SIMMONS FIRST NATIONAL CORP
Form 4
February 26, 2016

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
MAKRIS GEORGE JR

(Last) (First) (Middle)

SIMMONS FIRST NATIONAL CORP., 501 MAIN STREET

(Street)

PINE BLUFF, AR 71601

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
SIMMONS FIRST NATIONAL CORP [SFNC]

3. Date of Earliest Transaction (Month/Day/Year)
02/24/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chairman & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
SFNC	02/24/2016		F		313	D	$ 41.18	25,128	D	
SFNC	02/25/2016		M		1,000	A	$ 26.19	26,128	D	
SFNC	02/25/2016		M		1,000	A	$ 28.42	27,128	D	
SFNC								100,673	D	
SFNC								1,871	I	Trust
SFNC								530	D	

SFNC	4,050	I	By IRA
SFNC	4,750	I	IRA (Spouse)
SFNC	67	I	By IRA

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amour Underlying Securit (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amo or Num of Shar
Non-Qualified Stock Option	$ 26.19	05/22/2006	02/24/2016	M		1,000		05/22/2006	05/20/2016	Common	1,0
Non-Qualified Stock Option	$ 28.42	05/31/2007	02/24/2016	M		1,000		05/31/2017	05/31/2017	Common	1,0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MAKRIS GEORGE JR SIMMONS FIRST NATIONAL CORP. 501 MAIN STREET PINE BLUFF, AR 71601	X		Chairman & CEO	

Signatures

/s/ George Makris, Jr. by Piper P. Erwin	02/26/2016
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. mployee benefit obligations relating to current and former employees of each company, and generally will allocate liabilities and responsibilities relating to employee compensation and benefit plans and programs. The employee matters agreement provides that, following the distribution, WPG's active employees generally no longer participate in benefit plans sponsored or maintained by SPG and have commenced participation in WPG's benefit plans, which are similar to the existing SPG benefit plans. In addition, the employee

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matters agreement provides that, unless otherwise specified, SPG is responsible for liabilities associated with employees employed by SPG following the separation and former SPG employees, and WPG is responsible for liabilities associated with employees employed by WPG following the separation.

Competition

Our direct competitors include other publicly-traded retail and mall development and operating companies, retail real estate companies, commercial property developers and other owners of retail real estate that engage in similar businesses. Within our property portfolio, we compete for retail tenants and the nature and extent of the competition we face varies from property to property. With respect to specific alternative retail property types, we have faced increased competition over the last several years from both lifestyle malls and power centers, in addition to other strip centers and malls.

We believe the principal factors that retailers consider in making their leasing decisions include:

- Consumer demographics;
- Quality, design and location of properties;
- Total number and geographic distribution of properties;
- Diversity of retailers and anchor tenants;
- Management and operational expertise; and
- Rental rates.

In addition, because our revenue potential is linked to the success of our retailers, we indirectly share exposure to the same competitive factors that our retail tenants experience in their respective markets when trying to attract individual shoppers. These dynamics include general competition from other malls, including outlet malls and other discount shopping malls, as well as competition with discount shopping clubs, catalog companies, direct mail, home shopping networks, Internet sales and telemarketing.

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, shopping malls achieve a substantial portion of their specialty (temporary retailer) rents during the holiday season. 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.

Environmental Matters

Under various federal, state and local laws, ordinances and regulations, an owner of real estate is liable for the costs of removal or remediation of certain hazardous or toxic substances on such real estate. These laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The costs of remediation or removal of such substances may be substantial and the presence of such substances, or the failure to promptly remediate such substances, may adversely affect the owner's ability to sell such real estate or to borrow using such real estate as collateral. In connection with our ownership and operation of our properties, we may be potentially liable for such costs. The operations of current and former tenants at our properties have involved, or may have involved, the use of hazardous materials or generated hazardous wastes. The release of such hazardous materials and wastes could result in our incurring liabilities to remediate any resulting contamination if the responsible party is unable or unwilling to do so. In addition, many of our properties

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are located in urban areas, and are therefore exposed to the risk of contamination originating from other sources. While a property owner generally is not responsible for remediating contamination that has migrated onsite from an offsite source, the contaminant's presence can have adverse effects on operations and re-development of our properties.

Most of our properties have been subject, at some time, to environmental assessments that are intended to evaluate the environmental condition of our property and surrounding properties. These environmental assessments generally have included a historical review, a public records review, a visual inspection of the site and surrounding properties, a visual screening for the presence of asbestos-containing materials, polychlorinated biphenyls and underground storage tanks and the preparation and issuance of a written report. They have not, however, included any sampling or subsurface investigations. Soil and/or groundwater testing is conducted at our properties, when necessary, to further investigate any issues raised by the initial assessment that could reasonably be expected to pose a material concern to the property or result in us incurring material environmental liabilities. In each case where the environmental assessments have identified conditions requiring remedial actions required by law, former management has either taken or scheduled the recommended action.

None of the environmental assessments conducted by us at the properties have revealed any environmental liability that we believe would have a material adverse effect on our overall business, financial condition or results of operations. Nevertheless, it is possible that these assessments do not reveal all environmental liabilities or that there are material environmental liabilities of which we are unaware.

Employees

At December 31, 2014, we employed 81 employees, of which 24 were part time. Following the Merger, we have approximately 1,000 employees, of which approximately 400 are part time.

Headquarters

At December 31, 2014, our corporate headquarters were located at 7315 Wisconsin Avenue, Suite 500-E, Bethesda, Maryland 20814, and our telephone number was (240) 630-0000. Following the Merger, our corporate headquarters are located at 180 East Broad Street, Columbus, Ohio 43215, and our telephone number is (614) 621-9000.

Available Information

WPG files this Form 10-K and other periodic reports and statements electronically with the SEC. The SEC maintains an Internet site that contains reports, statements and proxy and information statements, and other information provided by issuers at www.sec.gov. WPG's reports and statements, including amendments, are also available free of charge on its website, www.wpglimcher.com, as soon as reasonably practicable after such documents are filed with the SEC. The information contained on our website is not incorporated by reference into this report and such information should not be considered a part of this report.

Item 1A. Risk Factors

The following factors, among others, could cause our actual results to differ materially from those contained in forward-looking statements made in this Annual Report on Form 10-K and presented elsewhere by our management from time to time. These factors, many of which are beyond our control, might have a material adverse effect on our business, financial condition, operating results and cash flows, and you should carefully consider them. Additional risks and uncertainties not presently known to us or which are currently not believed to be material could also affect our actual results. We may update these factors in our future periodic reports.

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Risks Related to Our Business and Operations

We might not be able to renew leases or relet space at existing properties, or lease newly developed properties.

When leases for our existing properties expire, the premises might not be relet or the terms of reletting, including the cost of allowances and concessions to tenants, might be less favorable than the current lease terms. Also, we might not be able to lease new properties to an appropriate mix of tenants or for rents that are consistent with our projections. To the extent that our leasing plans are not achieved, our business, results of operations and financial condition could be materially adversely affected.

Our lease agreements with our tenants typically provide a fixed rate for certain cost reimbursement charges; if our operating expenses increase or we are otherwise unable to collect sufficient cost reimbursement payments from our tenants, our business, results of operations and financial condition might be materially adversely affected.

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 such common area maintenance charges (which we refer to as "CAM") and other operating expenses. The majority of our current leases require the tenant to pay a fixed periodic amount to reimburse a portion of our CAM and other operating expenses. In these cases, a tenant will pay either (a) a specified rent amount that includes the fixed CAM and operating expense reimbursement amount, or (b) a fixed expense reimbursement amount separate from the rent payment. Both types of CAM and operating expense reimbursement payments are subject to annual increases regardless of the actual amount of CAM and other operating expenses. As a result, any adjustments in tenant payments do not depend on whether operating expenses increase or decrease, causing us to be responsible for any excess amounts. In the event that our operating expenses increase, CAM and tenant reimbursements that we receive might not allow us to recover a substantial portion of these operating costs.

In addition, the computation of cost reimbursements from tenants for CAM, insurance and real estate taxes is complex and involves numerous judgments, including interpretation of lease terms and other tenant lease provisions. Unforeseen or underestimated expenses might cause us to collect less than our actual expenses. The amounts we calculate and bill could also be disputed by tenants or become the subject of a tenant audit or even litigation.

In the event that our properties are not fully occupied, we would be required to pay the portion of the CAM expenses allocable to the vacant space(s) that would otherwise typically be paid by the residing tenant(s). For the twelve months ended December 31, 2014, our CAM and operating expense recovery was sufficient to cover our operating expenses.

Some of our properties depend on anchor stores or major tenants to attract shoppers and could be materially adversely affected by the loss of, or a store closure by, one or more of these anchor stores or major tenants.

Our strip centers and malls are typically anchored by department stores and other large nationally recognized tenants. The value of some of our properties could be materially adversely affected if these department stores or major tenants fail to comply with their contractual obligations, seek concessions in order to continue operations, or cease their operations.

