required	Actual
Total debt to total assets	< 60%	54.7%
Secured debt to total assets	<45% (1)	41.3%
Total unencumbered assets to unsecured debt	>150%	244.9%
Consolidated income available for debt service to annual debt service charge	> 1.50x	3.20x

(1) On January 1, 2020 and thereafter, the ratio of secured debt to total assets must be less than 40%.

The agreements for the Notes described above contain default provisions customary for transactions of this nature (with applicable customary grace periods). Additionally, any default in the payment of any recourse indebtedness greater than or equal to $50.0 million of the Operating Partnership will constitute an event of default under the Notes.

Other

Several of our malls/open-air centers, associated centers and community centers, in addition to the corporate office building, are owned by special purpose entities that are included in our consolidated financial statements. The sole business purpose of the special purpose entities is to own and operate these Properties. The real estate and other assets owned by these special purpose entities are restricted under the loan agreements in that they are not available to settle our other debts. However, so long as the loans are not under an event of default, as defined in the loan agreements, the cash flows from these Properties, after payments of debt service, operating expenses and reserves, are available for distribution to us.

62

Mortgages on Operating Properties

The following table presents loans, secured by the related Properties, that have been entered into since January 1, 2012 (in thousands):

Date	Property	Consolidated/ Unconsolidated Property	Stated Interest Rate	Maturity Date [1]	Amount Financed or Extended [2]
2013 Activity:					
December	The Pavilion at Port Orange - Phase I [3]	Unconsolidated	LIBOR + 2.0%	November 2015	$62,600
December	Hammock Landing - Phase I [4]	Unconsolidated	LIBOR + 2.0%	November 2015	41,068
December	Hammock Landing - Phase II [5]	Unconsolidated	LIBOR + 2.25%	November 2015	10,757
October	The Outlet Shoppes at Atlanta [6]	Consolidated	4.90%	November 2023	80,000
June	Statesboro Crossing [7]	Consolidated	LIBOR + 1.8%	June 2016	11,400
March	Renaissance Center - Phase II [8]	Unconsolidated	3.49%	April 2023	16,000
March	Friendly Center [9]	Unconsolidated	3.48%	April 2023	100,000
2012 Activity:					
December	West County Center [10]	Unconsolidated	3.40%	December 2022	$190,000
July	Gulf Coast Town Center - Phase III [11]	Unconsolidated	LIBOR + 2.5%	July 2015	7,000
June	WestGate Mall [12]	Consolidated	4.99%	July 2022	40,000
May	Fashion Square Mall [12]	Consolidated	4.95%	June 2022	42,000
May	Jefferson Mall [12]	Consolidated	4.75%	June 2022	71,190
May	Southpark Mall [13]	Consolidated	4.85%	June 2022	67,000
May	CBL Center I and II [14]	Consolidated	5.00%	June 2022	22,000
April	Statesboro Crossing [15]	Consolidated	LIBOR + 1.0%	February 2013	13,568
April	Arbor Place [12]	Consolidated	5.10%	May 2022	122,000
February	York Town Center [16]	Unconsolidated	4.90%	February 2022	38,000
March	Northwoods Mall [12]	Consolidated	5.08%	April 2022	73,000
March	The Pavilion at Port Orange [17]	Unconsolidated	LIBOR + 3.5%	March 2014	64,950

(1) Excludes any extension options.

(2) Net proceeds were used to reduce the outstanding balances on our credit facilities unless otherwise noted.

(3) The construction loan was extended and modified to reduce the capacity from $64,950 to $62,600, reduce the interest rate from a variable-rate of LIBOR + 3.5% to a variable-rate of LIBOR + 2.0% and extend the maturity date. The loan has two one-year extension options, which are at the joint venture's election, for an outside maturity date of November 2017. We have guaranteed 25% of the construction loan.

(4) The loan was amended and restated to extend the maturity date and reduce the interest rate from a variable-rate of LIBOR + 3.5% to a variable-rate of LIBOR + 2.0%. The loan has two one-year extension options, which are at the joint venture's election, for an outside maturity date of November 2017. We have guaranteed 25% of the loan.

(5) A new construction loan to build a Carmike Cinema has two one-year extension options, which are at the joint venture's election, for an outside maturity date of November 2017. Upon completion of the construction and

opening of the Carmike Cinema, our guaranty will be reduced from 100% to 25% and the loan will bear interest at a variable-rate of LIBOR + 2.0%.

(6) The consolidated joint venture, Atlanta Outlet Shoppes, LLC, closed on the non-recourse loan. Net proceeds from the non-recourse mortgage loan were used to repay a $53,080 recourse construction loan. This Property is owned in a consolidated joint venture and our share of the remaining excess proceeds were used to reduce outstanding balances on our credit facilities.

(7) The non-recourse loan has two one-year extension options, which are at our option, for an outside maturity date of June 2018.

(8) Net proceeds from the loan were used to retire a $15,700 loan that was scheduled to mature in April 2013.

(9) Net proceeds from the loan were used to retire four loans, scheduled to mature in April 2013 and with an aggregate balance of $100,000, that were secured by Friendly Center, Friendly Center Office Building, First National Bank Building, Green Valley Office Building, First Citizens Bank Building, Wachovia Office Building and Bank of America Building.

(10) Net proceeds of $189,687 were used to retire the outstanding borrowings of $142,235 under the previous loan and excess proceeds were distributed 50/50 to us and our joint venture partner.

(11) We guarantee 100% of the loan. Net proceeds from the loan were distributed to us in accordance with the terms of the joint venture agreement and were used to reduce the outstanding balances on our credit facilities.

(12) The commercial mortgage-backed securities ("CMBS") loan is non-recourse.

(13) Net proceeds from this CMBS loan were used to retire an existing loan with a balance of $30,763 secured by Southpark Mall and to reduce outstanding balances on our credit facilities.

(14) The non-recourse loan with an insurance company was used to reduce outstanding balances on our credit facilities, which had been used in April 2012 and February 2012 to retire the balances on the maturing loans on CBL Centers II and I of $9,078 and $12,818, respectively

(15) The recourse loan was extended and modified to reduce the capacity from $20,911 to equal the outstanding balance of $13,568 and extend the maturity date.

(16) Net proceeds from the loan, plus cash on hand, were used to retire a $39,379 loan that was scheduled to mature in March 2012.

(17) The construction loan was extended and modified to remove a LIBOR floor of 1% and reduce the capacity from $98,883 to $64,950. The joint venture paid $3,332 to reduce the outstanding balance on the loan to the new capacity amount. There is a one-year extension option on the loan, which is at the joint venture's election, for an outside maturity date of March 2015. We guaranteed 100% of the construction loan until December 2013. See Note (3) above for information on the extension and modification of this loan in December 2013.

We have repaid the following loans, secured by the related Properties, since January 1, 2012 (in thousands):

Date	Property	Consolidated/ Unconsolidated Property	Interest Rate at Repayment Date	Scheduled Maturity Date	Principal Balance Repaid (1)
2013 Activity:					
December	Northpark Mall	Consolidated	5.75%	March 2014	$32,684
September	The Forum at Grandview	Consolidated	3.19%	September 2013	10,200
July	Alamance Crossing West	Consolidated	3.20%	December 2013	16,000
June	Mid Rivers Mall (2)	Consolidated	5.88%	May 2021	88,410
April	South County Center (3)	Consolidated	4.96%	October 2013	71,740
February	Statesboro Crossing	Consolidated	1.21%	February 2013	13,460
January	Westmoreland Mall	Consolidated	5.05%	March 2013	63,639
2012 Activity:					
October	Monroeville Mall	Consolidated	5.73%	January 2013	$106,895
September	RiverGate Mall	Consolidated	3.47%	September 2012	77,500
May	Southpark Mall (4)	Consolidated	7.00%	May 2012	30,763
April	CBL Center II	Consolidated	4.50%	February 2013	9,078
March	Arbor Place, Jefferson Mall, The Landing at Arbor Place, Old Hickory Mall, WestGate Mall	Consolidated	6.50%-6.51%	July 2012	180,022
February	CBL Center I	Consolidated	6.25%	August 2012	12,818
February	The Courtyard at Hickory Hollow, Hickory Hollow Mall (5)	Consolidated	6.00%	October 2018	25,962
February	Fashion Square Mall, Northwoods Mall, Randolph Mall, Regency Mall	Consolidated	6.50%-6.51%	July 2012	141,235
January		Consolidated	7.54%	February 2012	34,349

Massard Crossing, Pemberton
Plaza, Willowbrook Plaza [5]

(1) We retired the loans with borrowings from our credit facilities unless otherwise noted.
(2) We recorded an $8,936 loss on extinguishment of debt, which consisted of a $8,708 prepayment fee and $228 of unamortized debt issuance costs.
(3) We recorded a loss on extinguishment of debt of $172 from the write-off of an unamortized discount.
(4) Proceeds from a new loan on Southpark Mall that closed in May 2012 were used to retire the existing loan.
(5) Hickory Hollow Mall, Massard Crossing and Willowbrook Plaza were sold and are included in discontinued operations. See Note 4 to the consolidated financial statements for further information.

In the third quarter of 2013, the lender of the non-recourse mortgage loan secured by Citadel Mall in Charleston, SC sent a formal notice of default and initiated foreclosure proceedings. Citadel Mall generates insufficient income levels to cover the debt service on the mortgage, which had a balance of $68.2 million at December 31, 2013 and a contractual maturity date of April 2017. In the second quarter of 2013, the lender on the loan began receiving the net operating cash flows of the property each month in lieu of scheduled monthly mortgage payments. A foreclosure sale occurred in January 2014. See Note 19 to the consolidated financial statements for additional information.

