Risk Factors Comparison 2024-02-14 to 2023-02-14 Form: 10-K

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Risks Related to Our Business and Operations; • Risks Related to Our Liquidity and Indebtedness; • Risks Related to Business Continuity; • Risks Related to Environmental Liability and Regulatory Compliance; • Risks Related to Our Status as a REIT; • Risks Related to Our Organization and Structure; and • Risks Related to An Investment in Our Common Shares. The risks and uncertainties described herein may not be the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial, may also adversely affect our business. See " Forward- Looking Statements ". RISKS RELATED TO OUR BUSINESS AND OPERATIONS Inflation and related volatility in the economy could negatively impact our results of operations and our tenants. Inflation in the United States accelerated ~~in~~ **during 2021 and** 2022 ~~and may continue~~ **. During 2023, inflation decreased but remained** at an elevated level ~~in~~ **relative to** the ~~near- term. This~~ **years preceding 2021, and inflation may** increase **again in the future. Rising inflation** , and any related impacts, including increased prices for consumer goods and higher interest rates and wages, and any fiscal or other policy interventions by the U. S. government in reaction to such events, could negatively impact our results of operations, and could also negatively impact our tenants' businesses. Most of our leases require tenants to pay their share of operating expenses, including common area maintenance, real estate taxes and insurance, although some larger tenants have capped the amount of these operating expenses they are responsible for under their lease. ~~As a result, we believe that the structure of our leases reduces our exposure to increases in costs and operating expenses resulting from inflation.~~ However, there can be no assurance that our tenants will be able to absorb these expense increases and be able to continue to pay us their portion of operating expenses, capital expenditures and rent. While our leases generally provide for fixed annual rent increases, high levels of inflation will likely outpace our contractual rent increases. As a result, our business, financial condition, results of operations, cash flows, liquidity and ability to satisfy our debt service obligations and to pay dividends and distributions to shareholders could be adversely affected over time. The duration and extent of any prolonged periods of inflation, and any related adverse effects on our results of operations and financial condition, remain unknown at this time. Additionally, inflationary pricing may have a negative effect on the construction costs necessary to complete our development and redevelopment projects, including, but not limited to, costs of construction materials, labor and services from third- party contractors and suppliers. Certain mitigating factors and contingencies are built into our contracts; however, no assurance can be given that our efforts at mitigation will be successful. Higher construction costs could adversely impact our investments in real estate assets and expected yields on our redevelopment projects. Actual or perceived threats associated with epidemics, pandemics or other public health crises ~~,~~ have had **,** and could have **in the future,** a material adverse effect on our and our tenants' businesses, financial condition, results of operations, cash flow, liquidity, and ability to access the capital markets and satisfy debt service obligations. Epidemics, pandemics or other public health crises, that impact economic and market conditions, particularly in the markets where our properties are located, and preventative measures taken to alleviate their impact, may have a material adverse effect on our and our tenants' businesses, financial condition, results of operations, liquidity, and ability to access capital markets and satisfy debt service obligations. The actual and potential restrictions intended to prevent and mitigate such events have had, and could have in the future, additional adverse effects on our business, including with regards to: • the ability and willingness of our tenants to renew their leases upon expiration, our ability to re- lease the properties on the same or better terms in the event of nonrenewal or in the event we exercise our right to replace an existing tenant, and obligations we may incur in connection with the replacement of an existing tenant; • anticipated returns from development and redevelopment projects, which may experience delays due to supply- chain disruptions; • the broader impact of epidemics, pandemics, or other public health crises and their effect on consumer behavior; • our ability to pay down, refinance, restructure or extend our indebtedness as it becomes due or our ability to borrow funds under our credit facility as a result of covenants relating to our financial results; and • the potential reduction in our operating effectiveness if key personnel become unavailable due to illness or other personal circumstances. To the extent any of these risks and uncertainties adversely impact us in the ways described above or otherwise, they may also have the effect of heightening many of the other risks described in this section. E- commerce may have an adverse impact on our tenants and our business. E- commerce continues to gain popularity and growth in internet sales is likely to continue in the future. E- commerce could result in a downturn in the business of some of our current tenants and could affect the way other current and future tenants lease space. For example, the migration towards e- commerce has led many omnichannel retailers to prune the number and size of their traditional " brick and mortar " locations to increasingly rely on e- commerce and alternative distribution channels. Many tenants also permit merchandise purchased on their websites to be picked up at, or returned to, their physical store locations, which may have the effect of decreasing the reported amount of their in- store sales and the amount of rent we are able to collect from them (particularly with respect to those tenants who pay rent based on a percentage of their in- store sales). We cannot predict with certainty how growth in e- commerce will impact the demand for space at our properties or how much revenue will be generated at traditional store locations in the future. If the shift towards e- commerce causes declines in the " brick and mortar " sales generated by our tenants and / or causes our tenants to reduce the size or number of their retail locations in the future, our cash flow, financial condition and results of operations could be materially and adversely affected. Retail real estate is a competitive business. Competition in the retail real estate industry is intense. We compete with a large number of public and private retail real estate companies, including property owners and developers. We compete with these companies to attract customers to our properties, as well as to attract anchor, non- anchor and other tenants. We also compete with these companies for development, redevelopment and acquisition opportunities. Other owners and developers may attempt to take existing tenants from our shopping centers by offering lower rents or other incentives to compel them to relocate. This competition could have a material adverse effect on our ability to lease space and on the amount of rent and expense reimbursements that we receive. We depend on leasing space to tenants on economically favorable terms and on collecting rent from tenants who ultimately may not be able to pay. Our financial results depend significantly on leasing space in our properties to tenants on economically favorable terms. A majority of our income depends on the ability of our tenants to pay the full amount of rent and other charges due under their leases on a timely basis. Some of our leases provide for the payment, in addition to base rent, of additional rent above the base amount according to a specified percentage of the gross sales generated by the tenants and generally provide for reimbursement of real estate taxes and expenses of operating the property. Economic