For example, among department stores and other large stores, corporate merger activity typically results in the closure of duplicate or geographically overlapping store locations. Resulting adverse pressure on the businesses of our department stores and major tenants could have an adverse impact upon our own results. Certain department stores and other national retailers have experienced, and might continue to experience, depending on consumer confidence levels, considerable decreases in customer traffic in their retail stores, increased competition from alternative retail options such as those accessible via the Internet and other forms of pressure on their business models. Pressure on these department stores and national

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retailers could impact their ability to maintain their stores, meet their obligations both to us and to their external lenders and suppliers, withstand takeover attempts by investors or rivals or avoid bankruptcy and/or liquidation, all of which could result in impairment or closures of their stores. Other of our tenants might be entitled to modify the economic or other terms of their existing leases in the event of such closures, which could decrease rents and/or operating expense reimbursements. The leases of some anchors might permit the anchor to transfer its lease, including any attendant approval rights, to another retailer. The transfer to a new anchor could cause customer traffic in the property to decrease or to be composed of different types of customers, which could reduce the income generated by that property and adversely impact development or re-development prospects for such property. A transfer of a lease to a new anchor also could allow other tenants to make reduced rental payments or to terminate their leases at the property, which could adversely affect our results of operations.

Additionally, department store or major tenant closures might result in decreased customer traffic, which could lead to decreased sales at our properties. If the sales of stores operating in our properties decline significantly due to the closing of anchor stores or other national retailers, adverse economic conditions, or other reasons, tenants might be unable to pay their minimum rents or expense recovery charges. In the event of any default by a tenant, whether a department store, national retailer or otherwise, we might not be able to fully recover, and/or experience delays and costs in enforcing our rights as landlord to recover, amounts due to us under the terms of our agreements with such parties.

We face risks associated with the acquisition, development, re-development and expansion of properties, including risks of higher than projected costs, inability to obtain financing, inability to obtain required consents or approvals and inability to attract tenants at anticipated rates.

In the event we seek to acquire and develop new properties and expand and redevelop existing properties, we might not be successful in pursuing acquisition, development or re-development/expansion opportunities. In addition, newly acquired, developed, re-developed or expanded properties might not perform as well as expected. Other related risks we face include, without limitation, the following:

- Construction costs of a project could be higher than projected, potentially making the project unfeasible or unprofitable;
- We might not be able to obtain financing or to refinance loans on favorable terms, if at all;
- We might be unable to obtain zoning, occupancy or other governmental approvals;
- Occupancy rates and rents might not meet our projections and as a result the project could be unprofitable; and
- In some cases, we might need the consent of third parties, such as anchor tenants, mortgage lenders and joint venture partners to conduct acquisition, development, re-development or expansion activities, and those consents may be withheld.

If a project is unsuccessful, either because it is not meeting our expectations when operational or was not completed according to the project planning, we could lose our investment in the project. Furthermore, if we guarantee the property's financing, our loss could exceed our investment in the project.

Our assets may be subject to impairment charges that may materially affect our financial results.

We evaluate our real estate assets and other assets for impairment indicators whenever events or changes in circumstances indicate that recoverability of our investment in the asset is not reasonably assured. This evaluation is conducted periodically, but no less frequently than quarterly. Our determination of whether a particular held-for-use asset is impaired is based upon the undiscounted projected cash flows used for the impairment analysis and our determination of the asset's estimated fair value, that in turn are based upon our plans for the respective asset and our views of market and economic

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conditions. With respect to assets held-for-sale, our determination of whether such an asset is impaired is based upon market and economic conditions. If we determine that a significant impairment has occurred, then we would be required to make an adjustment to the net carrying value of the asset, which could have a material adverse effect on our results of operations in the accounting period in which the adjustment is made. Furthermore, changes in estimated future cash flows due to a change in our plans, policies, or views of market and economic conditions could result in the recognition of additional impairment losses for already impaired assets, which, under the applicable accounting guidance, could be substantial.

Clauses in leases with certain tenants of our development or redevelopment properties frequently include inducements, such as reduced rent and tenant allowance payments,that can reduce our rents and funds from operations. As a result, these development or redevelopment properties are more likely to achieve lower returns during their stabilization periods than our previous development or redevelopment properties.

The leases for a number of the tenants that have opened stores at properties we have developed or redeveloped have reduced rent from co-tenancy clauses that allow those tenants to pay reduced rent until occupancy at the respective property reaches certain thresholds and/or certain named co-tenants open stores at the respective property. Additionally, some tenants may have rent abatement clauses that delay rent commencement for a prolonged period of time after initial occupancy. The effect of these clauses reduces our rents and FFO while they are applicable. We expect to continue to offer co-tenancy and rent abatement clauses in the future to attract tenants to our development and redevelopment properties. As a result, our current and future development and redevelopment properties are more likely to achieve lower returns during their stabilization periods than other projects of this nature historically have, which may adversely impact our investment in such developments, as well as our financial condition and results of operations.

Real estate investments are relatively illiquid.

Our properties represent a substantial portion of our total consolidated assets, and these investments are relatively illiquid. As a result, our ability to sell one or more of our properties or investments in real estate in response to any changes in economic or other conditions is limited. If we want to sell a property, we cannot be certain that we will be able to dispose of it in the desired time period or that the sale price of a property will exceed the cost of our investment in that property.

We face a wide range of competition that could affect our ability to operate profitably.

Our properties compete with other retail properties and other forms of retail, such as catalogs and e-commerce websites. Competition could also come from strip centers, outlet centers, lifestyle centers, and malls, and both existing and future development projects. The presence of competitive alternatives might adversely impact the success of our existing properties, our ability to lease space and the rental rates we can obtain. We also compete with other retail property developers to acquire prime development sites. In addition, we compete with other retail property companies for tenants and qualified management. If we are unable to successfully compete, our business, results of operations and financial condition could be materially adversely affected.

The increase in digital and mobile technology usage has increased the speed of the transition from shopping at physical locations to web-based purchases. If we are unsuccessful in adapting our business to changing consumer spending habits, our results of operations and financial condition could be materially adversely affected.

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If we lose our key management personnel, we might not be able to successfully manage our business and achieve our objectives.

WPG's management team includes experienced members of SPG's former mall platform and strip center management team who have a detailed understanding of our strip center properties. A large part of our success depends on the leadership and performance of our executive management team. If we lose the services of these individuals, we might not be able to successfully manage our business or achieve our business objectives.

We have limited control with respect to some properties that are partially owned or managed by third parties, which could adversely affect our ability to sell or refinance or otherwise take actions concerning these properties that would be in the best interests of our shareholders.

We may continue to co-invest with third parties through partnerships, joint ventures, or other entities, including without limitation by acquiring controlling or non-controlling interests in, or sharing responsibility for, managing the affairs of a property, partnership, joint venture or other entity. We do not have sole decision-making authority regarding the one property that we currently hold through a joint venture with another party.

Additionally, we might not be in a position to exercise sole decision-making authority regarding any future properties that we hold in a partnership or joint venture. Investments in partnerships, joint ventures or other entities could, under certain circumstances, involve risks that would not be present were a third party not involved, including the possibility that partners or co-venturers might become bankrupt, suffer a deterioration in their financial condition, or fail to fund their share of required capital contributions. Partners or co-venturers could have economic or other business interests or goals that are inconsistent with our own business interests or goals, and could be in a position to take actions contrary to our policies or objectives.

Such investments also have the potential risk of creating impasses on decisions, such as a sale or financing, because neither we nor our partner or co-venturer would have full control over the partnership or joint venture. Disputes between us and partners or co-venturers might result in litigation or arbitration that could increase our expenses and prevent our officers and/or directors from focusing their time and efforts on our business. Consequently, actions by, or disputes with, partners or co-venturers might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we risk the possibility of being liable for the actions of our third-party partners or co-venturers.

Our revenues are dependent on the level of revenues realized by our tenants, and a decline in their revenues could materially adversely affect our business, results of operations and financial condition.

We are subject to various risks that affect the retail environment generally, including levels of consumer spending, seasonality, changes in economic conditions, unemployment rates, an increase in the use of the Internet by retailers and consumers, and natural disasters. In addition, levels of consumer spending could be adversely affected by, for example, increases in consumer savings rates, increases in tax rates, reduced levels of income growth and other declines in consumer net worth and a strengthening of the U.S. dollar as compared to non-U.S. currencies.

As a result of these and other economic and market-based factors, our tenants might be unable to pay their existing minimum rents or expense recovery charges due. Because substantially all of our income is derived from rentals of real property, our income and cash flow would be adversely affected if a significant number of tenants are unable to meet their obligations or their revenues decline. In addition, 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.

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Store closures and/or bankruptcy filings by tenants could occur during the course of our operations. We continually seek to re-lease vacant spaces resulting from tenant terminations. Large scale store closings or the bankruptcy of a tenant, particularly an anchor tenant, might make it more difficult to lease the remainder of a particular property or properties. Future tenant bankruptcies could adversely affect our properties or impact our ability to successfully execute our re-leasing strategy.

Economic and market conditions could negatively impact our business, results of operations and financial condition.

The market in which we operate is affected by a number of factors that are largely beyond our control butcould nevertheless have a significant negative impact on us. These factors include, but are not limited to:

- Interest rates and credit spreads;
- The availability of credit, including the price, terms and conditions under which it can be obtained;
- A decrease in consumer spending or sentiment, including as a result of increases in savings rates and tax increases, and any effect that this might have on retail activity;
- The actual and perceived state of the real estate market, market for dividend-paying stocks and public capital markets in general; and
- Unemployment rates, both nationwide and within the primary markets in which we operate.

In addition, increased inflation might have a pronounced negative impact on the interest expense we pay in connection with our outstanding indebtedness and our general and administrative expenses, as these costs could increase at a rate higher than our rents. Inflation might 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 own results of operations.

Conversely, deflation might 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 might impact our ability to obtain financing for our properties and might also negatively impact our tenants' ability to obtain credit. Decreases in consumer demand can have a direct impact on our tenants and the rents we receive.