In the third quarter of 2012, we retired a $44.5 million loan, secured by a regional mall, with borrowings from our credit facilities. The loan was scheduled to mature in 2012. We recorded a gain on extinguishment of debt of $0.2 million related to the early retirement of this debt.
In the first quarter of 2012, the lender of the non-recourse mortgage loan secured by Columbia Place in Columbia, SC notified us that the loan had been placed in default. Columbia Place generates insufficient income levels to cover the debt service on the mortgage, which had a balance of $27.3 million at December 31, 2013, and a contractual maturity date of September 2013. The lender on the loan receives the net operating cash flows of the property each month in lieu of scheduled monthly mortgage payments. The Property is currently in the foreclosure process.
See Note 19 to the consolidated financial statements for subsequent events related to operating Property loans.

Construction Loans
2013 Activity
In the fourth quarter of 2013, we retired a $53.1 million variable-rate recourse construction loan, secured by The Outlet Shoppes at Atlanta, with proceeds from a $80.0 million non-recourse mortgage loan.
In the third quarter of 2013, Louisville Outlet Shoppes, LLC obtained a construction loan for the development of The Outlet Shoppes at Louisville in Louisville, KY that allows for borrowings up to $60.2 million and bears interest at LIBOR plus 200 basis points. The loan matures in August 2016 and has two one-year extension options, which are at the consolidated joint venture's election, for an outside maturity date of August 2018. We have guaranteed 100% of the loan. The construction loan had an outstanding balance of $3.0 million at December 31, 2013.
In the first quarter of 2013, Fremaux Town Center JV, LLC ("Fremaux") obtained a construction loan for the development of Fremaux Town Center, a community center development located in Slidell, LA that allows for borrowings up to $46.0 million and bears interest at LIBOR plus 2.125%. The loan matures in March 2016 and has two one-year extension options, which are at the joint venture's election, for an outside maturity date of March 2018. We have guaranteed 100% of the construction loan. The construction loan had an outstanding balance of $25.8 million at December 31, 2013. Subsequent to December 31, 2013, Fremaux amended and restated its loan agreement to increase the capacity on its construction loan from $46.0 million to $47.3 million for additional development costs.
2012 Activity
In the third quarter of 2012, we retired a $2.0 million land loan, secured by The Forum at Grandview in Madison, MS, with borrowings from our credit facilities. The loan was scheduled to mature in September 2012.
In the second quarter of 2012, we entered into a 75%/25% joint venture, Atlanta Outlet Shoppes, LLC, with a third party to develop, own and operate The Outlet Shoppes at Atlanta, an outlet center development located in Woodstock, GA. In August 2012, the joint venture closed on a construction loan with a maximum capacity of $69.8 million that bears interest at LIBOR plus a margin of 275 basis points. The loan matures in August 2015 and has two one-year extensions available, which are at the joint venture's option. The loan was retired in the fourth quarter of 2013. We had guaranteed 100% of this loan.

Interest Rate Hedging Instruments

The following table provides further information related to each of our interest rate derivatives that were designated as cash flow hedges of interest rate risk as of December 31, 2013 and 2012 (dollars in thousands):

Instrument Type	Location in Consolidated Balance Sheet	Outstanding Notional Amount	Designated Benchmark Interest Rate	Strike Rate	Fair Value at 12/31/13	Fair Value at 12/31/12	Maturity Date
Cap	Intangible lease assets and other assets	$ 122,375 (amortizing to $122,375)	3-month LIBOR	5.000 %	$—	$—	January 2014
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	$ 53,093 (amortizing to $48,337)	1-month LIBOR	2.149 %	$(1,915)	$(2,775)	April 2016
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	$ 33,243 (amortizing to $30,276)	1-month LIBOR	2.187 %	(1,226)	(1,776)	April 2016
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	$ 12,427 (amortizing to $11,313)	1-month LIBOR	2.142 %	(446)	(647)	April 2016
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	$ 11,067 (amortizing to $10,083)	1-month LIBOR	2.236 %	(420)	(607)	April 2016
					$(4,007)	$(5,805)	

Equity

At-The-Market Equity Program

On March 1, 2013, we entered into separate controlled equity offering sales agreements (collectively, the "Sales Agreements") with a number of sales agents to sell shares of our common stock, having an aggregate offering price of up to $300.0 million, from time to time in ATM equity offerings (as defined in Rule 415 of the Securities Act of 1933, as amended) or in negotiated transactions (the "ATM program"). In accordance with the Sales Agreements, we will set the parameters for the sales of shares, including the number of shares to be issued, the time period during which sales are to be made and any minimum price below which sales may not be made. The Sales Agreements provide that the sales agents will be entitled to compensation for their services at a mutually agreed commission rate not to exceed 2.0% of the gross proceeds from the sales of shares sold through the ATM program. For each share of common stock issued by us, the Operating Partnership issues a corresponding number of common units of limited partnership interest to us in exchange for the contribution of the proceeds from the stock issuance. We include only share issuances that have settled in the calculation of shares outstanding at the end of each period. The following table summarizes issuances of common stock sold through the ATM program since inception through December 31, 2013 (dollars in thousands, except weighted-average sales price):

	Number of Shares Settled	Gross Proceeds	Net Proceeds	Weighted-average Sales Price
2013:				
First quarter	1,889,105	$44,459	$43,904	$23.53
Second quarter	6,530,193	167,034	165,692	25.58
Total	8,419,298	$211,493	$209,596	$25.12

The proceeds from these sales were used to reduce the outstanding balances on our credit facilities. Since the commencement of the ATM program, we have issued 8,419,298 shares of common stock and approximately $88.5 million remains available that may be sold under this program. Actual future sales will depend on a variety of factors including but not limited to market conditions, the trading price of our common stock and our capital needs. We have no obligation to sell the remaining shares available under the ATM program.

Preferred Stock / Preferred Units
Our authorized preferred stock consists of 15,000,000 shares at $0.01 par value per share. A description of our cumulative redeemable preferred stock is provided below. The Operating Partnership issues an equivalent number of preferred units to CBL

in exchange for the contribution of the proceeds from CBL to the Operating Partnership when CBL issues preferred stock. The preferred units generally have the same terms and economic characteristics as the corresponding series of preferred stock.

In October 2012, CBL completed an underwritten public offering of 6,900,000 depositary shares, each representing 1/10th of a share of its newly designated 6.625% Series E Preferred Stock at $25.00 per depositary share. CBL contributed net proceeds from the offering of $166.6 million, after deducting the underwriting discount and offering expenses to the Operating Partnership in exchange for 690,000 Series E Preferred Units of the Operating Partnership. A portion of the net proceeds from this offering were used to redeem all CBL's Series C Preferred Stock with an aggregate liquidation preference of $115.0 million and $0.9 million related to accrued and unpaid dividends for an aggregate redemption amount of $115.9 million. The remaining net proceeds of $50.7 million were used to reduce outstanding balances on the Operating Partnership's credit facilities. The Series E Preferred Stock has a liquidation preference of $250.00 per share ($25.00 per depositary share). The dividends on the Series E Preferred Stock are cumulative, accrue from the date of issuance and are payable quarterly in arrears at a rate of $16.5625 per share ($1.65625 per depositary share) per annum. We may not redeem the Series E Preferred Stock before October 12, 2017, except in limited circumstances to preserve CBL's REIT status or in connection with a change of control. On or after October 12, 2017, we may, at our option, redeem the Series E Preferred Stock in whole at any time or in part from time to time by paying $25.00 per depositary share, plus any accrued and unpaid dividends up to, but not including, the date of redemption. The Series E Preferred Stock generally has no stated maturity and will not be subject to any sinking fund or mandatory redemption. The Series E Preferred Stock is not convertible into any of our securities, except under certain circumstances in connection with a change of control. Owners of the depositary shares representing Series E Preferred Stock generally have no voting rights except under dividend default.

We had 18,150,000 depositary shares, each representing 1/10th of a share of our 7.375% Series D Preferred Stock with a par value of $0.01 per share, outstanding as of December 31, 2013 and 2012. The Series D Preferred Stock has a liquidation preference of $250.00 per share ($25.00 per depositary share). The dividends on the Series D Preferred Stock are cumulative, accrue from the date of issuance and are payable quarterly in arrears at a rate of $18.4375 per share ($1.84375 per depositary share) per annum. The Series D Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption, and is not convertible into any of our other securities. We may redeem shares, in whole or in part, at any time for a cash redemption price of $250.00 per share ($25.00 per depositary share) plus accrued and unpaid dividends.

On November 5, 2012, we redeemed all 460,000 Series C Shares and all outstanding depositary shares, each representing 1/10th of a Series C Share, for $115,891. We recorded a charge to preferred dividends of $3.8 million upon redemption to write off direct issuance costs related to the Series C Shares and underlying depositary shares.

Dividends - CBL

CBL paid first, second and third quarter 2013 cash dividends on its common stock of $0.23 per share on April 16th, July 16th and October 16th 2013, respectively. On November 25, 2013, CBL's Board of Directors declared a fourth quarter cash dividend of $0.245 per share that was paid on January 15, 2014, to shareholders of record as of December 30, 2013. Future dividends payable will be determined by CBL's Board of Directors based upon circumstances at the time of declaration.

During the year ended December 31, 2013, we paid dividends of $196.2 million to holders of our common stock and our preferred stock, as well as $58.7 million in distributions to the noncontrolling interest investors in our Operating Partnership and other consolidated subsidiaries.

As a publicly traded company and, as a subsidiary of a publicly traded company, we have access to capital through both the public equity and debt markets. We currently have a shelf registration statement on file with the Securities and Exchange Commission authorizing the Company to publicly issue senior and/or subordinated debt securities, shares of preferred stock (or depositary shares representing fractional interests therein), shares of common stock, warrants or rights to purchase any of the foregoing securities, and units consisting of two or more of these classes or series of securities and limited guarantees of debt securities issued by the Operating Partnership. Pursuant to the shelf registration statement, the Operating Partnership is also authorized to publicly issue unsubordinated debt securities. There is no limit to the offering price or number of securities that we may issue under this shelf registration statement.