and / or competitive conditions may impact the success of our tenants' retail operations and therefore the amount of rent and expense reimbursements we receive from our tenants. While demand for our retail spaces has been strong, there can be no assurance in our ability to maintain our occupancy levels on favorable terms. Any reduction in our tenants' abilities to pay base rent, percentage rent or other charges on a timely basis will decrease our income, funds available to pay indebtedness and funds available for distribution to shareholders. If a tenant does not pay its rent, we might not be able to enforce our rights as landlord without delays and might incur substantial legal and other costs. During periods of economic adversity, there may be an increase in the number of tenants that cannot pay their rent and an increase in vacancy rates, which could materially and adversely affect our cash flow, financial condition and results of operations. We may be unable to renew leases or relet space as leases expire on terms comparable to prior leases or at all. If our tenants decide not to renew their leases upon their expiration, or if we exercise our right to replace an existing tenant, we may not be able to relet the space on terms comparable to prior leases or at all. Spaces that accounted for approximately ~~14~~ **12** . ~~9~~ **8** % of physical occupancy were vacant as of December 31, ~~2022~~ **2023** , excluding leases signed but not commenced. In addition, leases accounting for approximately ~~28~~ **24** % of our annualized base rent for the fiscal year ended December 31, ~~2022~~ **2023** are scheduled to expire within the next three years. Even if tenants do renew or we can relet the space, the terms of the renewal or reletting, taking into account among other things, the cost of improvements to the property and leasing commissions, may be less favorable than the terms in the expired leases. In addition, changes in space utilization by our tenants may impact our ability to renew or relet space without the need to incur substantial costs in renovating or redesigning the internal configuration of the relevant property. If we are unable to promptly renew the leases or relet the space at similar rates or if we incur substantial costs in renewing or reletting the space, our cash flow and ability to service debt obligations and pay dividends and other distributions to security holders could be adversely affected. Bankruptcy or insolvency of tenants may decrease our revenues, net income and available cash. From time to time, certain of our tenants have become insolvent or declared bankruptcy and other tenants may declare bankruptcy or become insolvent in the future. Tenants who file for bankruptcy protection have the legal right to reject any or all of their leases and close related stores. In the event that a tenant with a significant number of leases in our properties files for bankruptcy and rejects its leases, we could experience a significant reduction in our revenues, and we may not be able to collect all pre- petition amounts owed by that party, which may adversely affect our cash flow, financial condition and results of operations. The bankruptcy or insolvency of a major tenant at one of our properties could also negatively impact our ability to lease other existing or future vacancies at any such property. In addition, our leases generally do not contain restrictions designed to ensure the ongoing creditworthiness of our tenants. The bankruptcy or insolvency of a major tenant could result in a lower level of net income, which may adversely affect our cash flow, financial condition and results of operations and decrease funds available to pay our indebtedness or make distributions to shareholders. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources " included in Part II, Item 7 in this Annual Report on Form 10- K and the Notes to Consolidated Financial Statements included in Part II, Item 8 in this Annual Report on Form 10- K. A significant number of our properties are located in the New York metropolitan area and are affected by the economic cycles there. Because a significant number of our properties are located in the New York metropolitan area, we are particularly susceptible to adverse economic and other developments in that area. ~~Notably~~ **Collectively** , ~~as of December 31, 2022, one of~~ our New York metropolitan area properties ~~, The Outlets at Bergen Town Center, in Paramus, NJ, generated in excess of 10 % of our annualized base rent. Collectively, our New York metropolitan area properties~~ in the aggregate generated approximately ~~73~~ **67** % of our annualized base rent as of December 31, ~~2022~~ **2023** . Real estate markets are subject to economic downturns, and we cannot predict the economic conditions in the New York metropolitan area in either the short- term or long- term. Poor economic or market conditions in the New York metropolitan area may adversely affect our cash flow, financial condition and results of operations. Some of our properties depend on anchor or major tenants and decisions made by these tenants, or adverse developments in the businesses of these tenants, could materially and adversely affect our business, results of operations and financial condition. Some of our properties have anchor or major tenants that generally occupy larger spaces, sometimes pay a significant portion of a property' s total rent and often contribute to the success of other tenants by drawing customers to a property. If an anchor or major tenant closes, such closure could adversely affect the property even if the tenant continues to pay rent due to the loss of the anchor or major tenant' s drawing power. Additionally, closure of an anchor or major tenant could result in lease terminations by, or reductions in rent from, other tenants if the other tenants' leases have co- tenancy clauses that permit cancellation or rent reduction if an anchor tenant closes. Retailer consolidation, store rationalization, competition from internet sales and general economic conditions may decrease the number of potential tenants available to fill available anchor tenant spaces. As a result, in the event one or more anchor tenants were to leave one or more of our centers, we cannot be sure that we would be able to lease the vacant space on equivalent terms or at all. In addition, we may not be able to recover costs owed to us by the closed tenant. In certain cases, some anchor and non- anchor tenants may be able to terminate their leases if they do not achieve defined sales levels. Development and redevelopment activities have inherent risks, which could adversely impact our cash flow, financial condition and results of operations. We may develop or redevelop properties when we believe that doing so is consistent with our business strategy. As of December 31, ~~2022~~ **2023** , we had ~~25~~ **23** active redevelopment projects in which we have invested a total of approximately $ ~~56~~ **55** . ~~3~~ **9** million, and based on our current plans and estimates, we anticipate it will cost an additional $ ~~159~~ **112** . ~~7~~ **2** million to complete. We anticipate engaging in additional development and redevelopment activities in the future. In addition to the risks associated with real estate investments in general as described elsewhere, the risks associated with future development and redevelopment activities include: • expenditure of capital and time on projects that may never be completed; • failure or inability to obtain financing on favorable terms or at all; • inability to secure necessary zoning or regulatory approvals; • higher than estimated construction or operating costs, including labor and material costs; • increased costs related to inflation, including higher costs of construction and financing; • inability to complete construction on schedule due to a number of factors, including inclement weather, labor disruptions, construction delays **, supply chain issues** , delays or failure to receive zoning or other regulatory approvals, acts of terror or other acts of violence, or natural disasters (such as fires, seismic activity or floods); • significant time lag between commencement and