A slow-growing economy hinders consumer spending, which could decrease the level of discretionary income available for shopping at our properties. Weak income growth could weigh down consumer spending, which could be further affected if the overall economy suffers a setback.

An increase in market interest rates could increase our interest costs on existing and future debt and could adversely affect our share price.

An environment of rising interest rates could lead holders of our common shares to seek higher yields through other investments, which could adversely affect the market price of our common shares. One of the factors that may influence the price of our common shares in public markets is the annual distribution rate we pay as compared with the yields on alternative investments. 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 shareholders.

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Following the Merger, we have significant indebtedness, which could adversely affect our business, including decreasing our business flexibility and increasing our interest expense.

The consolidated indebtedness of our business as of December 31, 2014 was approximately $2.3 billion. Our pro forma indebtedness as of December 31, 2014, after giving effect to the Merger and other transactions contemplated by the Merger agreement and the anticipated incurrence and extinguishment of indebtedness in connection therewith, was approximately $4.8 billion. We have substantially increased indebtedness following completion of the Merger in comparison to our indebtedness on a recent historical basis, which could have the effect, among other things, of reducing our flexibility to respond to changing business and economic conditions and increasing our interest expense. In addition, we have and will continue to incur various costs and expenses associated with the financing. The amount of cash required to pay interest on our increased indebtedness levels following completion of the Merger are greater than the amount of cash flows required to service our indebtedness prior to the Merger. Our increased levels of indebtedness following completion of the Merger could also reduce access to capital and increase borrowing costs generally, thereby reducing funds available for working capital, capital expenditures, tenant improvements, acquisitions and other general corporate purposes and may create competitive disadvantages for us relative to other companies with lower debt levels. If we do not achieve the expected benefits and cost savings from the Merger, or if the financial performance of the combined company does not meet current expectations, then our ability to service our indebtedness may be adversely impacted.

Certain of the indebtedness that we incurred in connection with the Merger bears interest at variable interest rates. If interest rates increase, such variable rate debt would create higher debt service requirements, which could adversely affect our cash flows.

The agreements that govern our indebtedness, including the indebtedness incurred and assumed in connection with the Merger, contain various covenants that impose restrictions on us and certain of our subsidiaries that might affect our or their ability to operate.

We have a variety of unsecured debt, including the bridge facility and credit facility, and secured property-level debt. The agreements that govern such indebtedness, including the indebtedness incurred and assumed in connection with the Merger, contain various affirmative and negative covenants that could, subject to certain significant exceptions, restrict the ability of us and certain of our subsidiaries to, among other things, have liens on property, incur additional indebtedness, make loans, advances or other investments, make non-ordinary course asset sales, and/or merge or consolidate with any other person or sell or convey certain assets to any one person. In addition, some of the agreements that govern the debt financing contain financial covenants that require us to maintain certain financial ratios. Our ability and the ability of our subsidiaries to comply with these provisions might be affected by events beyond our control. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could accelerate our repayment obligations.

If we cannot obtain additional capital, our growth might be limited.

In order to qualify and maintain our qualification as a REIT each year, we are required to distribute at least 90% of our REIT taxable income, excluding net capital gains, to our shareholders. As a result, our retained earnings available to fund acquisitions, development, or other capital expenditures are nominal, and we rely upon the availability of additional debt or equity capital to fund these activities. Our long-term ability to grow through acquisitions or development, which is an important component of our strategy, will be limited if we cannot obtain additional debt financing or equity capital. Market conditions might make it difficult to obtain debt financing or raise equity capital, and we cannot be certain that we will be able to obtain additional debt or equity financing or that we will be able to obtain such capital on favorable terms.

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Adverse changes in any credit rating might affect our borrowing capacity and borrowing terms.

Our outstanding debt is periodically rated by nationally recognized credit rating agencies. Our credit ratings impact the cost and availability of future borrowings and, accordingly, our cost of capital. Our ratings reflect each rating organization's opinion of our financial strength, operating performance and ability to meet debt obligations. Prior to the Merger, the major credit rating agencies assigned our company an investment grade credit rating of BBB or Baa2. However, as a result of the Merger and related financings, we have been informed by S&P and Moody's that it has been placed on negative watch and Fitch has downgraded us to a BBB rating. There can be no assurance that we will achieve a particular rating or maintain a particular rating in the future.

We may enter into hedging interest rate protection arrangements that might not effectively limit our interest rate risk.

We may seek to selectively manage any exposure that we might have to interest rate risk through interest rate protection agreements geared toward effectively fixing or capping a portion of our variable-rate debt. In addition, we may refinance fixed-rate debt at times when we believe rates and terms are appropriate. Any such efforts to manage these exposures might not be successful.

Our potential use of interest rate hedging arrangements to manage risk associated with interest rate volatility might expose us to additional risks, including the risk that a counterparty to a hedging arrangement fails to honor its obligations. Developing an effective interest rate risk strategy is complex and no strategy can completely insulate us from risks associated with interest rate fluctuations. There can be no assurance that hedging activities will have the desired beneficial impact on our results of operations or financial condition. Termination of these hedging agreements typically involves costs, such as transaction fees or breakage costs.

We are subject to various regulatory requirements, and any changes in such requirements could have a material adverse effect on our business, results of operations and financial condition.

The laws, regulations and policies governing our business, or the regulatory or enforcement environment at the national level or in any of the states in which we operate, might change at any time and could have a material adverse effect on our business. For example, the Patient Protection and Affordable Care Act of 2010, as it is phased-in over time, might significantly impact our cost of providing employees with health care insurance. We are unable to predict how this, or any other future legislative or regulatory proposals or programs, will be administered or implemented, or whether any additional or similar changes to statutes or regulations, including the interpretation or implementation thereof, will occur in the future. In addition, changes in tax laws might have a significant impact on our operating results. For more information regarding the impact of changing tax laws on our operating results, please refer to the risk factors section titled "Risks Related to Our Status as a REIT."

Our inability to remain in compliance with regulatory requirements could have a material adverse effect on our operations and on our reputation generally. We are unable to give any assurances that applicable laws or regulations will not be amended or construed differently, or that new laws and regulations will not be adopted, either of which could have a material adverse effect on our business, financial condition or results of operations.

As owners of real estate, we might face liabilities or other significant costs related to environmental issues.

Federal, state and local laws and regulations relating to the protection of the environment might require us, as a current or previous owner or operator of real property, to investigate and clean up hazardous or toxic substances or petroleum product releases at a property or at impacted neighboring properties. These laws and regulations might require us to abate or remove asbestos containing materials in the event of damage, demolition or renovation, reconstruction or expansion of a property and also govern emissions of and exposure to asbestos fibers in the air. These laws and regulations also govern the

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installation, maintenance and removal of underground storage tanks used to store waste oils or other petroleum products. Many of our properties contain, or at one time contained, asbestos containing materials or underground storage tanks (primarily related to auto service center establishments or emergency electrical generation equipment). The costs of investigation, removal or remediation of hazardous or toxic substances could be substantial and could adversely affect our results of operations or financial condition. The presence of contamination, or the failure to remediate contamination, might also adversely affect our ability to sell, lease or redevelop a property or to borrow using a property as collateral.

In addition, under various federal, state or local laws, ordinances and regulations, a current or previous owner or operator of real estate might be held liable to third parties for bodily injury or property damage incurred by the parties in connection with the contamination. These laws often impose liability without regard to whether the owner or operator knew of, or otherwise caused, the release of the hazardous or toxic substances. The presence of contamination at any of our properties, or the failure to remediate contamination discovered at such properties, could result in significant costs to us and/or materially adversely affect our ability to sell or lease such properties or to borrow using such properties as collateral.

For example, federal, state and local laws require abatement or removal of asbestos-containing materials in the event of demolition or certain renovations or remodeling, the cost of which might be substantial for certain re-developments. These regulations also govern emissions of, and exposure to, asbestos fibers in the air, which might necessitate implementation of site-specific maintenance practices. Certain laws also impose liability for the release of asbestos-containing materials into the air, and third parties might seek recovery from owners or operators of real property for personal injury or property damage associated with asbestos-containing materials. Asbestos-containing building materials are present at some of our properties and might be present at others. To minimize the risk of on-site asbestos being improperly disturbed, we have developed and implemented asbestos operations and maintenance programs to manage asbestos-containing materials and suspected asbestos-containing materials in accordance with applicable legal requirements, however we cannot be certain that our programs eliminate all risk of asbestos being improperly disturbed. Any liability, and the associated costs thereof, we might face for environmental matters could adversely impact our ability to operate our business and our financial condition.

Some of our potential losses might not be covered by insurance.

We maintain insurance coverage with third-party carriers who provide a portion of the coverage for specific layers of potential losses, including commercial general liability, fire, flood, extended coverage and rental loss insurance on all of our properties. The initial portion of coverage not provided by third-party carriers will either be insured through a wholly owned captive insurance companies or other financial arrangements controlled by SPG. A third-party carrier has, in turn, agreed to provide evidence of coverage for this layer of losses under the terms and conditions of the carrier's policy. A similar policy written through SPG's captive insurance entities also provides initial coverage for property insurance and certain windstorm risks at the properties located in coastal windstorm locations.

There are some types of losses, including lease and other contract claims and certain catastrophic perils that generally are not insured or are subject to large insurance deductibles. If an uninsured loss or a loss in excess of insured limits occurs, or a loss for which there is a large deductible occurs, we could lose all or a portion of the capital we have invested in a property, as well as the anticipated future revenue it could generate.