Our strategy is to maintain a conservative debt-to-total-market capitalization ratio in order to enhance our access to the broadest range of capital markets, both public and private. Based on our share of total consolidated and unconsolidated debt and the market value of equity, our debt-to-total-market capitalization (debt plus market value of equity) ratio was 56.7% at December 31, 2013, compared to 53.8% at December 31, 2012. Our debt-to-market capitalization ratio at December 31, 2013 was computed as follows (in thousands, except stock prices):

	Shares Outstanding	Stock Price [1]	Value
Common stock and operating partnership units	199,594	$17.96	$3,584,708
7.375% Series D Cumulative Redeemable Preferred Stock	1,815	250.00	453,750
6.625% Series E Cumulative Redeemable Preferred Stock	690	250.00	172,500
Total market equity			4,210,958
Company’s share of total debt			5,506,988
Total market capitalization			$9,717,946
Debt-to-total-market capitalization ratio			56.7 %

(1) Stock price for common stock and Operating Partnership units equals the closing price of our common stock on December 31, 2013. The
stock prices for the preferred stock represent the liquidation preference of each respective series of preferred stock.

Contractual Obligations

The following table summarizes our significant contractual obligations as of December 31, 2013 (in thousands):

	Payments Due By Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Long-term debt:					
Total consolidated debt service [1]	$6,077,015	$520,587	$1,972,137	$1,490,642	$2,093,649
Noncontrolling interests' share in other consolidated subsidiaries	(117,251)	(6,787)	(46,080)	(23,556)	(40,828)
Our share of unconsolidated affiliates debt service [2]	873,165	82,144	407,835	200,952	182,234
Our share of total debt service obligations	6,832,929	595,944	2,333,892	1,668,038	2,235,055
Operating leases: [3]					
Ground leases on consolidated properties	31,571	766	1,561	1,587	27,657
Purchase obligations: [4]					
Construction contracts on consolidated properties	4,134	4,134	—	—	—
Total contractual obligations	$6,868,634	$600,844	$2,335,453	$1,669,625	$2,262,712

(1) Represents principal and interest payments due under the terms of mortgage and other indebtedness and includes $1,178,329 of variable-rate debt service on seven operating Properties, one construction loan, three unsecured credit facilities and two unsecured term loans. The construction loan, credit facilities and term loans do not require scheduled principal payments. The future interest payments are projected based on the interest rates that were in

effect at December 31, 2013. See Note 6 to the consolidated financial statements for additional information regarding the terms of long-term debt.

(2) Includes $97,269 of variable-rate debt service. Future contractual obligations have been projected using the same assumptions as used in (1) above.

(3) Obligations where we own the buildings and improvements, but lease the underlying land under long-term ground leases. The maturities of these leases range from 2014 to 2089 and generally provide for renewal options.

(4) Represents the remaining balance to be incurred under construction contracts that had been entered into as of December 31, 2013, but were not complete. The contracts are primarily for development of Properties.

Capital Expenditures

Deferred maintenance expenditures are generally billed to tenants as common area maintenance expense, and most are recovered over a 5 to 15-year period. Renovation expenditures are primarily for remodeling and upgrades of malls, of which a portion is recovered from tenants over a 5 to 15-year period. We recover these costs through fixed amounts with annual increases or pro rata cost reimbursements based on the tenant's occupied space. The following table, which excludes expenditures for developments and expansions, summarizes these capital expenditures for renovations, including our share of unconsolidated affiliates' capital expenditures, for the year ended December 31, 2013 compared to 2012 (in thousands):

	Year Ended December 31,	
	2013	2012
Tenant allowances [1]	$46,940	$56,657
Renovations	36,592	28,106
Deferred maintenance:		
Parking lot and parking lot lighting	15,867	18,163
Roof repairs and replacements	9,145	8,427
Other capital expenditures	13,409	11,567
Total deferred maintenance	38,421	38,157
Capitalized overhead	3,922	3,232
Capitalized interest	4,889	2,671
Total capital expenditures	$130,764	$128,823

(1) Tenant allowances primarily relate to new leases. Tenant allowances related to renewal leases were not material for the periods presented.

We continue to make it a priority to reinvest in our Properties in order to enhance their dominant positions in their markets. In 2013, we completed upgrades at Friendly Center in Greensboro, NC; Greenbrier Mall in Chesapeake, VA; Acadiana Mall in Lafayette, LA; Northgate Mall in Chattanooga, TN and Mid Rivers Mall in St. Peters, MO. Our 2014 renovation program includes upgrades at five of our Properties. Renovations are scheduled to be completed in 2014 at Governor's Square in Clarksville, TN; Volusia Mall in Daytona Beach, FL; Richland Mall in Waco, TX, Janesville Mall in Janesville, WI and Old Hickory Mall in Jackson, TN. As of December 31, 2013, we had funded $16.0 million of this amount leaving approximately $10.4 million to be funded. We invested $36.6 million in renovations in 2013. The total investment in the renovations that are scheduled for 2014 is projected to be $27.4 million. Renovation expenditures for 2013 and 2014 also include certain capital expenditures related to the parking decks at West County Center.

Annual capital expenditures budgets are prepared for each of our Properties that are intended to provide for all necessary recurring and non-recurring capital expenditures. We believe that property operating cash flows, which include reimbursements from tenants for certain expenses, will provide the necessary funding for these expenditures.

Developments and Expansions

The following tables summarize our development projects as of December 31, 2013:

Properties Opened During the Year Ended December 31, 2013
(Dollars in thousands)

Property	Location	Total Project Square Feet	Total Cost [(1)]	Cost to Date [(2)]	Opening Date	Initial Unleveraged Yield
Outlet Center:						
The Outlet Shoppes at Atlanta [(3)]	Woodstock, GA	370,456	$80,490	$71,398	July-13	11.7%
Community Center:						
The Crossings at Marshalls Creek	Middle Smithfield, PA	104,525	$18,983	$21,807	June-13	9.8%
Mall Expansions:						
Cross Creek Mall - The District	Fayetteville, NC	45,620	$15,831	$10,851	November-13	9.8%
The Shoppes at Southaven Towne Center - Phase II	Southaven, MS	22,925	3,968	3,372	November-13	12.2%
Volusia Mall - Restaurant District	Daytona Beach, FL	27,500	7,114	5,805	November-13	10.4%
South County Center - Dick's Sporting Goods	St. Louis, MO	50,000	8,051	6,365	November-13	9.5%
West Towne Mall - ULTA & Lane Bryant	Madison, WI	22,500	5,454	4,002	September-13	11.8%
		168,545	$40,418	$30,395		
Mall Redevelopment:						
Monroeville Mall - JC Penney/ Cinemark [(4)]	Pittsburgh, PA	78,223	$26,178	$22,592	October-12/ November-13	7.6%
Northgate Mall - The Shops at Northgate	Chattanooga, TN	75,018	6,105	5,748	September-13	9.2%
Southpark Mall - Dick's Sporting Goods	Colonial Heights, VA	85,322	9,379	7,922	July-13	7.4%
		238,563	$41,662	$36,262		
Total Properties Opened		882,089	$181,553	$159,862		

(1) Total Cost is presented net of reimbursements to be received.
(2) Cost to Date does not reflect reimbursements until they are received.
(3) This Property is a 75/25 joint venture. Total cost and cost to date are reflected at 100%.

(4) JC Penney opened in October 2012 and Cinemark opened in JC Penney's former space in November 2013.

We opened two new Properties in 2013. The Outlet Shoppes at Atlanta opened in July 2013. At the opening, the project was approximately 97% leased or committed with 99 retailers including Saks Fifth Avenue OFF 5TH, Nike, Asics, Coach, Columbia Sportswear and Juicy Couture. We also opened The Crossing at Marshalls Creek, a community center which includes Price Chopper super market, Rite Aid, STS Tire and Auto Center and Family Dollar as its anchors.

We completed four expansion projects during 2013. The District at Cross Creek Mall featured several new-to-the-market retailers including LOFT, Chico's, Reed's Jewelers and White House/Black Market. The expansion of Southaven Towne Center accommodated several new tenants including ULTA, Versona and Torrid. A 28,000-square-foot restaurant district featuring Bahama Breeze, Olive Garden and iHOP, opened at Volusia Mall in Daytona Beach, FL. We opened a 50,000-square-foot Dick's Sporting Goods store at South County Center in November 2013. We also completed an expansion of West Towne Mall to add Ulta and Lane Bryant as new tenants.

We also completed three mall redevelopment projects during the year. At Monroeville Mall, JC Penney opened their new 110,000-square-foot prototype store in October 2012, relocating from their existing store in the mall. Their former building was redeveloped into a new 12-screen Cinemark Theatre, which opened in November 2013. The Shops at Northgate expansion of Northgate Mall added new tenants Michael's and Ross Dress for Less as anchors alongside an existing T.J. Maxx. At Southpark Mall, a former Dillard's location was redeveloped for a 56,000-square-foot Dick's Sporting Goods.

Properties Under Development at December 31, 2013
(Dollars in thousands)

Property	Location	Total Project Square Feet	Total Cost [1]	Cost to Date [2]	Expected Opening Date	Initial Unleveraged Yield
Outlet Center:						
The Outlet Shoppes at Louisville [3]	Simpsonville, KY	374,724	$80,472	$41,033	August-14	10.2%
Community Center:						
Fremaux Town Center - Phase I [3]	Slidell, LA	333,636	$52,269	$43,830	March-14	8.5%
Mall Redevelopment:						
Northgate Mall - Burlington	Chattanooga, TN	78,021	$7,826	$374	Fall-14	7.2%
College Square - Longhorn Steakhouse & T.J. Maxx	Morristown, TN	30,271	3,229	2,134	Spring-14	10.0%
		108.292	$11,055	$2,508		
Total Properties Under Development		816,652	$143,796	$87,371		

(1) Total Cost is presented net of reimbursements to be received.
(2) Cost to Date does not reflect reimbursements until they are received.
(3) These Properties are 65/35 joint ventures. Total cost and cost to date are reflected at 100%.

Construction continues on The Outlet Shoppes at Louisville. Scheduled to open in summer 2014, the 370,000-square-foot project is approximately 96% leased or committed and includes retailers such as Coach, Banana Republic, Brooks Brothers, Chico's, Nike and Saks Fifth Avenue OFF 5TH among others.