stabilization resulting in delayed returns and greater risks due to fluctuations in the general economy, shifts in demographics and competition; • decrease in customer traffic during the redevelopment period causing a decrease in tenant sales; • inability to secure key anchor or other tenants at anticipated pace of lease- up or at all; and • occupancy and rental rates at a newly completed project that may not meet expectations. If any of the above events were to occur, they may hinder our growth and may have an adverse effect on our cash flow, financial condition and results of operations. In addition, new development and significant redevelopment activities, regardless of whether they are ultimately successful, typically require substantial time and attention from management. We face significant competition for acquisitions of properties, which may reduce the number of acquisition opportunities available to us and increase the costs of these acquisitions. The current market for acquisitions of properties in our core markets continues to be competitive. This competition may increase the demand for the types of properties in which we typically invest and, therefore, increase the prices paid for such acquisition properties. We also face significant competition for attractive acquisition opportunities from an indeterminate number of investors, including publicly- traded and privately- held REITs, private equity investors and institutional investment funds, some of which have greater financial resources, greater ability to borrow funds and the willingness to accept more risk than we can prudently manage, including risks with respect to the geographic proximity of investments and the payment of higher acquisition prices. This competition will increase if investments in real estate become more attractive relative to other forms of investment. Competition for investments may reduce the number of suitable investment opportunities available to us and may have the effect of increasing prices paid for such acquisition properties and, as a result, adversely affecting our ability to grow through acquisitions. Our operating results at acquired properties may not meet our financial expectations. Our ability to complete acquisitions on favorable terms and successfully operate or develop them is subject to the following risks: • we may incur significant costs and divert management attention in connection with the evaluation and negotiation of potential acquisitions, including ones that are subsequently not completed; • we may be unable to finance acquisitions on favorable terms and in the time period we desire, or at all; • we may be unable to quickly and efficiently integrate new acquisitions, particularly the acquisition of portfolios of properties, into our existing operations; • we may acquire properties that are not initially accretive to our results upon acquisition, and we may not successfully manage and lease those properties to meet our expectations; and • we may acquire properties subject to liabilities and without any recourse, or with only limited recourse to former owners, with respect to unknown liabilities for clean- up of undisclosed environmental contamination, claims by tenants or other persons to former owners of the properties and claims for indemnification by general partners, trustees, officers and others indemnified by the former owners of the properties. If we are unable to complete acquisitions on favorable terms, or efficiently integrate such acquisitions, our cash flow, financial condition and results of operations could be adversely affected. It may be difficult to dispose of real estate quickly, which may limit our flexibility. Real estate is relatively difficult to dispose of quickly. Consequently, we may have limited ability to promptly change our portfolio in response to changes in economic or other conditions. Moreover, our ability to dispose of, or finance real estate may be materially and adversely affected during periods of uncertainty or unfavorable conditions in the credit markets as we or potential buyers of our real estate may experience difficulty in obtaining financing. To dispose of low basis deferral or tax- protected properties efficiently we from time to time use like-kind exchanges, which are intended to qualify for non- recognition of taxable gain, but can be difficult to consummate and result in the property for which the disposed assets are exchanged inheriting their low tax bases and other tax attributes (including tax protection covenants). These challenges related to dispositions may limit our flexibility. Many real estate costs are fixed, even if income from our properties decreases. Our financial results depend primarily on leasing space in our properties to tenants on terms favorable to us. Costs associated with operating real estate, such as real estate taxes, insurance and maintenance costs, generally are not reduced even when a property is not fully occupied, rental rates decrease, or other circumstances cause a reduction in income from the property. As a result, cash flow from operations may be reduced if a tenant does not pay its rent or we are unable to rent our properties on favorable terms. A number of properties in our portfolio are subject to ground or building leases; if we are found to be in breach of a ground or building lease or are unable to renew a ground or building lease, we could be materially and adversely affected. A number of the properties in our portfolio are either completely or partially on land that is owned by third parties and leased to us pursuant to ground or building leases. Accordingly, we only own a long- term leasehold or similar interest in those properties. If we are found to be in breach of a ground or building lease and that breach cannot be cured, we could lose our interest in the improvements and the right to operate the property. In addition, unless we can purchase a fee interest in the underlying land or building or extend the terms of these leases before or at their expiration, as to which no assurance can be given, we will lose our interest in the improvements and the right to operate these properties. However, in certain cases, our ability to exercise such options is subject to the condition that we are not in default under the terms of the ground or building lease at the time that we exercise such options, and we can provide no assurance that we will be able to exercise our options at such time. If we were to lose the right to operate a property due to a breach or non- renewal of the ground or building lease, we would be unable to derive income from such property, which could materially and adversely affect us. Our assets may be subject to impairment charges. Real estate is carried at cost, net of accumulated depreciation and amortization.

Our properties are individually reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the property may not be recoverable. An impairment exists when the carrying amount of an asset exceeds the aggregate projected future cash flows over the anticipated holding period on an undiscounted basis, taking into account the appropriate capitalization rate in determining a future terminal value. An impairment loss is based on the excess of the property' s carrying amount over its estimated fair value. Recording an impairment charge results in an immediate reduction in our income in the period in which the charge is taken, which could materially and adversely affect our results of operations and financial condition. RISKS RELATED TO OUR LIQUIDITY AND INDEBTEDNESS Risks related to our outstanding debt. We have historically used moderate levels of leverage and expect to continue to incur indebtedness to support our activities. As of December 31, ~~2022~~ **2023** , our outstanding indebtedness was $ 1. 7 billion, of which $ **281** ~~159. 2~~ million was variable rate indebtedness. If we are unable to obtain debt financing or refinance existing debt upon maturity on terms favorable to us, or at all, our financial condition and results of operations would likely be adversely affected. ~~We~~ **As of the date of this filing, we** have approximately $ ~~329~~ **70. 