We currently maintain insurance coverage for acts of terrorism by foreign or domestic agents. The United States government provides reinsurance coverage to insurance companies following a declared terrorism event under the Terrorism Risk Insurance Program Reauthorization Act, which extended the effectiveness of the Terrorism Risk Insurance Extension Act (which we refer to as the "TRIA") of 2005.

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The TRIA is designed to reinsure the insurance industry from declared terrorism events that cause or create in excess of $100 million in damages or losses. The U.S. government could terminate its reinsurance of terrorism, thus increasing the risk of uninsured losses for such acts. Our tenants are likely subject to similar risks.

Our due diligence review of acquisition opportunities or other transactions might not identify all pertinent risks, which could materially affect our business, financial condition, liquidity and results of operations.

Although we intend to conduct due diligence with respect to each acquisition opportunity or other transaction that we pursue, including without limitation the Merger with Glimcher, it is possible that our due diligence processes will not or did not uncover all relevant facts, particularly with respect to any assets we acquire from third parties including assets acquired from Glimcher. In some cases, we might be given limited access to information about the investment and will rely on information provided by the target of the investment. In addition, if opportunities are scarce, the process for selecting bidders is competitive, or the time frame in which we are required to complete diligence is short, our ability to conduct a due diligence investigation might be limited, and we would be required to make investment decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, investments and other transactions that initially appear to be viable may prove to not be so over time, due to the limitations of the due diligence process or other factors. Specifically regarding the Merger with Glimcher, we relied on the information provided by Glimcher to assess the viability of the acquisition, and therefore we may not have obtained the full extent of the information we needed to accurately assess the pertinent risks.

We are dependent on SPG to provide services to us pursuant to the property management agreements and transition services agreement; it may be difficult to replace the services provided under such agreements, and employees of SPG will face competing demands on their time in discharging their duties to WPG under these agreements.

We depend on SPG to provide certain services to us in operating our malls such as negotiating leases with tenants, promoting the property through advertisements, billing tenants for rent and all other charges, paying the salaries of all employees of SPG responsible for management of the properties, making such repairs as approved in the budgets, maintenance and payment of any taxes or fees. The loss of such services could adversely affect our operations. Furthermore, these employees face competing demands on their time in discharging their duties to us under these agreements, the compensation of these employees is entirely determined by SPG and might not be linked to the operating performance of our malls, and the continued service of these employees pursuant to the property management agreements is not guaranteed.

It may be difficult for us to replace our property management agreements with SPG. The property management agreements may be terminated by either party as of the end of the initial term or during any renewal term upon 180 days' prior notice to the other party. If the property management agreements are terminated we will need to replace the services provided by SPG and the terms of such replacement agreements may be less favorable to us.

We cannot assure you that we will be able to continue paying distributions at the current rate.

Since our separation from SPG in May 2014, we have maintained a policy to pay a quarterly cash dividend at an annualized rate of $1.00 per common share and intend to pay the same dividend going forward. However, holders of our common shares may not receive the same quarterly dividends following the Merger for various reasons, including the following:

- As a result of the Merger and the issuance of our common shares in connection with the Merger, the total amount of cash required to pay dividends at our current rate will need to increase;

- We may not have enough cash to pay such distributions due to changes in our cash requirements, indebtedness, capital spending plans, cash flows or financial position;

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- Decisions on whether, when and in what amounts to make any future distributions will remain at all times entirely at the discretion of our Board, which reserves the right to change dividend practices at any time and for any reason;

- We may desire to retain cash to maintain or improve our credit ratings;

- The ability of our subsidiaries to make distributions to us may be subject to restrictions imposed by law, regulation or the terms of any current or future indebtedness that these subsidiaries may incur; and

- The interest costs associated with the financing agreements into which we entered into in connection with the Merger.

Our shareholders have no contractual or other legal right to distributions that have not been declared.

We face potential adverse effects from tenant bankruptcies.

Bankruptcy filings by retailers occur regularly in the course of our operations. We continually seek to re-lease vacant spaces resulting from tenant terminations. The bankruptcy of a tenant, particularly an anchor tenant, may make it more difficult to lease the remainder of the affected properties. Furthermore, certain of our tenants, including anchor tenants, hold the right under their lease(s) to terminate their lease(s) or reduce their rental rate if certain occupancy conditions are not met, if certain anchor tenants close, if certain sales levels or profit margins are not achieved, or if an exclusive use provision is violated, which all could be triggered in the event of one or more tenant bankruptcies. Future tenant bankruptcies could adversely affect our properties or impact our ability to successfully execute our re-leasing strategy.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and share price.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the Dodd-Frank Act and are required to prepare our financial statements according to the rules and regulations required by the SEC. In addition, the Exchange Act requires that we file annual, quarterly and current reports. Our failure to prepare and disclose this information in a timely manner or to otherwise comply with applicable law could subject us to penalties under federal securities laws, expose us to lawsuits and restrict our ability to access financing.

In addition, the Sarbanes-Oxley Act requires that we, among other things, establish and maintain effective internal controls and procedures for financial reporting and disclosure purposes. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting rules. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that internal controls were effective. If we are not able to maintain or document effective internal control over financial reporting, our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal control over financial reporting in future reports, when such certifications will be required.

Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis, or may cause our company to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in our company and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm report a material weakness in our internal control over financial reporting. This could materially adversely affect our company by, for example, leading to a decline in our share price and impairing our ability to raise additional capital.

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Risks Related to the Merger

We incurred substantial expenses and incurred substantial additional indebtedness related to the Merger.

We incurred substantial expenses in connection with consummating the Merger and integrating the businesses, operations, networks, systems, technologies, policies and procedures of Glimcher and WPG following the consummation of the Merger. The Merger and integration expenses associated with the Merger could, particularly in the near term, exceed the savings that we expect to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of the businesses following the completion of the Merger. There can be no assurances that the expected benefits, synergies and efficiencies related to the integration of the businesses will be realized in the time expected, or at all, to offset these transaction and integration expenses.

In addition, we entered into a new bridge loan facility [and assumed significant indebtedness] in connection with the Merger, which significantly increased our indebtedness. See the above risk factor captioned "*Following the Merger, we have significant indebtedness, which could adversely affect our business, including decreasing our business flexibility and increasing our interest expense*".

Our future results will suffer if we do not effectively integrate our business with that of Glimcher following the Merger.

We may be unable to integrate successfully our business with that of Glimcher and realize the anticipated benefits of the Merger or do so within the anticipated timeframe. Even though we and Glimcher are operationally similar, we are and will continue to be required to devote significant management attention and resources to integrating Glimcher's business practices and operations with our own. In addition, the agreements we entered into with SPG in connection with our separation from SPG in May 2014 (discussed above), might prevent or delay us from fully integrating our businesses with that of Glimcher or might force us to incur costs to terminate such arrangements in excess of what is anticipated. The integration process could distract management, disrupt our ongoing business or result in inconsistencies in our operations, services, standards, controls, procedures and policies, any of which could adversely affect our ability to maintain relationships with tenants, lenders, joint venture partners, vendors and employees or to achieve all or any of the anticipated benefits of the Merger.

As a result of the Merger, we may be unable to effectively attract, retain or motivate key employees.

Our success after the Merger will depend in part upon our ability to attract, retain and motivate key employees. Key employees might depart because of issues relating to the Merger, including uncertainty and difficulty of integration or a desire not to remain with us following the Merger. Accordingly, there can be no assurance that we will be able to attract, retain or motivate key employees following the Merger to the same extent as in the past.

We may incur adverse tax consequences if Glimcher has failed or fails to qualify as a REIT for U.S. federal income tax purposes.

Glimcher received an opinion of counsel to the effect that, commencing with Glimcher's initial taxable year ended December 31, 1994 through Glimcher's taxable year ended December 31, 2013, Glimcher has been organized and operated in conformity with the requirements for qualification and taxation as a REIT and that, since January 1, 2014, its actual organization and method of operation has enabled Glimcher to meet, through the effective time of the Merger, the requirements for qualification and taxation as a REIT. The opinion is subject to customary qualifications and based on customary representations made by Glimcher, and if any such representations are or become inaccurate or incomplete, such opinion may be invalid and the conclusions reached therein could be jeopardized. In addition, the opinion is not binding on the IRS or any court, and there can be no assurance that the IRS will not take a contrary position or that such position would not be sustained. If Glimcher has failed or fails to qualify as a REIT for U.S.

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federal income tax purposes, we may inherit or incur significant tax liabilities (including with respect to any gain realized by Glimcher as a result of the Merger) and could lose our own REIT status should facts or activities as a result of which Glimcher failed to qualify as a REIT continue.