We are also progressing with the construction on the first phase of Fremaux Town Center, a 295,000-square-foot community center development. Dick's Sporting Goods, Michaels, PetSmart, T.J. Maxx and Kohl's will anchor the first phase of this project which is scheduled to open in spring 2014 and is over 95% leased or committed.

We have two mall redevelopment projects currently under construction that we plan to complete in 2014. Burlington is under construction at Northgate Mall. The 65,000 square-foot-store is taking space formerly occupied by a Belk Home store and shops. We are also redeveloping a former Sears location at College Square into a T.J. Maxx and Longhorn restaurant.

Shadow Development Pipeline at December 31, 2013
(Dollars in thousands)

Property	Location	Total Project Square Feet	Estimated Total Cost (1)	Expected Opening Date	Initial Unleveraged Yield
Outlet Centers:					
The Outlet Shoppes at Oklahoma City - Phase III (2)	Oklahoma City, OK	35,000	$5,000 - $5,800	2014	9% - 12%
The Outlet Shoppes at El Paso - Phase II (2)	El Paso, TX	45,000	$7,000 - $8,000	2014	10% - 12%
		80,000	$12,000 - $13,800		
Community Center:					
Fremaux Town Center - Phase II (3)	Slidell, LA	265,000	$30,000 - $40,000	2015	9% - 10%
Associated Center:					
West Towne Crossing - Nordstrom Rack	Madison, WI	30,750	$5,000 - $6,000	Fall 2014	9% - 10%
Mall Redevelopment:					
CoolSprings Galleria - Sears Redevelopment	Nashville, TN	160,000	$50,000 - $60,000	2015/2016	7%
Fayette Mall - Sears Redevelopment	Lexington, KY	115,000	$65,000 - $75,000	2015	7%
Monroeville Mall - Dick's Sporting Goods	Pittsburgh, PA	85,000	$9,000 - $9,500	2014	8% - 9%
		360,000	$124,000 - $144,500		
Total Shadow Pipeline		735,750	$171,000 - $204,300		

(1) Total Cost is presented net of reimbursements to be received.
(2) These Properties are 75/25 joint ventures. Total cost and cost to date are reflected at 100%.
(3) This Property is a 65/35 joint venture. Total cost and cost to date are reflected at 100%.

Our shadow pipeline features projects under pre-development for which construction has not yet begun.

We plan to expand two of our outlet centers to meet continued demand for retail space. Oklahoma City’s 35,000-square-foot expansion will include new retailers Forever 21 and Lids with a grand opening for phase three scheduled for August 2014. At The Outlet Shoppes at El Paso, we will begin construction on a 45,000-square-foot expansion with H&M, Love Culture and Kate Spade. Phase two will open in late summer 2014.

Plans for the second phase of the Fremaux Town Center development include 265,000-square-feet of additional retail space targeting fashion and entertainment. Dillard's will open a 126,000-square-foot store in Phase II of the Fremaux Town Center development. Construction is expected to begin in spring 2014.

Nordstrom Rack was just announced as a new addition to West Towne Crossing, our associated center adjacent to West Towne Mall in Madison, WI. The 31,000-square foot store will open in fall 2014.

We also have three mall redevelopment projects including the redevelopment of the two Sears locations at Fayette Mall in Lexington, KY and CoolSprings Galleria in Nashville, TN which we acquired in 2013. We plan to redevelop both buildings into new specialty stores and restaurants. Additionally, Dick’s Sporting Goods at Monroeville Mall will fill the remaining portion of a former department store space. The new store is expected to open this summer.

We hold options to acquire certain development properties owned by third parties. Except for the projects presented above, we did not have any other material capital commitments as of December 31, 2013.

Acquisition

In April 2013, we acquired the remaining 51.0% interest in Kirkwood Mall from our joint venture partner for $41.4 million in cash and the assumption of the partner's $19.8 million share of the debt secured by the Property.

Dispositions

During 2013, we completed the sale of three malls, three associated centers, five office buildings and one parcel of land for aggregate net proceeds of $219.7 million, which were used to reduce the outstanding borrowings on our credit facilities. Additionally, we sold a parcel of land, which a third party development company had been ground leasing, for $22.4 million, which consisted of $15.0 million in cash and a promissory note of $7.4 million.

Off-Balance Sheet Arrangements

Unconsolidated Affiliates

We have ownership interests in 17 unconsolidated affiliates as of December 31, 2013, that are described in Note 5 to the consolidated financial statements. The unconsolidated affiliates are accounted for using the equity method of accounting and are reflected in the consolidated balance sheets as “Investments in Unconsolidated Affiliates.” The following are circumstances when we may consider entering into a joint venture with a third party:

Third parties may approach us with opportunities in which they have obtained land and performed some pre-development activities, but they may not have sufficient access to the capital resources or the development and leasing expertise to bring the project to fruition. We enter into such arrangements when we determine such a project is viable and we can achieve a satisfactory return on our investment. We typically earn development fees from the joint venture and provide management and leasing services to the property for a fee once the property is placed in operation.

We determine that we may have the opportunity to capitalize on the value we have created in a Property by selling an interest in the Property to a third party. This provides us with an additional source of capital that can be used to develop or acquire additional real estate assets that we believe will provide greater potential for growth. When we retain an interest in an asset rather than selling a 100% interest, it is typically because this allows us to continue to manage the Property, which provides us the ability to earn fees for management, leasing, development and financing services provided to the joint venture.

Preferred Joint Venture Units

In September 2013, we redeemed all outstanding perpetual PJV units of our joint venture, CWJV with Westfield using borrowings from our lines of credit. The PJV units, originally issued in 2007 as part of the acquisition of four malls in St. Louis, MO by CWJV, were redeemed for $413.0 million, which consisted of $408.6 million for the PJV units and $4.4 million for accrued and unpaid preferred returns. In accordance with the joint venture agreement, the redemption amount represented a $10.0 million reduction to the preferred liquidation value of the PJV units of $418.6 million. The $10.0 million reduction has been recorded as an increase in additional paid-in capital of the Company and as an increase to partners' capital of the Operating Partnership.

Prior to the September 2013 redemption, the terms of the joint venture agreement required that CWJV pay an annual preferred distribution at a rate of 5.0% on the preferred liquidation value of the PJV units of CWJV that were held by Westfield. Westfield had the right to have all or a portion of the PJV units redeemed by CWJV with either cash or property owned by CWJV, in each case for a net equity amount equal to the preferred liquidation value of the PJV units. At any time after January 1, 2013, Westfield could propose that CWJV acquire certain qualifying property that would be used to redeem the PJV units at their preferred liquidation value. If CWJV did not redeem the PJV units with such qualifying property, then the annual preferred distribution rate on the PJV units would increase to 9.0% beginning July 1, 2013. We had the right, but not the obligation, to offer to redeem the PJV units from January 31, 2013 through January 31, 2015 at their preferred liquidation value, plus accrued and unpaid distributions. We amended the joint venture agreement with Westfield in September 2012 to provide that, if we exercised our right to offer to redeem the PJV units on or before August 1, 2013, then the preferred liquidation value would be reduced by $10.0 million so long as Westfield did not reject the offer and the redemption closed on or before September 30, 2013.

Guarantees

We may guarantee the debt of a joint venture primarily because it allows the joint venture to obtain funding at a lower cost than could be obtained otherwise. This results in a higher return for the joint venture on its investment, and a higher return on our investment in the joint venture. We may receive a fee from the joint venture for providing the guaranty. Additionally, when we issue a guaranty, the terms of the joint venture agreement typically provide that we may receive indemnification from the joint venture partner or have the ability to increase our ownership interest.

We owned a parcel of land in Lee's Summit, MO that we ground leased to a third party development company that developed and operates a shopping center on the land parcel. We had guaranteed 27% of the third party's construction loan and bond line of credit (the "loans") of which the maximum guaranteed amount represented 27% of the loans' capacity. We included an obligation of $0.2 million as of December 31, 2012 in the accompanying consolidated balance sheet to reflect the estimated fair value of the guaranty. In November 2013, we sold the land parcel to the third party development company for $22.4 million. We received $15.0 million in cash and a promissory note of $7.4 million from the third party development company's parent. The note receivable bears interest of 5.0% and fully amortizes through its maturity date in November 2023. In conjunction with the land sale, our ground lease with the third party development company terminated, releasing us from our 27.0% guaranty, and we removed the $0.2 million obligation from our consolidated balance sheet as of December 31, 2013.

We have guaranteed construction and land loans for Phases I and II of West Melbourne I, LLC ("West Melbourne"), an unconsolidated affiliate in which we own a 50% interest. West Melbourne developed and operates Hammock Landing, a community center in West Melbourne, FL. Both loans were extended and modified in December 2013 and have maturity dates of November 2015 with two one-year extensions. The guaranty on the Phase I construction loan was reduced from 100% to 25% in the fourth quarter of 2013. The total amount outstanding on the Phase I loan at December 31, 2013 was $41.0 million, of which $10.3 million represents the maximum guaranteed amount. The guaranty on the Phase II land loan will be reduced from 100% to 25% once the construction of a Carmike Cinema is complete and the theater is operational. The total amount outstanding on the Phase II loan at December 31, 2013 was $4.5 million and the maximum guaranteed amount on the loan is $10.8 million. The guarantees will expire upon repayment of the debt. In the accompanying consolidated balance sheets, we reduced our obligation of $0.5 million as of December 31, 2012 to $0.1 million as of December 31, 2013 to reflect the estimated fair value of these guarantees.

We have guaranteed the construction loan of Port Orange I, LLC ("Port Orange"), an unconsolidated affiliate in which we own a 50% interest. Port Orange developed and operates The Pavilion at Port Orange, a community center in Port Orange, FL. In the fourth quarter of 2013, the guaranty was reduced from 100% to 25%. In December 2013, the loan was modified and extended to mature in November 2015 and has two one year-year extension options available. The total amount outstanding at December 31, 2013 on the loan was $62.6 million, of which the maximum guaranteed amount is $15.6 million. The guaranty will expire upon repayment of the debt. In the accompanying consolidated balance sheets, we reduced our obligation of $1.0 million as of December 31, 2012 to $0.2 million as of December 31, 2013 to reflect the estimated fair value of this guaranty.