8** million of **mortgage** debt, with a weighted average interest rate of ~~3~~ **4** . ~~7~~ **0** %, maturing within the next 12 months related to mortgage loans encumbering ~~three~~ **two** of our properties. We are actively exploring our options to refinance them, however, there is no guarantee that we will be able to do so prior to their maturities or at rates that are favorable to us. As of December 31, ~~2022~~ **2023** , approximately ~~9~~ **16** % of our current outstanding debt bore interest at variable rates based on the ~~London Interbank Offered Rate (" LIBOR "),~~ Secured Overnight Financing Rate (" SOFR ") ~~or the Prime Rate~~ , plus an applicable margin per the **respective** loan ~~agreement~~ **agreements** . We are exposed to risks related to a potential rising interest rate environment for our current or any future variable interest rate debt. Interest expense on our variable rate debt at December 31, ~~2022~~ **2023** would increase by approximately $ ~~1~~ **2** . ~~6~~ **3** million annually for every 100- basis- point increase in interest rates. While we may enter into interest rate hedging transactions with counterparties, there can be no guarantee that the future financial condition of these counterparties will enable them to fulfill their obligations under such agreements. ~~In 2017, U. K. regulators announced that they intend to stop compelling banks to submit rates for the calculation of LIBOR after 2021. As a result, U. S. regulators identified SOFR as their preferred alternative to USD LIBOR in derivatives and other financial contracts. Additionally, while U. S. official guidance states that there should be no new LIBOR trading after December 31, 2021, we expect that USD LIBOR will continue to be published until June 30, 2023. We are not currently able to predict when LIBOR will cease to be available in the United States. When LIBOR is discontinued, the interest rates of our LIBOR- indexed debt following such event will be based on either alternate reference rates, such as SOFR, or agreed upon replacement rates. While such an event would not affect our ability to borrow or maintain already outstanding borrowings, it could result in higher interest rates or additional hedging costs.~~ If the cost or amount of our debt increases or we cannot refinance our debt in sufficient amounts or on acceptable terms, we are at risk of default on our obligations, which could have a material adverse effect on our company, including our ability to make distributions to our shareholders. Covenants in our existing financing agreements may restrict our operating, financing, redevelopment, development, acquisition and other activities. The mortgages on our properties contain customary covenants such as those that limit our ability, without the prior consent of the lender, to further mortgage the applicable property or to reduce insurance coverage. Our existing revolving credit facility contains, and any debt that we may obtain in the future may contain, customary restrictions, requirements and other limitations on our ability to incur indebtedness, including covenants (i) that limit our ability to incur debt based upon (1) our ratio of total debt to total assets, (2) our ratio of secured debt to total assets, (3) our ratio of earnings before interest, tax, depreciation and amortization (" EBITDA ") to interest expense and (4) our ratio of EBITDA to fixed charges, and (ii) that require us to maintain a certain level of unencumbered assets to unsecured debt. Our ability to borrow is subject to compliance with these and other covenants. Failure to comply with our covenants could cause a default under the applicable debt instrument and we may then be required to repay such debt with capital from other sources or to give possession of a secured property to the lender. Under those circumstances, other sources of capital may not be available to us or may be available only on unattractive terms. Defaults on secured indebtedness may result in foreclosure. In the event that we default on mortgages in the future, either as a result of ceasing to make debt service payments or failing to meet applicable covenants, the lenders may accelerate the related debt obligations and foreclose and / or take control of the properties that secure their loans. As of December 31, ~~2022~~ **2023** , we had $ 1. ~~7~~ **6** billion of secured debt outstanding and ~~34~~ **32** of our properties were encumbered by secured debt. As of December 31, ~~2022~~ **2023** , we were in compliance with all debt covenants **, with the exception of those related to our mortgage on Kingswood Center which has been in default since May 2023** . Further, for tax purposes, the foreclosure of a mortgage may result in the recognition of taxable income related to the extinguished debt without us having received any accompanying cash proceeds. As a result, since we are structured as a REIT, we may be required to identify and utilize sources for distributions to our shareholders related to such taxable income in order to avoid incurring corporate tax or to meet the REIT distribution requirements imposed by the Code. We may not be able to obtain capital to make investments. We depend primarily on external financing to fund the growth of our business because one of the requirements of the Code for a REIT is that it distributes at least 90 % of its taxable income, excluding net capital gains, to its shareholders. There is a separate requirement to distribute net capital gains or pay a corporate level tax in lieu thereof. Our access to debt or equity financing depends on **conditions in the capital markets generally and** the willingness of third parties to lend to or to make equity investments ~~and on conditions in the capital markets generally~~ . There can be no assurance that new financing or other capital will be available or available on acceptable terms. The failure to obtain financing or other capital could materially and adversely affect our business, results of operations and financial condition. For information about our available sources of funds, see " Management' s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources " included in Part II, Item 7 in this Annual Report on Form 10- K and the Notes to Consolidated Financial Statements included in Part II, Item 8 in this Annual Report on Form 10- K. RISKS RELATED TO BUSINESS CONTINUITY Risks related to our ~~malls~~ **properties** in Puerto Rico. Our two ~~malls~~ **properties** in Puerto Rico ~~make~~ **made** up approximately ~~7~~ **8** % of our net operating income (" NOI ") for the year ended December 31, ~~2022~~

2023 . Puerto Rico **has** ~~faces~~ **faced** significant fiscal and economic challenges **in previous years** , including ~~those~~ **its government filing for bankruptcy protection in 2017, and continues to face challenges** resulting from natural disasters such as hurricanes and earthquakes **. Such events** , **individually** ~~the recent COVID- 19 pandemic, and its government filing for~~ - **or** ~~bankruptcy protection~~ in **the aggregate,** ~~2017. These factors have led to an~~ **can disrupt** ~~emigration trend of Puerto Rico residents to the United States and elsewhere over the last several years. The combination of these~~ -- **the** ~~circumstances~~ **local economy and** could result in less disposable income for the purchase of goods sold ~~in~~ **at** our ~~malls~~ **properties** and the inability of merchants to pay rent and other charges. Any of these events could negatively impact our ability to lease space on terms and conditions we seek and could have a material adverse effect on our business and results of operations. ~~As of December 31, 2022, we have individual, non- recourse mortgages on each of our Puerto Rico properties. We also have a limited corporate guarantee related to our mortgage on the Outlets at Montehiedra of $ 12. 5 million that is reduced commensurate with the loan amortization schedule. As of December 31, 2022, our remaining exposure under the guarantee is $ 8. 0 million, which will reduce to zero in approximately 3. 8 years.