Risks Related to the Separation from SPG

We have a limited history operating as an independent company, and our historical financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

The historical information about us in this Form 10-K prior to May 28, 2014 is derived from the historical accounting records of SPG and refers to our business as operated by and integrated with SPG. Our historical financial information included in this information statement is derived from the consolidated financial statements and accounting records of SPG. Accordingly, the historical and financial information does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future. Factors which could cause our results to differ from those reflected in such historical financial information and which may adversely impact our ability to receive similar results in the future include, but are not limited to, the following:

Prior to the separation, our business had been operated by SPG as part of its broader corporate organization, rather than as an independent company. SPG or one of its affiliates performed various corporate functions for us, such as accounting, information technology, and finance. Following the separation, SPG provided some of these functions to us, as described in "Agreements with SPG in Connection with the Separation" under Item 1, "Business". Our historical financial results for periods prior to the separation from SPG reflect allocations of corporate expenses from SPG for such functions and are likely to be less than the expenses we would have incurred had we operated as a separate, publicly traded company. We have and will continue to make significant investments to replicate or outsource from other providers certain facilities, systems, infrastructure, and personnel to which we no longer have access after our separation from SPG. Developing our ability to operate without access to SPG's current operational and administrative infrastructure will be costly and may prove difficult;

During the time our business was integrated with the other businesses of SPG, we were able to use SPG's size and purchasing power in procuring various goods and services and shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. For example, we were historically able to take advantage of SPG's purchasing power in technology and services, including information technology, marketing, insurance, treasury services, property support and the procurement of goods. Although we entered into certain transition and other separation-related agreements with SPG, in the future these arrangements might not continue fully capture the benefits we have enjoyed as a result of being integrated with SPG and might result in us paying higher charges than in the past for these services. In addition, services provided to us under the transition services agreement will generally only be provided for a maximum of 24 months, and this may not be sufficient to meet our needs. As a separate, independent company, we may be unable to obtain goods and services at the prices and terms obtained prior to the separation, which could decrease our overall profitability. As a separate, independent company, we may also not be as successful in negotiating favorable tax treatments and credits with governmental entities. Likewise, it may be more difficult for us to attract and retain desired tenants. This could have an adverse effect on our business, results of operations and financial condition following the completion of the separation;

Before the separation, generally our working capital requirements and capital for our general corporate purposes, including acquisitions, research and development, and capital expenditures,

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were historically satisfied as part of SPG's cash management policies. Since the separation, we have been and may continue to be required to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements, which might not be on terms as favorable to those obtained by SPG, and the cost of capital for our business may be higher than SPG's cost of capital prior to the separation; and

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the Dodd-Frank Act and are required to prepare our financial statements according to the rules and regulations required by the SEC. Complying with these requirements could result in significant costs to us and require us to divert substantial resources, including management time, from other activities.

Other significant changes have occurred and may continue to occur in our cost structure, management, financing and business operations as a result of operating as an independent company. For additional information about the past financial performance of our business and the basis of presentation of the historical combined financial statements of our business, please refer to "Selected Historical Combined Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and accompanying notes included elsewhere in this Form 10-K.

Under the agreements relating to the separation from SPG, we might not be able to engage in desirable strategic or capital-raising transactions following the separation. In addition, we could be liable for adverse tax consequences resulting from engaging in significant strategic or capital-raising transactions.

To preserve the tax-free treatment of the separation, for the two-year period following the separation, we might be prohibited, except in specific circumstances, from: (i) entering into any transaction pursuant to which all or a portion of our shares would be acquired, whether by merger or otherwise, (ii) issuing equity securities beyond certain thresholds, (iii) repurchasing our common shares, (iv) ceasing to actively conduct certain of our businesses, or (v) taking or failing to take any other action that prevents the distribution and related transactions from being tax-free.

These restrictions may limit our ability to pursue strategic transactions or engage in new business or other transactions that may maximize the value of WPG's business. For more information, please refer to "Agreements with SPG in Connection with the Separation" under Item 1, "Business".

Potential indemnification liabilities to SPG pursuant to the separation agreement could materially adversely affect our operations.

The separation agreement with SPG provides for, among other things, the principal corporate transactions required to effect the separation, certain conditions to the separation and distribution and provisions governing our relationship with SPG with respect to and following the separation and distribution. Among other things, the separation agreement provides for indemnification obligations designed to make us financially responsible for substantially all liabilities that may exist relating to our business activities, whether incurred prior to or after the separation and distribution, as well as those obligations of SPG that we will assume pursuant to the separation agreement. If we are required to indemnify SPG under the circumstances set forth in this agreement, we may be subject to substantial liabilities. For a description of this agreement, please refer to "Agreements with SPG in Connection with the Separation" under Item 1, "Business".

After the separation, certain of our directors and executive officers have actual or potential conflicts of interest because of their previous or continuing equity interest in, or positions at, SPG.

Some of our directors or executive officers are persons who are or have been employees of SPG. Because of their former positions with SPG, certain of our directors and executive officers own SPG common stock or other equity awards. Even though our board of directors consists of a majority of directors who are independent, since the separation some of our executive officers and some of our directors continue to have a financial interest in SPG common stock. In addition, certain of our directors have continued to serve on the board of directors of SPG and as executive officers of SPG. Continued ownership of SPG common stock, or service as a director at both companies, could create, or appear to create, potential conflicts of interest.

We might not achieve some or all of the expected benefits of the separation, and the separation might adversely affect our business.

We might not be able to achieve the full strategic and financial benefits expected to result from the separation, or such benefits may be delayed due to a variety of circumstances, not all of which may be under our control. The separation is expected to provide the following benefits over time, among others: (i) a distinct investment identity allowing investors to evaluate our merits, performance and future prospects as an independent company; (ii) more efficient allocation of capital for both SPG and for us; and (iii) direct access by us to the capital markets.

We might not achieve these and other anticipated benefits for a variety of reasons, including, among others: (i) following the separation, we may be more susceptible to market fluctuations and other adverse events than if we were still a part of SPG; (ii) following the separation, our business is less diversified than SPG's business prior to the separation; and (iii) the other actions required to separate our business from that of SPG could disrupt our operations. If we fail to achieve some or all of the benefits expected to result from the separation, or if such benefits are delayed, our business, financial conditions and results of operations could be materially adversely affected.

In connection with our separation from SPG, SPG will indemnify us for certain pre-distribution liabilities and liabilities related to SPG assets. However, there can be no assurance that these indemnities will be sufficient to insure us against the full amount of such liabilities, or that SPG's ability to satisfy its indemnification obligation will not be impaired in the future.

Pursuant to the separation agreement, SPG has agreed to indemnify us for certain liabilities. However, third parties could seek to hold us responsible for any of the liabilities that SPG agrees to retain, and there can be no assurance that SPG will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from SPG any amounts for which we are held liable, such indemnification may be insufficient to fully offset the financial impact of such liabilities and/or we may be temporarily required to bear these losses while seeking recovery from SPG.

Risks Related to Our Status as a REIT

If we fail to remain qualified as a REIT, we will be subject to U.S. federal income tax as a regular corporation and could face substantial tax liability, which would substantially reduce funds available for distribution to our shareholders.

We received an opinion of our special REIT tax advisors, with respect to our qualification as a REIT in connection with the separation. In addition, we received an opinion of counsel with respect to Glimcher's qualification as a REIT, which qualification, as a result of the Merger, impacts our status as a REIT. Investors should be aware, however, that opinions of advisors are not binding on the IRS or any court.

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If we were to fail to qualify as a REIT in any taxable year, we would be subject to U.S. federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates, and distributions to our shareholders would not be deductible by us in computing our taxable income. Any such corporate tax liability could be substantial and would reduce the amount of cash available for distribution to our shareholders, which in turn could have an adverse effect on the value of, and trading prices for, our common shares. Unless we are deemed to be entitled to relief under certain provisions of the Code, we would also be disqualified from taxation as a REIT for the four taxable years following the year during which we initially ceased to qualify as a REIT.

Our failure to qualify as a REIT could cause our shares to be delisted from the NYSE.

The NYSE requires, as a condition to the listing of our common shares, that we maintain our REIT status. Consequently, if we fail to maintain our REIT status, our common shares could promptly be delisted from the NYSE, which would decrease the trading activity of such common shares, making the sale of such common shares difficult.

If we were delisted as a result of losing our REIT status and wished to relist our shares on the NYSE, we would be required to reapply to the NYSE to be listed as a non-REIT corporation. As the NYSE's listing standards for REITs are less burdensome than its standards for non-REIT corporations, it would be more difficult for us to become a listed company under these heightened standards. We might not be able to satisfy the NYSE's listing standards for non-REIT corporations. As a result, if we were delisted from the NYSE, we might not be able to relist as a non-REIT corporation, in which case our shares could not trade on the NYSE.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

Dividends payable by non-REIT corporations to non-REIT shareholders that are individuals, trusts and estates are generally taxed at reduced tax rates. Dividends payable by REITs, however, generally are not eligible for the reduced rates. The more favorable rates applicable to regular corporate dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the shares of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common shares.

Qualifying as a REIT involves highly technical and complex provisions of the Code.

Qualifying as a REIT involves the application of highly technical and complex provisions of the Code for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize our REIT qualification. Our qualification as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. Compliance with these requirements must be carefully monitored on a continuing basis, and there can be no assurance that our personnel responsible for doing so will be able to successfully monitor our compliance, despite clauses in the property management agreements requiring such monitoring. In addition, our ability to satisfy the requirements to qualify to be taxed as a REIT might depend, in part, on the actions of third parties over which we have either no control or only limited influence.

Legislative, administrative, regulatory or other actions affecting REITs, including positions taken by the IRS, could have a negative effect on us.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process, and by the IRS and the U.S. Department of the Treasury (the "Treasury"). In particular, in June 2013, several companies pursuing REIT conversions disclosed that they had been informed by the IRS that it had formed a new internal working group to study the current legal standards

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the IRS uses to define "real estate" for purposes of the REIT provisions of the Code. Changes to the tax laws or interpretations thereof by the IRS and the Treasury, with or without retroactive application, could materially and adversely affect our investors or our company. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify to be taxed as a REIT and/or the U.S. federal income tax consequences to our investors and our company of such qualification.

REIT distribution requirements could adversely affect our liquidity and our ability to execute our business plan.