We have guaranteed the lease performance of York Town Center, LP ("YTC"), an unconsolidated affiliate in which we own a 50% interest, under the terms of an agreement with a third party that owns property as part of York Town Center. Under the terms of that agreement, YTC is obligated to cause performance of the third party's obligations as landlord under its lease with its sole tenant, including, but not limited to, provisions such as co-tenancy and exclusivity requirements. Should YTC fail to cause performance, then the tenant under the third party landlord's lease may pursue certain remedies ranging from rights to terminate its lease to receiving reductions in rent. We have guaranteed YTC's performance under this agreement up to a maximum of $22.0 million, which decreases by $0.8 million annually until the guaranteed amount is reduced to $10.0 million. The guaranty expires on December 31, 2020. The maximum guaranteed obligation was $16.4 million as of December 31, 2013. We entered into an agreement with our joint venture partner under which the joint venture partner has agreed to reimburse us 50% of any amounts we are obligated to fund under the guaranty. We did not include an obligation for this guaranty because we determined that the fair value of the guaranty was not material as of December 31, 2013 and 2012.

In July 2012, we guaranteed 100% of a term loan for Gulf Coast Town Center LLC ("Gulf Coast"), an unconsolidated affiliate in which we own a 50% interest, of which the maximum guaranteed amount is $6.3 million. The loan is for the third phase expansion of Gulf Coast Town Center, a shopping center located in Ft. Myers, FL. The total amount outstanding as of December 31, 2013 on the loan was $6.3 million. The guaranty will expire upon repayment of the debt. The loan matures in July 2015. We did not record an obligation for this guaranty because we determined that the fair value of the guaranty was not material as of December 31, 2013 and 2012.

In March 2013, we guaranteed 100% of a construction loan for Fremaux, an unconsolidated affiliate in which we own a 65% interest, of which the maximum guaranteed amount is $46.0 million. The loan is for the development of Fremaux Town Center, a community center located in Slidell, LA. The total amount outstanding at December 31, 2013 on the loan was $25.8 million. The guaranty will expire upon repayment of the debt. The loan matures in March 2016 and has two one-year extension options for an outside maturity date of March 2018. We received a 1% fee for this guaranty when the loan was issued in March 2013 and included an obligation of $0.5 million in the accompanying consolidated balance sheet as of December 31, 2013 to reflect the estimated fair value of this guaranty. Subsequent to December 31, 2013, Fremaux amended and restated its loan agreement to increase the capacity on its construction loan from $46.0 million to $47.3 million for additional development costs, which increased the maximum guaranteed amount to $47.3 million.

Our guarantees and the related accounting are more fully described in Note 14 to the consolidated financial statements.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events, and apply judgments that affect the reported amounts of assets, liabilities, revenues, expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made and if different estimates that are reasonably likely to occur could materially impact the financial statements. Management believes that the following critical accounting policies discussed in this section reflect its more significant estimates and assumptions used in preparation of the consolidated financial statements. We have reviewed these critical accounting estimates and related disclosures with the Audit Committee of our Board of Directors. For a discussion of our significant accounting policies, see Note 2 of the Notes to Consolidated Financial Statements, included in Item 8 of this Annual Report on Form 10-K.

Revenue Recognition

Minimum rental revenue from operating leases is recognized on a straight-line basis over the initial terms of the related leases. Certain tenants are required to pay percentage rent if their sales volumes exceed thresholds specified in their lease agreements. Percentage rent is recognized as revenue when the thresholds are achieved and the amounts become determinable.

We receive reimbursements from tenants for real estate taxes, insurance, common area maintenance, and other recoverable operating expenses as provided in the lease agreements. Tenant reimbursements are recognized as revenue in the period the related operating expenses are incurred. Tenant reimbursements related to certain capital expenditures are billed to tenants over periods of 5 to 15 years and are recognized as revenue in accordance with underlying lease terms.

We receive management, leasing and development fees from third parties and unconsolidated affiliates. Management fees are charged as a percentage of revenues (as defined in the management agreement) and are recognized as revenue when earned. Development fees are recognized as revenue on a pro rata basis over the development period. Leasing fees are charged for newly executed leases and lease renewals and are recognized as revenue when earned. Development and leasing fees received from unconsolidated affiliates during the development period are recognized as revenue to the extent of the third-party partners' ownership interest. Fees to the extent of our ownership interest are recorded as a reduction to our investment in the unconsolidated affiliate.

Gains on sales of real estate assets are recognized when it is determined that the sale has been consummated, the buyer's initial and continuing investment is adequate, our receivable, if any, is not subject to future subordination, and the buyer has assumed the usual risks and rewards of ownership of the asset. When we have an ownership interest in the buyer, gain is recognized to the extent of the third party partner's ownership interest and the portion of the gain attributable to our ownership interest is deferred.

Real Estate Assets

We capitalize predevelopment project costs paid to third parties. All previously capitalized predevelopment costs are expensed when it is no longer probable that the project will be completed. Once development of a project commences, all direct costs incurred to construct the project, including interest and real estate taxes, are capitalized. Additionally, certain general and administrative expenses are allocated to the projects and capitalized based on the amount of time applicable personnel work on the development project. Ordinary repairs and maintenance are expensed as incurred. Major replacements and improvements are capitalized and depreciated over their estimated useful lives.

All acquired real estate assets are accounted for using the acquisition method of accounting and accordingly, the results of operations are included in the consolidated statements of operations from the respective dates of acquisition. The purchase price is allocated to (i) tangible assets, consisting of land, buildings and improvements, as if vacant, and tenant improvements and (ii) identifiable intangible assets and liabilities generally consisting of above- and below-market leases and in-place leases. We use estimates of fair value based on estimated cash flows, using appropriate discount rates, and other valuation methods to allocate the purchase price to the acquired tangible and intangible assets. Liabilities assumed generally consist of mortgage debt on the real estate assets acquired. Assumed debt with a stated interest rate that is significantly different from market interest rates is recorded at its fair value based on estimated market interest rates at the date of acquisition. Depreciation is computed on a straight-line basis over estimated lives of 40 years for buildings, 10 to 20 years for certain improvements and 7 to 10 years for equipment and fixtures. Tenant improvements are capitalized and depreciated on a straight-line basis over the term of the related lease. Lease-related intangibles from acquisitions of real estate assets are amortized over the remaining terms of the related leases. The amortization of above- and below-market leases is recorded as an adjustment to minimum rental revenue, while the amortization of all other lease-related intangibles is recorded as amortization expense. Any difference between the face value of the debt assumed and its fair value is amortized to interest expense over the remaining term of the debt using the effective interest method.

Carrying Value of Long-Lived Assets

We periodically evaluate long-lived assets to determine if there has been any impairment in their carrying values and record impairment losses if the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts or if there are other indicators of impairment. If it is determined that impairment has occurred, the amount of the impairment charge is equal to the excess of the asset’s carrying value over its estimated fair value. We estimate fair value using the undiscounted cash flows expected to be generated by each Property, which are based on a number of assumptions such as leasing expectations, operating budgets, estimated useful lives, future maintenance expenditures, intent to hold for use and capitalization rates, among others. These assumptions are subject to economic and market uncertainties including, but not limited to, demand for space, competition for tenants, changes in market rental rates and costs to operate each Property. As these factors are difficult to predict and are subject to future events that may alter our assumptions, the future cash flows estimated in our impairment analyses may not be achieved. During the year ended December 31, 2013, we recorded a loss on impairment totaling $75.2 million. Of this total, $5.2 million is attributable to a portfolio sale of six Properties which were sold in 2013 and included in discontinued operations, $67.7 million is attributable to two existing Properties, $1.8 million relates to the sale of an outparcel and $0.5 million represents the write-down of the depreciated book value of the corporate airplane owned by the Management Company to its fair value at its trade-in date. During the year ended December 31, 2012, we recorded impairment charges of $50.9 million. Of this total, $26.5 million is attributable to four Properties which were sold in 2012 and included in discontinued operations, $23.3 million is attributable to two existing Properties and $1.1 million relates to the sale of three outparcels. During the year ended December 31, 2011, we recorded impairment charges of $58.7 million. Of this total, $50.7 million is due to the impairment of one mall and $0.6 million is from the sale of one outparcel. The balance of $7.4 million relates to Properties that are included in discontinued operations. See Notes 4 and 15 to the consolidated financial statements for additional information about these impairment losses.

Allowance for Doubtful Accounts

We periodically perform a detailed review of amounts due from tenants and others to determine if accounts receivable balances are impaired based on factors affecting the collectability of those balances. Our estimate of the allowance for doubtful accounts requires significant judgment about the timing, frequency and severity of collection losses, which affects the allowance and net income. We recorded a provision for doubtful accounts of $1.3 million, $0.8 million and $1.7 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Investments in Unconsolidated Affiliates

We evaluate our joint venture arrangements to determine whether they should be recorded on a consolidated basis. The percentage of ownership interest in the joint venture, an evaluation of control and whether a VIE exists are all considered in the consolidation assessment.

Initial investments in joint ventures that are in economic substance a capital contribution to the joint venture are recorded in an amount equal to our historical carryover basis in the real estate contributed. Initial investments in joint ventures that are in economic substance the sale of a portion of our interest in the real estate are accounted for as a contribution of real estate recorded in an amount equal to our historical carryover basis in the ownership percentage retained and as a sale of real estate with profit recognized to the extent of the other joint venturers’ interests in the joint venture. Profit recognition assumes that we have no commitment to reinvest with respect to the percentage of the real estate sold and the accounting requirements of the full accrual method are met.