~~ Natural disasters could have a concentrated impact on us. We own properties near the Atlantic Coast and in Puerto Rico which are subject to natural disasters such as hurricanes, floods **, earthquakes** and storm surges. We also have two properties in California that could be impacted by earthquakes. As a result, we could become subject to business interruption, significant losses and repair costs, such as those we experienced from Hurricane Maria **in 2017** , which damaged and caused the temporary closure of our two properties in Puerto Rico. We maintain comprehensive, all- risk property and rental value insurance coverage on our properties, however losses resulting from a natural disaster may be subject to a deductible or not fully covered and such losses could adversely affect our cash flow, financial condition and results of operations. Some of our potential losses may not be covered by insurance. We maintain numerous insurance policies including for general liability, property, pollution, acts of terrorism, trustees' and officers', cyber ~~security~~ , workers' compensation and automobile- related liabilities. However, all such policies are subject to the terms, conditions, exclusions, deductibles and sub- limits, among other limiting factors. For example, our terrorism insurance policy excludes coverage for nuclear, biological, chemical or radiological terrorism events as defined by the Terrorism Risk Insurance Program Reauthorization Act. Certain of the insurance premiums are charged directly to each of the properties but not all of the cost of such premiums are recovered. We are responsible for deductibles, losses in excess of insurance coverage, and the portion of premiums not reimbursable by tenants at our properties, which could be material. We continue to monitor the state of the insurance market and the scope and costs of available coverage. We cannot anticipate what coverage will be available on commercially reasonable terms in the future and expect premiums across most coverage lines to increase ~~in light of recent events~~ . The incurrence of uninsured losses, costs or uncovered premiums could materially and adversely affect our business, results of operations and financial condition. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources " included in Part II, Item 7. in this Annual Report on Form 10- K and the Notes to Consolidated Financial Statements included in Part II, Item 8. in this Annual Report on Form 10- K. Terrorist acts and shooting incidents could harm the demand for, and the value of, our properties. Over the past several years, a number of highly publicized terrorist acts and shootings have occurred at domestic and international retail properties. In the event concerns regarding safety were to alter shopping habits or deter customers from visiting shopping centers, our tenants would be adversely affected **,** as would the general demand for retail space. Additionally, if such incidents were to continue, insurance for such acts may become limited or subject to substantial cost increases. Such an incident at one of our properties, particularly one in which we generate a significant amount of revenue, could materially and adversely affect our business, results of operations and financial condition. Our business and operations would suffer in the event of system failures. Despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for our information technology (" IT ") infrastructure, our systems are vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, terrorism, war and telecommunication failures. We have placed reliance on third- party managed services to perform a number of IT- related functions and we may experience system difficulties related to our platform and integrating the services provided by third parties. If we experience a system failure or accident that causes interruptions in our operations, we could experience material and adverse disruptions to our business. We may also incur additional costs to remedy damages caused by such disruptions. We face risks associated with security and cyber security breaches. We face risks associated with security breaches, whether through cyber attacks or cyber intrusions over the internet, malware, computer viruses, attachments to emails, persons inside our organization or persons with access to systems, and other significant disruptions of our IT networks and related systems. Similarly, vendors from whom we receive outsourced IT- related services, including third- party platforms, face the same risks, which could in turn affect us. Our internal and outsourced IT networks and related systems are essential to the operation of our business and our ability to perform day to day operations. A breach or significant and extended disruption in the functioning of our systems, including our primary website, may damage our reputation and cause us to lose customers, tenants and revenues, generate third- party claims, result in the unintended and / or unauthorized public disclosure or the misappropriation of proprietary, personal identifying and confidential information, and require us to incur significant expenses to address and remediate or otherwise resolve these kinds of issues, and we may not be able to recover these expenses in whole or in any part from our service providers, responsible parties, or insurance carriers which could have a material adverse effect on our business and operations. **See Part I, Item 1C. " Cybersecurity " in this Annual Report on Form 10- K for further information on our risk management, strategy and governance as it pertains to cyber risks.** RISKS RELATED TO ENVIRONMENTAL LIABILITY AND REGULATORY COMPLIANCE We may be adversely affected by laws, regulations or other issues related to climate change. We may become subject to laws or regulations related to climate change, which could cause our business, results of operations and financial condition to be impacted adversely. The federal government has enacted, and some of the states and localities in which we operate may enact, certain climate change laws and regulations or have begun regulating carbon footprints and greenhouse gas emissions. Although these laws and regulations have not had any known material adverse effects on our business to date, they could result in substantial costs, including compliance costs, increased energy costs, retrofit costs and construction costs, including monitoring and reporting costs, and capital expenditures for environmental control facilities and other new equipment. We have implemented strategies to support our continued effort to reduce energy and water consumption, greenhouse gas emissions, and waste production across our portfolio. We cannot predict how future laws and regulations, or future interpretations of current laws and regulations, related to climate change will affect our business, results of operations and financial condition. Additionally, the potential physical impacts of climate change on our operations are highly uncertain ~~,~~ and would be particular to the geographic circumstances in areas in which we operate. These may include changes to global weather patterns, which could include local changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperature averages or extremes. These impacts may adversely affect our properties, our business, financial condition and results of operations. We may incur significant costs to comply with environmental laws and environmental contamination may impair our ability to lease and / or sell real estate. Our operations and properties are subject to various federal, state and local laws and regulations concerning the protection of the environment including air and water quality, hazardous or toxic substances and health and safety. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of hazardous or toxic substances. The cost of any required remediation may exceed the value of the property and / or the aggregate assets of the owner or the responsible party. The presence of, or the failure to properly remediate, hazardous or toxic substances may adversely affect our ability to sell or lease a contaminated property or to use the property as collateral for a loan. We can provide no assurance that we are aware of all potential environmental liabilities; that any previous owner, occupant or tenant did not create any material environmental condition not known to us; that our properties will not be affected by tenants or nearby properties or other unrelated third parties; and that future uses or conditions, or changes in environmental laws and regulations will not result in additional material environmental liabilities to us. Generally, our tenants must comply with environmental laws and meet remediation requirements. Our leases typically impose obligations on our tenants to indemnify us from any compliance costs we may incur as a result of the environmental conditions on the property caused by the tenant. If a lease does not require compliance or if a tenant fails to or cannot comply, we could be forced to pay these costs. If not addressed, environmental conditions could impair our ability to sell or re- lease the affected properties in the future, or result in lower sales prices or rent payments, which could adversely impact our cash flow, financial condition and results of operations. Increased scrutiny and changing expectations from investors, customers, employees, and others regarding our environmental, social and governance practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer acquisition and retention, access to capital and employee retention. Companies across all industries are facing increasing scrutiny related to their ESG practices and reporting. Investors, customers, employees, and other stakeholders have begun to focus increasingly on ESG practices and to place ~~increasing~~ **more** importance on the implications and social cost of their investments, purchases, and other interactions with companies. With this increased focus and demand, public reporting regarding ESG practices is becoming more broadly expected. If our ESG practices **(including the speed of adoption of certain practices)** and reporting do not meet investor, **tenant,** customer, or employee expectations, which continue to evolve, our reputation and tenant retention may be negatively impacted. ~~Any~~ **Our failure, or perceived failure, to meet the standards included in any sustainability** disclosure ~~we make may~~ **or the expectations of our various stakeholders, could negatively impact our reputation, tenant and employee retention, and access to capital. In 2022, the SEC proposed extensive rules aimed at enhancing and standardizing climate- related disclosures in an effort to foster greater consistency, comparability and reliability of climate- related information among public issuers. The proposal, if adopted, would require public issuers to** include ~~our policies~~ **prescribed climate- related information in their registration statements** and **annual reports** ~~practices on a variety of ESG matters~~ , including ~~corporate~~ **information regarding greenhouse gas emissions and climate- related risks and opportunities and related financial impacts,** governance **and strategy. Additionally** , ~~environmental~~ **we may become subject to new** compliance **requirements** ~~, employee health~~ and **/ or new costs or taxes associated** ~~safety practices, human capital management, and workforce inclusion and diversity. It is possible that stakeholders may not be satisfied~~ with **natural resource** ~~our~~ - **or** ~~ESG reporting~~ **energy usage and related emissions (such as a “ carbon tax ”)** , **which** ~~our ESG practices or our speed of adoption. We~~ could ~~also incur~~ **increase our operating costs. All of these factors could result in** additional costs and ~~devote~~ **devoting** additional resources to monitor, report and implement various ESG practices ~~. If we fail, or are perceived to be failing, to meet the standards included in any sustainability disclosure or the expectations of our various stakeholders, it could negatively impact our reputation, tenant and employee retention, and access to capital~~ . Compliance or failure to comply with the Americans with Disabilities Act, safety regulations or other requirements could result in substantial costs. The Americans with Disabilities Act (“ ADA ”) generally requires that public buildings, including our properties, meet certain federal requirements related to access and use by disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants and / or legal fees to their counsel. We could be required under the ADA to make substantial alterations to, and capital expenditures at, one or more of our properties, including the removal of access barriers, which could materially and adversely affect our business, results of operations and financial condition. Our properties are subject to various federal, state and local regulatory requirements such as state and local fire and life safety regulations. If we fail to comply with these requirements, we could incur fines or private damage awards. We do not know whether existing requirements will change or whether compliance with future requirements will require significant unanticipated expenditures. If we incur substantial costs to comply with the ADA and any other legislation, our cash flow, financial condition and results of operations could be adversely affected. RISKS RELATED TO OUR STATUS AS A REIT We may fail to qualify or remain qualified as a REIT and may be required to pay income taxes at corporate rates. Although we believe that we will remain organized and will continue to operate so as to qualify as a REIT for federal income tax purposes, we may fail to remain so qualified. Qualifications are governed by highly technical and complex provisions of the Code for which there are only limited judicial or administrative interpretations and that depend on various facts and circumstances that are not entirely within our control. In addition, legislation, new regulations, administrative interpretations or court decisions may significantly change the relevant tax laws and / or the federal income tax consequences of qualifying as a REIT. If, with respect to any taxable year, we fail to maintain our qualification as a REIT and do not qualify for relief under statutory relief provisions, we could not deduct distributions to shareholders in computing our taxable income and would have to pay federal income tax on our taxable income at regular corporate rates. If we had to pay federal income tax, the amount of money available to distribute to shareholders and pay our indebtedness would be reduced for the year or years involved, and we would no longer be required to make distributions to shareholders. In addition, we would also be disqualified as a REIT for the four taxable years following the year during which qualification was lost unless we were entitled to relief under the relevant statutory provisions. REIT distribution requirements could adversely affect our liquidity and our ability to execute our business plan. To qualify to be taxed as a REIT, and assuming that certain other requirements are also satisfied, we generally must distribute at least 90 % of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, to our shareholders each year. U. S. federal corporate income tax does not apply to earnings that we distribute. To the extent that we satisfy this distribution requirement and qualify for taxation as a REIT, but distribute less than 100 % of our REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains, we will be subject to U. S. federal corporate income tax on our undistributed net taxable income. In addition, we will be subject to a 4 % nondeductible excise tax if the actual amount that we distribute to our shareholders in a calendar year is less than a minimum amount specified under U. S. federal income tax laws. We intend to distribute 100 % of our REIT taxable income to our shareholders. From time to time, we may generate taxable income greater than our cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the effect of limitations on interest and net operating loss deductibility, the creation of reserves, or required debt or amortization payments. If we do not have other funds available in these situations, we could be required to borrow funds on unfavorable terms, sell assets at disadvantageous prices, distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt, or make taxable distributions of our shares or debt securities to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT distribution