In order for us to qualify to be taxed as a REIT, and assuming that certain other requirements are also satisfied, we generally must distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, to our shareholders each year, so that U.S. federal corporate income tax does not apply to earnings that we distribute. To the extent that we satisfy this distribution requirement and qualify for taxation as a REIT, but distribute less than 100% of our REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains, we will be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we distribute to our shareholders in a calendar year is less than a minimum amount specified under U.S. federal income tax laws. We intend to make distributions to our shareholders to comply with the REIT requirements of the Code.

From time to time, we might 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 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 capital stock 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 each 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. Please refer to the risk factor titled "***We cannot assure you that we will be able to continue paying distributions at the current rate.***."

Even if we remain qualified as a REIT, we could face other tax liabilities that reduce our cash flows.

Even if we remain qualified for taxation as a REIT, we could be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income and state or local income, property and transfer taxes. For example, in order to meet the REIT qualification requirements, we may hold some of our assets or conduct certain of our activities through one or more taxable REIT subsidiaries ("TRSs") or other subsidiary corporations that will be subject to federal, state and local corporate-level income taxes as regular C corporations. In addition, we might incur a 100% excise tax on transactions with a TRS if they are not conducted on an arm's-length basis. Any of these taxes would decrease cash available for distribution to our shareholders.

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

To qualify to be taxed as a REIT for U.S. federal income tax purposes, we must ensure that, at the end of each calendar quarter, at least 75% of the value of our assets consist of cash, cash items, government securities and "real estate assets" (as defined in the Code), including certain mortgage loans and securities. The remainder of our investments (other than government securities, qualified real estate assets and securities issued by a TRS) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer.

Additionally, in general, no more than 5% of the value of our total assets (other than government securities, qualified real estate assets and securities issued by a TRS) can consist of the securities of any one issuer, and no more than 25% of the value of our total assets can be represented by securities of one or more TRSs. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we might be required to liquidate or forego otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our shareholders.

In addition to the asset tests set forth above, to qualify to be taxed as a REIT, we must continually satisfy tests concerning, among other things, the sources of our income, the amounts we distribute to our shareholders and the ownership of our shares. We might be unable to pursue investments that would be otherwise advantageous to us in order to satisfy the source-of-income or asset-diversification requirements for qualifying as a REIT. Thus, compliance with the REIT requirements may hinder our ability to make certain attractive investments.

Complying with REIT requirements might limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code substantially limit our ability to hedge our assets and liabilities. Income from certain potential hedging transactions that we may enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets or from transactions to manage risk of currency fluctuations with respect to any item of income or gain that satisfy the REIT gross income tests (including gain from the termination of such a transaction) does not constitute "gross income" for purposes of the 75% or 95% gross income tests that apply to REITs, provided that certain identification requirements are met. To the extent that we enter into other types of hedging transactions or fail to properly identify such transaction as a hedge, the income is likely to be treated as non-qualifying income for purposes of both of the gross income tests.

As a result of these rules, we might be required to limit our use of advantageous hedging techniques or implement those hedges through a total return swap. This could increase the cost of our hedging activities because the total return swap may be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in the total return swap will generally not provide any tax benefit, except that such losses could theoretically be carried back or forward against past or future taxable income in the total return swap.

We might be unable to generate sufficient revenue from operations to pay our operating expenses and to pay distributions to our shareholders.

As a REIT, we are generally required to distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our shareholders. To qualify for the tax benefits accorded to REITs, we intend to make distributions to our shareholders in amounts such that we distribute all or substantially all of our net taxable income each year, subject to certain adjustments. However, our ability to make distributions may be adversely affected by the risk factors described herein.

The share ownership limit imposed by the Code for REITs, and our amended and restated articles of incorporation, may inhibit market activity in our shares and restrict our business combination opportunities.

In order for us to maintain our qualification as a REIT under the Code, not more than 50% in value of our outstanding shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) at any time during the last half of each taxable year after our first taxable year. Our amended and restated articles of incorporation, with certain exceptions, authorize our board of directors to take the actions that are necessary and desirable to preserve our qualification as a REIT. Unless exempted by our board of directors, no person may own more than 8%, or 18% in the case of members of the Simon family and related persons, of any class of capital stock or any combination thereof, determined by the number of shares outstanding, voting power or value (as determined by our board of directors), whichever produces the smallest holding of capital stock under the three methods, computed with regard to all outstanding shares of capital stock and, to the extent provided by the Code, all shares of capital stock issuable under outstanding options and exchange rights that have not been exercised. Our board of directors may grant an exemption in its sole discretion, subject to such conditions, representations and undertakings as it may determine in its sole discretion. These ownership limits could delay or prevent a transaction or a change in our control that might involve a premium price for our common shares or otherwise be in the best interest of our shareholders.

Risks Related to Our Common and Preferred Shares

We cannot guarantee the timing, amount, or payment of dividends on our common shares.

Although we expect to pay regular cash dividends following the separation, the timing, declaration, amount and payment of future dividends to shareholders will fall within the discretion of our board of directors. Our board of directors' decisions regarding the payment of dividends will depend on many 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 factors that it deems relevant. Our ability to pay dividends will depend on our ongoing ability to generate cash from operations and access capital markets. We cannot guarantee that we will pay a dividend in the future or continue to pay any dividend if we commence paying dividends. For more information, Please refer to the risk factor titled "***We cannot assure you that we will be able to continue paying distributions at the current rate.***."

Our cash available for distribution to shareholders might be insufficient to pay distributions at any particular levels or in amounts sufficient to maintain our REIT qualification, which could require us to borrow funds in order to make such distributions.

As a REIT, we are required to distribute at least 90% of our REIT taxable income each year, excluding net capital gains, to our shareholders. We intend to make regular quarterly distributions whereby we expect to distribute at least 100% of our REIT taxable income to our shareholders out of assets legally available thereof. Based on the amount of our REIT taxable income for the twelve-month period ended December 31, 2014 as reflected in the summary historical combined financial data, the Company's annual dividend for that period would have been greater than $1.00 per share, assuming a distribution ratio of one of our shares for every two shares of SPG. However, our ability to make distributions could be adversely affected by various factors, many of which are not within our control. For example, in the event of downturns in our financial condition or operating results, economic conditions or otherwise, we might be unable to declare or pay distributions to our shareholders to the extent required to maintain our REIT qualification. We might be required either to fund distributions from borrowings under our anticipated revolving credit facility or to reduce our distributions. If we borrow to fund distributions, our interest costs

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could increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been.

In addition, some of our distributions may include a return of capital. To the extent that we make distributions in excess of our current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), such distributions would generally be considered a return of capital for U.S. federal income tax purposes to the extent of the holder's adjusted tax basis in its shares. A return of capital is not taxable, but it has the effect of reducing the holder's adjusted tax basis in its investment. To the extent that distributions exceed the adjusted tax basis of a holder's shares, the distributions will be treated as gain from the sale or exchange of such shares.

Your percentage of ownership in our company may be diluted in the future.

In the future, your percentage ownership in us may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise. We also anticipate granting compensatory equity awards to directors, officers, employees, advisors and consultants who will provide services to us after the distribution. Such awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of our common shares.

In addition, our articles of incorporation authorize us to issue, without the approval of our shareholders, one or more additional classes or series of preferred shares having such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over our common shares respecting dividends and distributions, as our board of directors generally may determine. The terms of one or more such 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 directors 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.

Certain provisions in our amended and restated articles of incorporation and bylaws, and provisions of Indiana law, might prevent or delay an acquisition of our company, which could decrease the trading price of our common shares.

Our amended and restated articles of incorporation and bylaws will contain, and Indiana law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include, among others:

- The inability of our shareholders to call a special meeting;
- Restrictions on the ability of our shareholders to act by written consent without a meeting;
- Advance notice requirements and other limitations on the ability of shareholders to present proposals or nominate directors for election at shareholder meetings;
- The right of our board of directors to issue preferred shares without shareholder approval;
- Limitations on the ability of our shareholders to remove directors;
- The ability of our directors, and not shareholders, to fill vacancies on our board of directors;
- Restrictions on the number of shares of capital stock that individual shareholders may own;
- Supermajority vote requirements for shareholders to amend certain provisions of our amended and restated articles of incorporation and bylaws;

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Explanation of Responses:

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Limitations on the exercise of voting rights in respect of any "control shares" acquired in a control share acquisition, which we have currently opted out of in our amended and restated bylaws but which could apply to us in the future; and

Restrictions on an "interested shareholder" to engage in certain business combinations with us for a five-year period following the date the interest shareholder became such.

We believe these provisions will protect our shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. These provisions are not intended to make the company immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that our board of directors determines is not in the best interests of us and our shareholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

Several of the agreements that we expect to enter into in connection with the separation with SPG may require SPG's consent to any assignment by us of our rights and obligations under the agreements. These agreements will generally expire within two years of our separation from SPG, except for certain agreements that will continue for longer terms. The consent and termination rights set forth in these agreements might discourage, delay or prevent a change of control that you may consider favorable.

In addition, an acquisition or further issuance of our common shares could trigger the application of Section 355(e) of the Code. Under the tax matters agreement, we would be required to indemnify SPG for any resulting taxes and related amounts, and this indemnity obligation might discourage, delay or prevent a change of control that you may consider favorable. Please refer to "Agreements with SPG in Connection with the Separation" under Item 1, "Business" for a more detailed description of these agreements and provisions.

Our substantial shareholders may exert influence over our company that may be adverse to our best interests and those of our other shareholders.