We account for our investment in joint ventures where we own a non-controlling interest or where we are not the primary beneficiary of a VIE using the equity method of accounting. Under the equity method, our cost of investment is adjusted for our share of equity in the earnings of the unconsolidated affiliate and reduced by distributions received. Generally, distributions of cash flows from operations and capital events are first made to partners to pay cumulative unpaid preferences on unreturned capital balances and then to the partners in accordance with the terms of the joint venture agreements.

Any differences between the cost of our investment in an unconsolidated affiliate and our underlying equity as reflected in the unconsolidated affiliate’s financial statements generally result from costs of our investment that are not reflected on the unconsolidated affiliate’s financial statements, capitalized interest on our investment and our share of development and leasing fees that are paid by the unconsolidated affiliate to us for development and leasing services provided to the unconsolidated affiliate during any development periods. The components of the net difference between our investment in unconsolidated affiliates and the underlying equity of unconsolidated affiliates is amortized over a period equal to the useful life of the unconsolidated affiliates' asset/liability that is related to the basis difference.

On a periodic basis, we assess whether there are any indicators that the fair value of our investments in unconsolidated affiliates may be impaired. An investment is impaired only if our estimate of the fair value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss is measured as the excess of the carrying amount of the investment over the fair value of the investment. Our estimates of fair value for each investment are based on a number of assumptions such as future leasing expectations, operating forecasts, discount rates and capitalization rates, among others. These assumptions are subject to economic and market uncertainties including, but not limited to, demand for space, competition for tenants, changes in market rental rates, and operating costs. As these factors are difficult to predict and are subject to future events that may alter our assumptions, the fair values estimated in the impairment analyses may not be realized.

No impairments of investments in unconsolidated affiliates were incurred during 2013, 2012 and 2011.

Recent Accounting Pronouncements

Accounting Guidance Adopted

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income ("ASU 2013-02"). The objective of ASU 2013-02 is to improve reporting of reclassifications out of accumulated other comprehensive income ("AOCI") by presenting information about such reclassifications and their corresponding effect on net income primarily in one place, either on the face of the financial statements or in the notes. ASU 2013-02 requires an entity to disclose information by component for significant amounts reclassified out of AOCI if the amounts reclassified are required to be reclassified under GAAP to net income in their entirety in the same reporting period. For amounts not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures that provide additional details about those amounts. For public companies, this guidance was effective on a prospective basis for fiscal years, and interim periods within those years, beginning after December 15, 2012. ASU 2013-02 did not change the calculation of or amounts reported as net income and comprehensive income but did change the presentation of the components of AOCI reported in our consolidated financial statements.

In July 2013, the FASB issued ASU 2013-10, Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes ("ASU 2013-10"). ASU 2013-10 permits the Overnight Index Swap ("OIS") Rate, also referred to as the Fed Funds Effective Swap Rate, to be used as a U.S. benchmark for hedge accounting purposes, in addition to London Interbank Offered Rate ("LIBOR") and interest rates on direct U.S. Treasury obligations. The guidance also removes the restriction on using different benchmarks for similar hedges. ASU 2013-10 is effective prospectively for qualifying new or redesignated hedges entered into on or after July 17, 2013. The adoption of this guidance did not have a material effect on our consolidated financial statements.

Accounting Pronouncements Not Yet Effective

In February 2013, the FASB issued ASU 2013-04, Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date ("ASU 2013-04"). ASU 2013-04 addresses the diversity in practice related to the recognition, measurement and disclosure of certain obligations which are not addressed within existing GAAP guidance. Such obligations under the scope of ASU 2013-04 include debt arrangements, other contractual obligations, settled litigation and judicial rulings. The guidance requires an entity to measure these joint and several obligations as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors as well as any additional amount the reporting entity expects to pay on behalf of its co-obligors. ASU 2013-04 also requires an entity to disclose information about the nature and amount of these obligations. For public companies, ASU 2013-04 is effective on a retrospective basis for fiscal years, and interim periods within those years, beginning after December 15, 2013. We may elect to use hindsight for the comparative periods (if we change our accounting as a result of the adoption of this guidance). Early adoption is permitted. We are evaluating the impact that this update may have on our consolidated financial statements.

In July 2013, the FASB issued ASU 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists ("ASU 2013-11"). The objective of this update is to reduce the diversity in practice related to the presentation of certain unrecognized tax benefits. ASU 2013-11 provides that unrecognized tax benefits are to be presented as a reduction of a deferred tax asset for a net operating loss ("NOL") carryforward, a similar tax loss or a tax credit carryforward when settlement in this manner is available under the governing tax law. To the extent such an

NOL carryforward, a similar tax loss or a tax credit carryforward is not available at the reporting date under the governing tax law to settle taxes that would result from the disallowance of the tax position or the entity does not intend to use the deferred tax asset for this purpose, the unrecognized tax benefit is to be recorded as a liability in the financial statements and should not be netted with a deferred tax asset. ASU 2013-11 is effective for public companies for fiscal years beginning after December 15, 2013 and interim periods within those years. The guidance should be applied prospectively to all unrecognized tax benefits that exist at the effective date. Early adoption and retrospective application are permitted. We are evaluating the impact that this update may have on our consolidated financial statements.

Impact of Inflation and Deflation

Deflation can result in a decline in general price levels, often caused by a decrease in the supply of money or credit. The predominant effects of deflation are high unemployment, credit contraction and weakened consumer demand. Restricted lending practices could impact our ability to obtain financings or refinancings for our Properties and our tenants' ability to obtain credit. Decreases in consumer demand can have a direct impact on our tenants and the rents we receive.

During inflationary periods, substantially all of our tenant leases contain provisions designed to mitigate the impact of inflation. These provisions include clauses enabling us to receive percentage rent based on tenants' gross sales, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. In addition, many of the leases are for terms of less than 10 years, which may provide us the opportunity to replace existing leases with new leases at higher base and/or percentage rent if rents of the existing leases are below the then existing market rate. Most of the leases require the tenants to pay a fixed amount subject to annual increases for their share of operating expenses, including common area maintenance, real estate taxes, insurance and certain capital expenditures, which reduces our exposure to increases in costs and operating expenses resulting from inflation.

Funds From Operations

FFO is a widely used measure of the operating performance of real estate companies that supplements net income (loss) determined in accordance with GAAP. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as net income (loss) (computed in accordance with GAAP) excluding gains or losses on sales of depreciable operating properties and impairment losses of depreciable properties, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures and noncontrolling interests. Adjustments for unconsolidated partnerships and joint ventures and noncontrolling interests are calculated on the same basis. We define FFO allocable to common shareholders as defined above by NAREIT less dividends on preferred stock. Our method of calculating FFO allocable to common shareholders may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs.

We believe that FFO provides an additional indicator of the operating performance of our Properties without giving effect to real estate depreciation and amortization, which assumes the value of real estate assets declines predictably over time. Since values of well-maintained real estate assets have historically risen with market conditions, we believe that FFO enhances investors' understanding of our operating performance. The use of FFO as an indicator of financial performance is influenced not only by the operations of our Properties and interest rates, but also by our capital structure.

We present both FFO of our Operating Partnership and FFO allocable to common shareholders, as we believe that both are useful performance measures. We believe FFO of our Operating Partnership is a useful performance measure since we conduct substantially all of our business through our Operating Partnership and, therefore, it reflects the performance of the Properties in absolute terms regardless of the ratio of ownership interests of our common shareholders and the noncontrolling interest in our Operating Partnership. We believe FFO allocable to common shareholders is a useful performance measure because it is the performance measure that is most directly comparable to net income (loss) attributable to common shareholders.

In our reconciliation of net income (loss) attributable to common shareholders to FFO allocable to common shareholders that is presented below, we make an adjustment to add back noncontrolling interest in income (loss) of our Operating Partnership in order to arrive at FFO of our Operating Partnership. We then apply a percentage to FFO of our Operating Partnership to arrive at FFO allocable to common shareholders. The percentage is computed by taking the weighted average number of common shares outstanding for the period and dividing it by the sum of the weighted average number of common shares and the weighted average number of Operating Partnership units held by noncontrolling interests during the period.

FFO does not represent cash flows from operations as defined by GAAP, is not necessarily indicative of cash available to fund all cash flow needs and should not be considered as an alternative to net income (loss) for purposes of evaluating our operating performance or to cash flow as a measure of liquidity.

As previously described in Results of Operations, during 2013 we recognized income of $8.2 million as a partial settlement of litigation. Additionally, we recorded a $2.4 million gain on investment and $9.1 million loss on extinguishment of debt. We recorded a gain on investment of $45.1 million related to the acquisition of the remaining 40% noncontrolling interest in Imperial Valley Mall in December 2012. During 2012 and 2011, we recorded gains on extinguishment of debt from both continuing and discontinued operations. Considering the significance and nature of these items, we believe that it is important to identify the impact of these changes on our FFO measures for a reader to have a complete understanding of our results of operations. Therefore, we have also presented FFO excluding these items.

FFO of the Operating Partnership decreased 4.5% to $437.5 million for the year ended December 31, 2013 compared to $458.2 million for the prior year. Excluding the litigation settlement, the gains on investments and gain (loss) on extinguishment of debt, FFO of the Operating Partnership increased 5.6% for the year ending December 31, 2013 to $435.9 million compared to$412.8 million in 2012.