requirement and avoid corporate income tax and the 4 % excise tax in a particular year. These alternatives could increase our costs or reduce our equity. Further, amounts distributed will not be available to fund investment activities. Thus, compliance with the REIT requirements may hinder our ability to grow, which could adversely affect the value of our shares. Any restrictions on our ability to incur additional indebtedness or make certain distributions could preclude us from meeting the 90 % distribution requirement. Decreases in funds from operations due to unfinanced expenditures for acquisitions of properties or increases in the number of shares outstanding without commensurate increases in funds from operations would adversely affect our ability to maintain distributions to our shareholders. Consequently, there can be no assurance that we will be able to make distributions at the anticipated distribution rate or any other rate. Risks related to Section 1031 Exchanges. From time to time we may dispose of properties in transactions that are intended to qualify as " like kind exchanges " under Section 1031 of the Code (" Section 1031 Exchanges "). It is possible that the qualification of a transaction as a Section 1031 Exchange could be successfully challenged and determined to be currently taxable. In such case, our taxable income and earnings and profits would increase. In some circumstances, we may be required to pay additional dividends or, in lieu of that, corporate income tax, possibly including interest and penalties. As a result, we may be required to borrow funds in order to pay additional dividends or taxes, and the payment of such taxes could cause us to have less cash available to distribute to our shareholders. In addition, if a Section 1031 Exchange were later to be determined to be taxable, we may be required to amend our tax returns for the applicable year in question, including any information reports we sent our shareholders. We could also be subject to significant indemnity obligations if the applicable property was subject to a tax protection agreement. Moreover, it is possible that legislation could be enacted that could modify or repeal the laws with respect to Section 1031 Exchanges, which could make it more difficult or not possible for us to dispose of properties on a tax deferred basis. We face possible adverse changes in tax law. Changes in U. S. federal, state and local tax laws or regulations, with or without retroactive application, could have a negative effect on us. New legislation, Treasury ~~regulations~~ **Regulations** , administrative interpretations or court decisions could significantly and negatively affect our ability to qualify to be taxed as a REIT and / or the U. S. federal income tax consequences to our investors and to us of such qualification. Even changes that do not impose greater taxes on us could potentially result in adverse consequences to our shareholders. RISKS RELATED TO OUR ORGANIZATION AND STRUCTURE Our Declaration of Trust sets limits on the ownership of our shares. Generally, for us to maintain a qualification as a REIT under the Code, not more than fifty percent (50 %) in value of our outstanding shares of beneficial interest may be owned, directly or indirectly, by five or fewer individuals at any time during the last half of our taxable year. The Code defines " individuals " for purposes of the requirement described in the preceding sentence to include some types of entities. Under our Declaration of Trust, no person or entity (or group thereof) may own more than 9. 8 % (in value or number of shares, whichever is more restrictive) of our outstanding shares of any class or series, with some exceptions for persons or entities approved by the Board of Trustees. A transfer of our shares of beneficial interest to a person who, as a result of the transfer, violates the ownership limit will be void under certain circumstances, and, in any event, would deny that person any of the economic benefits of owning shares in excess of the ownership limit. These restrictions on transferability and ownership may delay, deter or prevent a change in control of us or other transaction that might involve a premium price or otherwise be in the best interest of the shareholders. Our Declaration of Trust limits the removal of members of the Board of Trustees. Our Declaration of Trust provides that, subject to the rights of holders of one or more classes or series of preferred shares to elect or remove one or more trustees, a trustee may be removed only for cause and only by the affirmative vote of two- thirds of the votes entitled to be cast in the election of trustees. This provision, when coupled with the exclusive power of the Board of Trustees to fill vacancies on the Board of Trustees, precludes shareholders from removing incumbent trustees except for cause and upon a substantial affirmative vote and filling the vacancies created by the removal with their own nominees. These limitations may delay, deter or prevent a change in control of us or other transactions that might involve a premium price or otherwise be in the best interest of our shareholders. Maryland law contains provisions that may reduce the likelihood of certain takeover transactions. Certain provisions of Maryland law, may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change in control under circumstances that otherwise could provide the holders of our shares, including: • " Business combination " provisions that, subject to certain exceptions, prohibit certain business combinations between us and an " interested shareholder " (defined generally as any person who beneficially owns 10 % or more of the voting power of our shares or an affiliate thereof or an affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10 % or more of the voting power of our then outstanding voting shares at any time within the two- year period immediately prior to the date in question) for five years after the most recent date on which the shareholder becomes an interested shareholder, and thereafter impose fair price or super majority shareholder voting requirements on these combinations; and • " Control share " provisions that provide the holders of " control shares " of a company (defined as shares that, when aggregated with other shares controlled by the shareholder, entitle the shareholder to exercise voting power in the election of trustees within one of three increasing ranges) acquired in a " control share acquisition " (defined as the direct or indirect acquisition of ownership or control of the voting power of issued and outstanding " control shares, " subject to certain exceptions) have no voting rights with respect to their control shares, except to the extent approved by our shareholders by the affirmative vote of at least two- thirds of all the votes entitled to be cast on the matter, excluding all interested shares. As permitted by Maryland law, our Bylaws provide that we will not be subject to the control share provisions of Maryland law. However, we cannot assure you that the Board of Trustees will not revise our Bylaws in order to be subject to such control share provisions in the future. With respect to the business combination provisions of the Maryland General Corporation Law (" MGCL "), our Board of Trustees adopted a resolution providing that we may not elect to be subject to such provisions and that this prohibition may not be repealed without prior shareholder approval. Our Bylaws include a provision that formalizes this resolution. As a result, any person may be able to enter into business combinations with us, which may not be in the best interest of shareholders, within five years of becoming an interested shareholder and without compliance by us with the super- majority vote requirements and other provisions of the MGCL. Certain provisions of Maryland law permit the board of trustees of a Maryland real estate investment trust with at least three independent trustees and a class of shares registered under the Exchange Act, without shareholder approval and regardless of what is currently provided in its declaration of trust or bylaws, to implement certain corporate governance provisions, some of which (for