Following the separation and distribution, we expect that a substantial portion of our outstanding common shares will be held by a relatively small group of shareholders. This concentration of ownership may make some transactions more difficult or impossible without the support of some or all of these shareholders. For example, the concentration of ownership held by the substantial shareholders, even if they are not acting in a coordinated manner, could allow them to influence our policies and strategy and could delay, defer or prevent a change of control or impede a merger, takeover or other business combination that may otherwise be favorable to us and our other shareholders. In addition, the interests of any of our substantial shareholders, or any of their respective affiliates, could conflict with or differ from the interests of our other shareholders or the other substantial shareholders. A substantial shareholder or affiliate thereof may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2014, our portfolio of properties consisted of 97 properties totaling approximately 53.0 million square feet. We also own parcels of land which can be used for either the development of new shopping centers or the expansion of existing properties. While most of these properties are wholly owned by us, several are less than wholly owned through joint ventures and other arrangements with third parties,

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which is common in the real estate industry. As of December 31, 2014, our properties had an ending occupancy rate of 92.7% (based on the measures described in note (2) to the table below).

Our properties are leased to a variety of tenants across the retail spectrum including anchor stores, big-box tenants, national inline tenants, sitdown restaurants, movie theatres and regional and local retailers. As of December 31, 2014, selected anchors and tenants include Macy's, Inc., Dillard's, Inc., J.C. Penney Co., Inc., Sears Holdings Corporation, Target Corporation, The Bon-Ton Stores, Inc., Kohl's Corporation, Best Buy Co., Inc., Bed Bath & Beyond Inc. and TJX Companies, Inc. No single tenant was responsible for more than 3.2%, and no single property accounted for more than 2.9%, of our total gross annual base minimum rental revenues for the year ended December 31, 2014. Further, as of December 31, 2014, no more than 14.4% of our total gross annual base minimum rental revenues was derived from leases that expire in any single calendar year.

The following table summarizes certain data for our portfolio of properties as of December 31, 2014:

WPG Property Information

(as of December 31, 2014)

Property Name	State	City	Ownership Interest (expiration if Lease)	Legal Ownership	Year Acquired or Built	OCC(2)	Total Center SF	Anchors
Malls:								
Anderson Mall	SC	Anderson	Fee	100.0%	Built 1972	86.0%	671,311	Belk, JCPenney, Sears, Dillard's, Books-A-Million
Bowie Town Center	MD	Bowie (Washington, D.C.)	Fee	100.0%	Built 2001	98.1%	578,400	Macy's, Sears, Barnes & Noble, Best Buy, Safeway, L.A. Fitness, Off Broadway Shoes
Boynton Beach Mall	FL	Boynton Beach (Miami)	Fee	100.0%	Built 1985	92.1%	1,101,261	Macy's, Dillard's, JCPenney, Sears, Cinemark Theatres, You Fit Health Clubs
Brunswick Square	NJ	East Brunswick (New York)	Fee	100.0%	Built 1973	100.0%	760,790	Macy's, JCPenney, Barnes & Noble, Starplex Luxury Cinema
Charlottesville Fashion Square	VA	Charlottesville	Ground Lease (2086)	100.0%	Acq 1997	98.1%	576,787	Belk(8), JCPenney, Sears
Chautauqua Mall	NY	Lakewood	Fee	100.0%	Built 1971	95.7%	427,590	Sears, JCPenney, Bon Ton, Office Max, Dipson Cinema
Chesapeake Square	VA	Chesapeake (Virginia Beach)	Fee and Ground Lease (2062)	75.0%(3)	Built 1989	89.0%	759,929	Macy's, JCPenney, Target, Burlington Coat Factory, Cinemark Theatres,(5)
Cottonwood Mall	NM	Albuquerque	Fee	100.0%	Built 1996	95.6%	1,036,042	Macy's, Dillard's, JCPenney, Sears, Regal Cinema, Conn's Electronic & Appliance
Edison Mall	FL	Fort Myers	Fee	100.0%	Acq 1997	94.5%	1,054,445	Dillard's, Macy's(8), JCPenney, Sears, Books-A-Million
Forest Mall	WI	Fond Du Lac	Fee	100.0%	Built 1973	81.1%	500,623	Kohl's, Younkers, Cinema I & II,(5)(7)

Explanation of Responses:

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Property Name	State	City	Ownership Interest (expiration if Lease)	Legal Ownership	Year Acquired or Built	OCC(2)	Total Center SF	Anchors
Great Lakes Mall	OH	Mentor (Cleveland)	Fee	100.0%	Built 1961	92.5%	1,287,311	Dillard's(8), Macy's, JCPenney, Sears, Atlas Cinema Stadium 16, Barnes & Noble, Dick's Sporting Goods
Gulf View Square	FL	Port Richey (Tampa)	Fee	100.0%	Built 1980	96.1%	754,818	Macy's(9), Dillard's, Sears, Best Buy, T.J. Maxx,(5)
Irving Mall	TX	Irving (Dallas)	Fee	100.0%	Built 1971	91.7%	1,052,862	Macy's, Dillard's, Sears, Burlington Coat Factory, La Vida Fashion and Home Décor, AMC Theatres, Fitness Connection, Shoppers World
Jefferson Valley Mall	NY	Yorktown Heights (New York)	Fee	100.0%	Built 1983	83.5%	555,221	Macy's, Sears
Knoxville Center	TN	Knoxville	Fee	100.0%	Built 1984	72.5%	960,882	JCPenney, Belk, Sears, The Rush Fitness Center, Regal Cinema
Lima Mall	OH	Lima	Fee	100.0%	Built 1965	97.1%	743,555	Macy's, JCPenney, Elder-Beerman, Sears, MC Sporting Goods, Dillard's
Lincolnwood Town Center	IL	Lincolnwood (Chicago)	Fee	100.0%	Built 1990	95.8%	421,992	Kohl's, Carson's
Lindale Mall	IA	Cedar Rapids	Fee	100.0%	Acq 1998	95.7%	712,760	Von Maur, Sears, Younkers
Longview Mall	TX	Longview	Fee	100.0%	Built 1978	97.0%	638,565	Dillard's, JCPenney, Sears, Bealls, La Patricia
Maplewood Mall	MN	St. Paul (Minneapolis)	Fee	100.0%	Acq 2002	94.6%	908,085	Macy's, JCPenney, Sears, Kohl's, Barnes & Noble
Markland Mall	IN	Kokomo	Ground Lease (2041)	100.0%	Built 1968	99.1%	418,294	Sears, Target, MC Sporting Goods, Carson's
Melbourne Square	FL	Melbourne	Fee	100.0%	Acq 2007	92.2%	705,642	Macy's, Dillard's(8), JCPenney, Dick's Sporting Goods, L.A. Fitness
Mesa Mall	CO	Grand Junction	Fee	100.0%	Acq 1998	93.4%	873,741	Sears, Herberger's, JCPenney, Target, Cabela's, Sports Authority, Jo-Ann Fabrics
Muncie Mall	IN	Muncie	Fee	100.0%	Built 1970	97.9%	635,870	Macy's, JCPenney, Sears, Carson's
Northlake Mall	GA	Atlanta	Fee	100.0%	Acq 1998	88.4%	962,980	Macy's, JCPenney, Sears, Kohl's
Northwoods Mall	IL	Peoria	Fee	100.0%	Acq 1983	94.8%	693,481	Macy's, JCPenney, Sears
Oak Court Mall	TN	Memphis	Fee	100.0%	Acq 1997	90.9%	849,265	Dillard's(8), Macy's
Orange Park Mall	FL	Orange Park (Jacksonville)	Fee	100.0%	Acq 1994	98.1%	959,181	Dillard's, JCPenney, Sears, Belk, Dick's Sporting Goods, AMC Theatres

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Property Name	State	City	Ownership Interest (expiration if Lease)	Legal Ownership	Year Acquired or Built	OCC(2)	Total Center SF	Anchors
Paddock Mall	FL	Ocala	Fee	100.0%	Built 1980	92.5%	552,308	Macy's, JCPenney, Sears, Belk
Port Charlotte Town Center	FL	Port Charlotte	Fee	80.0%(3)	Built 1989	90.7%	764,849	Dillard's, Macy's, JCPenney, Bealls, Sears, DSW, Regal Cinema
Richmond Town Square	OH	Richmond Heights (Cleveland)	Fee	100.0%	Built 1966	89.0%	1,011,808	Macy's(9), JCPenney, Sears, Regal Cinema
River Oaks Center	IL	Calumet City (Chicago)	Fee	100.0%	Acq 1997	92.6%	1,192,641	Macy's, JCPenney,(7)
Rolling Oaks Mall	TX	San Antonio	Fee	100.0%	Built 1988	89.2%	882,348	Dillard's, Macy's, JCPenney, Sears
Rushmore Mall	SD	Rapid City	Fee	100.0%	Acq 1998	73.5%	829,234	JCPenney, Herberger's, Sears, Carmike Cinemas, Hobby Lobby, Toys 'R Us
Seminole Towne Center	FL	Sanford (Orlando)	Fee	45.0%(1)	Built 1995	89.9%	1,104,690	Macy's, Dillard's, JCPenney, Sears, United Artists Theatre, Dick's Sporting Goods, Burlington Coat Factory
Southern Hills Mall	IA	Sioux City	Fee	100.0%	Acq 1998	89.8%	794,367	Younkers, JCPenney, Sears, Scheel's All Sports, Barnes & Noble, Carmike Cinemas, Hy-Vee
Southern Park Mall	OH	Youngstown	Fee	100.0%	Built 1970	85.3%	1,204,641	Macy's, Dillard's, JCPenney, Sears, Cinemark Theatres
Sunland Park Mall	TX	El Paso	Fee	100.0%	Built 1988	95.2%	922,210	Macy's, Dillard's(8), Sears, Forever 21, Cinemark
Town Center at Aurora	CO	Aurora (Denver)	Fee	100.0%	Acq 1998	92.9%	1,082,991	Macy's, Dillard's, JCPenney, Sears, Century Theatres
Towne West Square	KS	Wichita	Fee	100.0%	Built 1980	84.8%	936,908	Dillard's(8), JCPenney, Dick's Sporting Goods, The Movie Machine,(5)
Valle Vista Mall	TX	Harlingen	Fee	100.0%	Built 1983	71.1%	650,570	Dillard's, JCPenney, Sears, Big Lots, Forever 21
Virginia Center Commons	VA	Glen Allen	Fee	100.0%	Built 1991	70.8%	785,049	Macy's, JCPenney, Sears, Burlington Coat Factory, American Family Fitness
West Ridge Mall	KS	Topeka	Fee	100.0%	Built 1988	83.1%	995,627	Dillard's, JCPenney, Sears, Burlington Coat Factory, Furniture Mall of Kansas
Westminster Mall	CA	Westminster (Los Angeles)	Fee	100.0%	Acq 1998	86.5%	1,203,700	Macy's, JCPenney, Sears, Target, DSW, Chuze