The reconciliation of FFO to net income attributable to common shareholders is as follows (in thousands):

	Year Ended December 31,		
	2013	2012	2011
Net income attributable to common shareholders	$40,312	$84,089	$91,560
Noncontrolling interest in income of operating partnership	7,125	19,267	25,841
Depreciation and amortization expense of:			
Consolidated properties	278,911	255,460	271,458
Unconsolidated affiliates	39,592	43,956	32,538
Discontinued operations	6,638	13,174	4,912
Non-real estate assets	(2,077)	(1,841)	(2,488)
Noncontrolling interests' share of depreciation and amortization	(5,881)	(5,071)	(919)
Loss on impairment, net of tax benefit	73,485	50,343	56,557
Gain on depreciable property	(7)	(652)	(56,763)
(Gain) loss on discontinued operations, net of taxes	(647)	(566)	1
Funds from operations of the operating partnership	437,451	458,159	422,697
Litigation settlement	(8,240)	—	—
Gain on investments	(2,400)	(45,072)	—
(Gain) loss on extinguishment of debt	9,108	(265)	(32,463)
Funds from operations of the operating partnership, as adjusted	$435,919	$412,822	$390,234

The reconciliations of FFO of the Operating Partnership to FFO allocable to Company shareholders, including and excluding the litigation settlement, gain on investments and the gain (loss) on extinguishment of debt are as follows (in thousands):

	Year Ended December 31,		
	2013	2012	2011
Funds from operations of the operating partnership	$437,451	$458,159	$422,697
Percentage allocable to common shareholders (1)	84.97%	81.36%	77.91%
Funds from operations allocable to common shareholders	$371,702	$372,758	$329,323
Funds from operations of the Operating Partnership, as adjusted	$435,919	$412,822	$390,234
Percentage allocable to common shareholders (1)	84.97%	81.36%	77.91%
Funds from operations allocable to Company shareholders, as adjusted	$370,400	$335,872	$304,031

(1) Represents the weighted average number of common shares outstanding for the period divided by the sum of the weighted average number of common shares and the weighted average number of Operating Partnership units held by noncontrolling interests during the period.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various market risk exposures, including interest rate risk. The following discussion regarding our risk management activities includes forward-looking statements that involve risk and uncertainties. Estimates of future performance and economic conditions are reflected assuming certain changes in interest rates. Caution should be used in evaluating our overall market risk from the information presented below, as actual results may differ. We employ various derivative programs to manage certain portions of our market risk associated with interest rates. See Note 6 of the notes to consolidated financial statements for further discussions of the qualitative aspects of market risk, regarding derivative financial instrument activity.

Interest Rate Risk

Based on our proportionate share of consolidated and unconsolidated variable-rate debt at December 31, 2013, a 0.5% increase or decrease in interest rates on variable rate debt would decrease or increase annual cash flows by approximately $4.8 million and $1.6 million, respectively and increase or decrease annual interest expense, after the effect of capitalized interest, by approximately $4.6 million and $1.5 million, respectively.

Based on our proportionate share of total consolidated and unconsolidated debt at December 31, 2013, a 0.5% increase in interest rates would decrease the fair value of debt by approximately $100.1 million, while a 0.5% decrease in interest rates would increase the fair value of debt by approximately $100.4 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to the Index to Financial Statements and Schedules contained in Item 15 on page 84.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Controls and Procedures with Respect to the Company

Conclusion Regarding Effectiveness of Disclosure Controls and Procedures

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of its 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.

Under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of its disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on that evaluation, these officers concluded that the Company's disclosure controls and procedures were effective to ensure that the information required to be disclosed by the Company in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and is accumulated and communicated to our management, including the Company's 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 is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Company assessed the effectiveness of its internal control over financial reporting, based on criteria established in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and concluded that, as of December 31, 2013, the Company maintained effective internal control over financial reporting, as stated in its report which is included herein.

Report of Management On Internal Control Over Financial Reporting

Management of CBL & Associates Properties, Inc. and its consolidated subsidiaries (the “Company”) is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control over financial reporting is a process designed under the supervision of the Company’s Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Management recognizes that there are inherent limitations in the effectiveness of internal control over financial reporting, including the potential for human error or the circumvention or overriding of internal controls. Accordingly, even effective internal control over financial reporting cannot provide absolute assurance with respect to financial statement preparation. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. In addition, any projection of the evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the polices or procedures may deteriorate.

Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the framework established in Internal Control — Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that, as of December 31, 2013, the Company maintained effective internal control over financial reporting.

Deloitte & Touche LLP, the Company's independent registered public accounting firm, has audited the Company's internal control over financial reporting as of December 31, 2013 as stated in their report which is included herein in Item 15.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Controls and Procedures with Respect to the Operating Partnership

Conclusion Regarding Effectiveness of Disclosure Controls and Procedures

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of its 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.

Under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, whose subsidiary CBL Holdings I is the sole general partner of the Operating Partnership, the Operating Partnership has evaluated the effectiveness of its disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on that evaluation, these officers concluded that the Operating Partnership's disclosure controls and procedures were effective to ensure that the information required to be disclosed by the Operating Partnership in the reports that the Operating Partnership files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and is accumulated and communicated to management of the Company, acting on behalf of the Operating Partnership in its capacity as the general partner of the Operating Partnership, 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 the Company, acting on behalf of the Operating Partnership in its capacity as the general partner of the Operating Partnership, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Operating Partnership assessed the effectiveness of its internal control over financial reporting, based on criteria established in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and concluded that, as of December 31, 2013, the Operating Partnership maintained effective internal control over financial reporting, as stated in its report which is included herein.

Report of Management On Internal Control Over Financial Reporting

Management of CBL & Associates Limited Partnership and its consolidated subsidiaries (the "Operating Partnership") is responsible for establishing and maintaining adequate internal control over financial reporting. The Operating Partnership's internal control over financial reporting is a process designed under the supervision of the Operating Partnership's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting

purposes in accordance with U.S. generally accepted accounting principles.
Management recognizes that there are inherent limitations in the effectiveness of internal control over financial reporting, including the potential for human error or the circumvention or overriding of internal controls. Accordingly, even effective internal control over financial reporting cannot provide absolute assurance with respect to financial statement preparation. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control

over financial reporting. In addition, any projection of the evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the polices or procedures may deteriorate.
The Company's management, whose subsidiary CBL Holdings I is the sole general partner of the Operating Partnership, conducted an assessment of the effectiveness of the Operating Partnership's internal control over financial reporting based on the framework established in Internal Control — Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that, as of December 31, 2013, the Operating Partnership maintained effective internal control over financial reporting.
Deloitte & Touche LLP, the Company's independent registered public accounting firm, has audited the Operating Partnership's internal control over financial reporting as of December 31, 2013 as stated in their report which is included herein in Item 15.
Changes in Internal Control over Financial Reporting
There were no changes in the Operating Partnership's internal control over financial reporting during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

ITEM 9B.   OTHER INFORMATION
As part of its quarterly impairment process during the fourth quarter of 2013, the Company recognized a material impairment of $47.2 million to write-down the depreciable basis of Madison Square Mall located in Huntsville, AL. See Note 15 to the consolidated financial statements for additional information.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated herein by reference to the sections entitled “ELECTION OF DIRECTORS,” “Directors and Executive Officers,” “Certain Terms of the Jacobs Acquisition,” “Corporate Governance Matters - Code of Business Conduct and Ethics,” “Board of Directors’ Meetings and Committees – Audit Committee,” and “Section 16(a) Beneficial Ownership Reporting Compliance” in our definitive proxy statement filed with the Securities and Exchange Commission (the “Commission”) with respect to our Annual Meeting of Stockholders to be held on May 5, 2014.

Our Board of Directors has determined that each of Winston W. Walker, an independent director and chairman of the audit committee, Thomas J. DeRosa, an independent director and member of the audit committee, and Matthew S. Dominski, an independent director and member of the audit committee, qualifies as an “audit committee financial expert” as such term is defined by the rules of the Commission.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated herein by reference to the sections entitled “DIRECTOR COMPENSATION,” “EXECUTIVE COMPENSATION,” “REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS” and “Compensation Committee Interlocks and Insider Participation” in our definitive proxy statement filed with the Commission with respect to our Annual Meeting of Stockholders to be held on May 5, 2014.

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

Incorporated herein by reference to the sections entitled “SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT” and “Equity Compensation Plan Information as of December 31, 2013”, in our definitive proxy statement filed with the Commission with respect to our Annual Meeting of Stockholders to be held on May 5, 2014.

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

Incorporated herein by reference to the sections entitled “Corporate Governance Matters – Director Independence” and “CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS”, in our definitive proxy statement filed with the Commission with respect to our Annual Meeting of Stockholders to be held on May 5, 2014.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Incorporated herein by reference to the section entitled “Independent Registered Public Accountants’ Fees and Services” under “RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS” in our definitive proxy statement filed with the Commission with respect to our Annual Meeting of Stockholders to be held on May 5, 2014.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Financial statement schedules not listed herein are either not required or are not present in amounts sufficient to require submission of the schedule or the information required to be included therein is included in our consolidated financial statements in Item 15 or are reported elsewhere.

(3) Exhibits
The Exhibit Index attached to this report is incorporated by reference into this Item 15(a)(3).

84

SIGNATURES

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

CBL & ASSOCIATES PROPERTIES, INC.
(Registrant)

By: __/s/ Farzana K. Mitchell_________
Farzana K. Mitchell
Executive Vice President -
Chief Financial Officer and Treasurer

Dated: March 3, 2014

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/ Charles B. Lebovitz Charles B. Lebovitz	Chairman of the Board	March 3, 2014
/s/ Stephen D. Lebovitz Stephen D. Lebovitz	Director, President and Chief Executive Officer (Principal Executive Officer)	March 3, 2014
/s/ Farzana K. Mitchell Farzana K. Mitchell	Executive Vice President - Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	March 3, 2014
/s/ Gary L. Bryenton* Gary L. Bryenton	Director	March 3, 2014
/s/ A. Larry Chapman* A. Larry Chapman	Director	March 3, 2014
/s/ Thomas J. DeRosa* Thomas J. DeRosa	Director	March 3, 2014
/s/ Matthew S. Dominski* Matthew S. Dominski	Director	March 3, 2014
/s/ Gary J. Nay* Gary J. Nay	Director	March 3, 2014
/s/ Kathleen M. Nelson* Kathleen M. Nelson	Director	March 3, 2014
/s/ Winston W. Walker* Winston W. Walker	Director	March 3, 2014

*By: /s/ Farzana K. Mitchell Farzana K. Mitchell	Attorney-in-Fact	March 3, 2014

85

SIGNATURES

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

CBL & ASSOCIATES LIMITED PARTNERSHIP
(Registrant)
By: CBL HOLDINGS I, INC., its general partner
By: __/s/ Farzana K. Mitchell_________
Farzana K. Mitchell
Executive Vice President -
Chief Financial Officer and Treasurer