example, implementing a classified board) are not currently applicable to us. These provisions may have the effect of limiting or precluding a third party from making an unsolicited acquisition proposal for us or of delaying, deferring or preventing a change in control under circumstances that otherwise could provide the holders of shares of our shares with the opportunity to realize a premium over the then current market price. We may also choose to adopt other takeover defenses in the future. Any such actions could deter a ~~transactions~~ **transaction** that may otherwise be in the interest of our shareholders. We may issue additional shares in a manner that could adversely affect the likelihood of certain takeover transactions. Our Declaration of Trust and Bylaws authorize the Board of Trustees in its sole discretion and without shareholder approval, to: • cause us to issue additional authorized, but unissued, common or preferred shares; • classify or reclassify, in one or more classes or series, any unissued common or preferred shares; • set the preferences, rights and other terms of any classified or reclassified shares that we issue; and • increase the number of shares of beneficial interest that we may issue. The Board of Trustees can establish a class or series of common or preferred shares whose terms could delay, deter or prevent a change in control of us or other transaction that might involve a premium price or otherwise be in the best interest of our shareholders. Our Declaration of Trust and Bylaws contain other provisions that may delay, deter or prevent a change in control of us or other transaction that might involve a premium price or otherwise be in our best interest or the best interest of our shareholders. RISKS RELATED TO AN INVESTMENT IN OUR COMMON SHARES The market prices and trading volume of our equity securities may be volatile. The market prices of our equity securities depend on various factors which may be unrelated to our operating performance or prospects. We cannot assure you that the market prices of our equity securities, including our common shares, will not fluctuate or decline significantly in the future. A number of factors could negatively affect, or result in fluctuations in, the prices or trading volume of equity securities, including: • actual or anticipated changes in our operating results and changes in expectations of future financial performance; • our operating performance and the performance of other similar companies; • changes in the real estate industry, and in the retail industry, including growth in e- commerce, catalog companies and direct consumer sales; • our strategic decisions, such as acquisitions, dispositions, spin- offs, joint ventures, strategic investments or changes in business strategy; • equity issuances or buybacks by us or the perception that such issuances or buybacks may occur or adverse reaction market reaction to any indebtedness we incur; • changes in the interest rate environment and / or the impact of rising inflation; • decreases in our distributions to shareholders; • changes in real estate valuations or market valuations of similar companies; • additions or departures of key management personnel; • publication of research reports about us or our industry by securities analysts, or negative speculation in the press or investment community; • the passage of legislation or other regulatory developments that adversely affect us, our tax status, or our industry; • changes in accounting principles; • our failure to satisfy the listing requirements of the NYSE; • our failure to comply with the requirements of the Sarbanes - Oxley Act; • our failure to qualify as a REIT; and • general market conditions, including factors unrelated to our performance. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert our management' s attention and resources, which could have a material adverse effect on our cash flow, financial condition and results of operations. We cannot guarantee the timing, amount, or payment of dividends on our common shares. Although we expect to pay regular cash dividends, the timing, declaration, amount and payment of dividends to shareholders falls within the discretion of the Board of Trustees. The Board of Trustees' decisions regarding the payment of dividends depend on factors such as our financial condition, earnings, capital requirements, debt service obligations, limitations under our financing arrangements, industry practice, legal requirements, regulatory constraints, and other considerations that it deems relevant. Our ability to pay dividends depends on our ongoing ability to generate cash from operations and access to the capital markets, and therefore, we cannot guarantee that we will pay dividends in the future. Your percentage of ownership in our Company may be diluted in the future. In the future, your ownership in us may be diluted because of equity issuances for acquisitions, capital market transactions or compensatory equity awards to our trustees, officers or employees, or otherwise. The issuance of additional common shares would dilute the interests of our current shareholders, and could depress the market price of our common shares, impair our ability to raise capital through the sale of additional equity securities, or impact our ability to pay dividends. We cannot predict the effect that future sales of our common shares or other equity- related securities including the issuance of Operating Partnership units would have on the market price of our common shares. In addition, our Declaration of Trust authorizes us to issue, without the approval of our shareholders, one or more classes or series of preferred shares having such designation, voting powers, preferences, rights and other terms, including preferences over our common shares respecting dividends and other distributions, as the Board of Trustees generally may determine. The terms of one or more classes or series of preferred shares could dilute the voting power or reduce the value of our common shares. For example, we could grant the holders of preferred shares the right to elect some number of our trustees in all events or on the occurrence of specified events, or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred shares could affect the residual value of the common shares. Inflation and related volatility in the economy could negatively impact the value of our publicly- traded equity securities. Volatility in the financial markets ~~like we are currently experiencing~~ could affect our ability to access the capital markets at a time when we desire, or impact the cost at which we are able to do so, which could slow or deter our future growth. To the extent our exposure to increases in interest rates on any of our debt is not eliminated through interest rate swaps and interest rate protection agreements, such increases will result in higher debt service costs, which will adversely affect our cash flows. Our exposure to increases in interest rates in the short term includes our variable- rate borrowings and our floating rate mortgages. See " Risks Related to Our Liquidity and Indebtedness – Risks related to our outstanding debt ". Increases in interest rates could increase our financing costs over time, either through near- term borrowings on our existing variable- rate borrowings or refinancing of our existing borrowings that may incur higher interest expenses related to the issuance of new debt. There is no guarantee we will be able to mitigate the impact of rising inflation. One of the factors that may influence the prices of our publicly- traded equity securities is the interest rate on our debt and the dividend yield on our common shares relative to market interest rates. As market interest rates rise, unless we eliminate our exposure to such increases, our borrowing costs may rise and result in less funds being available for distribution. Therefore, we may not be able to, or we may choose not to, provide a higher distribution rate on our common shares. In addition, fluctuations in interest rates could adversely affect the market value of our properties. These factors could result in a decline in the market prices of our publicly- traded equity securities.