Dated: March 3, 2014

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/ Charles B. Lebovitz Charles B. Lebovitz	Chairman of the Board of CBL Holdings I, Inc., general partner of the Registrant	March 3, 2014
/s/ Stephen D. Lebovitz Stephen D. Lebovitz	Director, President and Chief Executive Officer of CBL Holdings I, Inc., general partner of the Registrant (Principal Executive Officer)	March 3, 2014
/s/ Farzana K. Mitchell Farzana K. Mitchell	Executive Vice President - Chief Financial Officer and Treasurer of CBL Holdings, I, Inc., general partner of the Registrant (Principal Financial Officer and Principal Accounting Officer)	March 3, 2014

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

Financial statement schedules not listed herein are either not required or are not present in amounts sufficient to require submission of the schedule or the information required to be included therein is included in our consolidated financial statements in Item 15 or are reported elsewhere.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
CBL & Associates Properties, Inc.
Chattanooga, TN:

We have audited the accompanying consolidated balance sheets of CBL & Associates Properties, Inc. and subsidiaries (the "Company") as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2013. Our audits also included the financial statement schedules listed in the Index at Item 15. We also have audited the Company's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements and financial statement schedules, 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 Report of Management On Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and financial statement schedules and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel 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 the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CBL & Associates Properties, Inc. and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
March 3, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Partners of CBL & Associates Limited Partnership
Chattanooga, TN:

We have audited the accompanying consolidated balance sheets of CBL & Associates Limited Partnership and subsidiaries (the "Partnership") as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, partners' capital and noncontrolling interests, and cash flows for each of the three years in the period ended December 31, 2013. Our audits also included the financial statement schedules listed in the Index at Item 15. We also have audited the Partnership's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Partnership's management is responsible for these financial statements and financial statement schedules, 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 Report of Management On Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and financial statement schedules and an opinion on the Partnership's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel 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 the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CBL & Associates Limited Partnership and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein. Also, in our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
March 3, 2014

CBL & Associates Properties, Inc.
Consolidated Balance Sheets
(In thousands, except share data)

	December 31,	
ASSETS	2013	2012
Real estate assets:		
Land	$858,619	$905,339
Buildings and improvements	7,125,512	7,228,293
	7,984,131	8,133,632
Accumulated depreciation	(2,056,357)	(1,972,031)
	5,927,774	6,161,601
Held for sale	—	29,425
Developments in progress	139,383	137,956
Net investment in real estate assets	6,067,157	6,328,982
Cash and cash equivalents	65,500	78,248
Receivables:		
Tenant, net of allowance for doubtful accounts of $2,379 and $1,977 in 2013 and 2012, respectively	79,899	78,963
Other, net of allowance for doubtful accounts of $1,241 and $1,270 in 2013 and 2012, respectively	23,343	8,467
Mortgage and other notes receivable	30,424	25,967
Investments in unconsolidated affiliates	277,146	259,810
Intangible lease assets and other assets	242,502	309,299
	$6,785,971	$7,089,736
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Mortgage and other indebtedness	$4,857,523	$4,745,683
Accounts payable and accrued liabilities	333,875	358,874
Total liabilities	5,191,398	5,104,557
Commitments and contingencies (Note 14)		
Redeemable noncontrolling interests:		
Redeemable noncontrolling partnership interests	34,639	40,248
Redeemable noncontrolling preferred joint venture interest	—	423,834
Total redeemable noncontrolling interests	34,639	464,082
Shareholders' equity:		
Preferred Stock, $.01 par value, 15,000,000 shares authorized:		
7.375% Series D Cumulative Redeemable Preferred Stock, 1,815,000 shares outstanding	18	18
6.625% Series E Cumulative Redeemable Preferred Stock, 690,000 shares outstanding	7	7
Common Stock, $.01 par value, 350,000,000 shares authorized, 170,048,144 and 161,309,652 issued and outstanding in 2013 and 2012, respectively	1,700	1,613
Additional paid-in capital	1,967,644	1,773,630
Accumulated other comprehensive income	6,325	6,986
Dividends in excess of cumulative earnings	(570,781)	(453,561)
Total shareholders' equity	1,404,913	1,328,693
Noncontrolling interests	155,021	192,404
Total equity	1,559,934	1,521,097

	$6,785,971	$7,089,736

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

CBL & Associates Properties, Inc.
Consolidated Statements of Operations
(In thousands, except per share amounts)

	Year Ended December 31, 2013	2012	2011
REVENUES:			
Minimum rents	$675,870	$641,821	$647,093
Percentage rents	18,572	17,728	16,772
Other rents	21,974	21,914	21,685
Tenant reimbursements	290,097	279,280	292,594
Management, development and leasing fees	12,439	10,772	6,934
Other	34,673	31,328	34,821
Total revenues	1,053,625	1,002,843	1,019,899
OPERATING EXPENSES:			
Property operating	151,127	138,533	142,431
Depreciation and amortization	278,911	255,460	261,562
Real estate taxes	88,701	87,871	89,317
Maintenance and repairs	56,379	50,350	53,214
General and administrative	48,867	51,251	44,751
Loss on impairment	70,049	24,379	51,304
Other	28,826	25,078	28,898
Total operating expenses	722,860	632,922	671,477
Income from operations	330,765	369,921	348,422
Interest and other income	10,825	3,953	2,578
Interest expense	(231,856)	(242,357)	(262,608)
Gain (loss) on extinguishment of debt	(9,108)	265	1,029
Gain on investments	2,400	45,072	—
Gain on sales of real estate assets	1,980	2,286	59,396
Equity in earnings of unconsolidated affiliates	11,616	8,313	6,138
Income tax (provision) benefit	(1,305)	(1,404)	269
Income from continuing operations	115,317	186,049	155,224
Operating income (loss) of discontinued operations	(6,091)	(12,468)	29,771
Gain (loss) on discontinued operations	1,144	938	(1)
Net income	110,370	174,519	184,994
Net income attributable to noncontrolling interests in:			
Operating Partnership	(7,125)	(19,267)	(25,841)
Other consolidated subsidiaries	(18,041)	(23,652)	(25,217)
Net income attributable to the Company	85,204	131,600	133,936
Preferred dividends	(44,892)	(47,511)	(42,376)
Net income attributable to common shareholders	$40,312	$84,089	$91,560
Basic per share data attributable to common shareholders:			
Income from continuing operations, net of preferred dividends	$0.27	$0.60	$0.46
Discontinued operations	(0.03)	(0.06)	0.16
Net income attributable to common shareholders	$0.24	$0.54	$0.62
Weighted average common shares outstanding	167,027	154,762	148,289
Diluted per share data attributable to common shareholders:			

Income from continuing operations, net of preferred dividends	$0.27	$0.60	$0.46
Discontinued operations	(0.03)	(0.06)	0.16
Net income attributable to common shareholders	$0.24	$0.54	$0.62
Weighted average common and potential dilutive common shares outstanding	167,027	154,807	148,334
Amounts attributable to common shareholders:			
Income from continuing operations, net of preferred dividends	$44,515	$93,469	$68,366
Discontinued operations	(4,203)	(9,380)	23,194
Net income attributable to common shareholders	$40,312	$84,089	$91,560

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

CBL & Associates Properties, Inc.
Consolidated Statements of Comprehensive Income
(In thousands)

	Year Ended December 31,		
	2013	2012	2011
Net income	$110,370	$174,519	$184,994
Other comprehensive income (loss):			
Unrealized holding gain (loss) on available-for-sale securities	(2,583)	4,426	(214)
Reclassification to net income of realized (gain) loss on available-for-sale securities	—	(224)	22
Unrealized gain (loss) on hedging instruments	1,815	(207)	(5,521)
Total other comprehensive income (loss)	(768)	3,995	(5,713)
Comprehensive income	109,602	178,514	179,281
Comprehensive income attributable to noncontrolling interests in:			
Operating Partnership	(7,018)	(19,701)	(24,558)
Other consolidated subsidiaries	(18,041)	(23,652)	(25,217)
Comprehensive income attributable to the Company	$84,543	$135,161	$129,506

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

CBL & Associates Properties, Inc.
Consolidated Statements of Equity
(in thousands, except share data)

		Equity							
		Shareholders' Equity							
	Redeemable Noncontrolling Partnership Interests	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Dividends in Excess of Cumulative Earnings	Total Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance, December 31, 2010	$ 34,379	$ 23	$ 1,479	$ 1,657,507	$ 7,855	$ (366,526)	$ 1,300,338	$ 223,605	$ 1,523,943
Net income	4,940	—	—	—	—	133,936	133,936	25,473	159,409
Other comprehensive loss	(48)	—	—	—	(4,430)	—	(4,430)	(1,235)	(5,665)
Conversion of 125,100 Operating Partnership special common units to shares of common stock	—	—	1	728	—	—	729	(729)	—
Dividends declared - common stock	—	—	—	—	—	(124,615)	(124,615)	—	(124,615)
Dividends declared - preferred stock	—	—	—	—	—	(42,376)	(42,376)	—	(42,376)
Issuance of 190,812 shares of common stock and restricted common stock	—	—	2	276	—	—	278	—	278
Cancellation of 16,082 shares of restricted common stock	—	—	—	(125)	—	—	(125)	—	(125)
Exercise of stock options	—	—	2	1,953	—	—	1,955	—	1,955
Accrual under deferred compensation arrangements	—	—	—	56	—	—	56	—	56
Amortization of deferred compensation	—	—	—	1,629	—	—	1,629	—	1,629
	3,005	—	—	(5,205)	—	—	(5,205)	2,200	(3,005)

Adjustment for noncontrolling interests									
Adjustment to record redeemable noncontrolling interests at redemption value	(1,108)	—	—	1,108	—	—	1,108	—	1,108
Distributions to noncontrolling interests	(8,897)	—	—	—	—	—	—	(44,239)	(44,239)
Contributions from noncontrolling interests in Operating Partnership	—	—	—	—	—	—	—		