		Fitness
Total WPG Mall Portfolio Square Footage(4)	**36,515,624**	
Strip Centers:		

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Property Name	State	City	Ownership Interest (expiration if Lease)	Legal Ownership	Year Acquired or Built	OCC(2)	Total Center SF	Anchors
Arboretum	TX	Austin	Fee	100.0%	Acq 1998	94.2%	194,972	Barnes & Noble, Pottery Barn, Cheesecake Factory
Bloomingdale Court	IL	Bloomingdale (Chicago)	Fee	100.0%	Built 1987	98.0%	686,639	Best Buy, T.J. Maxx N More, Office Max, Walmart Supercenter, Dick's Sporting Goods, Jo-Ann Fabrics, Picture Show, Ross Dress for Less, hhgregg
Bowie Town Center Strip	MD	Bowie (Washington, D.C.)	Fee	100.0%	Built 2001	100.0%	106,589	Safeway
Charles Towne Square	SC	Charleston	Fee	100.0%	Built 1976	100.0%	71,794	Regal Cinema
Chesapeake Center	VA	Chesapeake (Virginia Beach)	Fee	100.0%	Built 1989	100.0%	305,853	Petsmart, Michaels, Value City Furniture,(7)
Clay Terrace	IN	Carmel (Indianapolis)	Fee	100.0%	Built 2004	95.9%	576,784	Dick's Sporting Goods, Whole Foods, DSW, St. Vincent's Sports Performance, Pier 1, Old Navy
Concord Mills Marketplace	NC	Concord (Charlotte)	Fee	100.0%	Acq 2007	100.0%	230,683	BJ's Wholesale Club, Garden Ridge, REC Warehouse
Countryside Plaza	IL	Countryside (Chicago)	Fee	100.0%	Built 1977	92.2%	403,756	Best Buy, The Home Depot, PetsMart, Jo-Ann Fabrics, Office Depot, Value City Furniture, The Tile Shop
Dare Centre	NC	Kill Devil Hills	Ground Lease (2058)	100.0%	Acq 2004	98.7%	168,673	Belk, Food Lion
DeKalb Plaza	PA	King of Prussia (Philadelphia)	Fee	100.0%	Acq 2003	100.0%	101,911	ACME Grocery, Bob's Discount Furniture
Empire East	SD	Sioux Falls	Fee	100.0%	Acq 1998	100.0%	301,438	Kohl's, Target, Bed Bath & Beyond
Fairfax Court	VA	Fairfax (Washington, D.C.)	Fee	100.0%	Built 1992	100.0%	249,488	Burlington Coat Factory, Offenbacher's, XSport Fitness. Pier 1
Fairfield Town Center	TX	Houston	Fee	100.0%	Built 2014		108,000	HEB
Forest Plaza	IL	Rockford	Fee	100.0%	Built 1985	99.2%	434,838	Kohl's, Marshalls, Michaels, Office Max, Bed Bath & Beyond, Petco, Babies 'R Us, Toys 'R Us, Big Lots, Kirkland's, Shoe Carnival
Gaitway Plaza	FL	Ocala	Fee	88.2%	Built 1989	100.0%	208,051	Office Depot, T.J. Maxx, Ross Dress

								for Less, Bed Bath & Beyond, Michael's
Gateway Centers	TX	Austin	Fee	100.0%	Acq 2004	83.5%	512,664	Best Buy, REI, Whole Foods, Crate & Barrel, The Container Store, Regal Cinema, Nordstrom Rack, The Tile Shop,(5)

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Property Name	State	City	Ownership Interest (expiration if Lease)	Legal Ownership	Year Acquired or Built	OCC(2)	Total Center SF	Anchors
Greenwood Plus	IN	Greenwood (Indianapolis)	Fee	100.0%	Built 1979	100.0%	155,319	Best Buy, Kohl's
Henderson Square	PA	King of Prussia (Philadelphia)	Fee	100.0%	Acq 2003	96.5%	107,371	Genuardi's Family Market, Avalon Carpet & Tile Shop
Keystone Shoppes	IN	Indianapolis	Fee	100.0%	Acq 1997	94.8%	29,080	First Watch
Lake Plaza	IL	Waukegan (Chicago)	Fee	100.0%	Built 1986	97.5%	215,568	Home Owners Bargain Outlet, Dollar Tree
Lake View Plaza	IL	Orland Park (Chicago)	Fee	100.0%	Built 1986	93.7%	367,370	Best Buy, Petco, Jo-Ann Fabrics, Golf Galaxy, Value City Furniture, Tuesday Morning, The Great Escape, Party City(6)
Lakeline Plaza	TX	Cedar Park (Austin)	Fee	100.0%	Built 1998	97.0%	387,304	T.J. Maxx, Best Buy, Ross Dress for Less, Office Max, PetsMart, Party City, Hancock Fabrics, Rooms to Go, Rooms to Go Kids, Bed Bath & Beyond,(7)
Lima Center	OH	Lima	Fee	100.0%	Built 1978	99.4%	233,878	Kohl's, Hobby Lobby, T.J. Maxx, Jo-Ann Fabrics
Lincoln Crossing	IL	O'Fallon (St. Louis)	Fee	100.0%	Built 1990	90.5%	243,326	Walmart, PetsMart, The Home Depot
MacGregor Village	NC	Cary	Fee	100.0%	Acq 2004	65.4%	144,301	
Mall of Georgia Crossing	GA	Buford (Atlanta)	Fee	100.0%	Built 1999	100.0%	440,670	Best Buy, American Signature Furniture, T.J. Maxx 'n More, Nordstrom Rack, Staples, Target
Markland Plaza	IN	Kokomo	Fee	100.0%	Built 1974	95.3%	90,527	Best Buy, Bed Bath & Beyond, Pier 1
Martinsville Plaza	VA	Martinsville	Ground Lease (2046)	100.0%	Built 1967	96.4%	102,105	Rose's, Food Lion
Matteson Plaza	IL	Matteson (Chicago)	Fee	100.0%	Built 1988	57.2%	272,636	Shoppers World,(5)(7)
Muncie Towne Plaza	IN	Muncie	Fee	100.0%	Built 1998	100.0%	172,617	Kohl's, Target, Shoe Carnival, T.J. Maxx, MC Sporting Goods, Kerasotes Theatres
North Ridge Shopping Center	NC	Raleigh	Fee	100.0%	Acq 2004	80.0%	169,774	Ace Hardware, Kerr Drugs, Harris-Teeter Grocery,(5)
Northwood Plaza	IN	Fort Wayne	Fee	100.0%	Built 1974	83.1%	208,076	Target

Palms Crossing	TX	McAllen	Fee	100.0%	Built 2007	98.9%	392,305	Bealls, DSW, Barnes & Noble, Babies 'R Us, Sports Authority, Guitar Center, Cavendar's Boot City, Best Buy, Hobby Lobby, Chuck E. Cheeses, Ulta

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Property Name	State	City	Ownership Interest (expiration if Lease)	Legal Ownership	Year Acquired or Built	OCC(2)	Total Center SF	Anchors
Plaza at Buckland Hills, The	CT	Manchester	Fee	100.0%	Built 1993	96.3%	329,885	Jo-Ann Fabrics, iParty, Toys 'R Us, Michaels, PetsMart, Big Lots, Eastern Mountain Sports, Dollar Tree, Ulta
Richardson Square	TX	Richardson (Dallas)	Fee	100.0%	Built 2008	100.0%	517,265	Lowe's Home Improvement, Ross Dress for Less, Sears, Super Target, Anna's Linens
Rockaway Commons	NJ	Rockaway (New York)	Fee	100.0%	Acq 1998	97.3%	238,253	Best Buy, Nordstrom Rack(6), DSW(6)
Rockaway Town Plaza	NJ	Rockaway (New York)	Fee	100.0%	Acq 1998	100.0%	371,908	Target, PetsMart, Dick's Sporting Goods, Christmas Tree Shops, Buy Buy Baby, Michael's, PetsMart
Royal Eagle Plaza	FL	Coral Springs (Miami)	Fee	100.0%	Built 1989	100.0%	202,921	Sports Authority, Hobby Lobby(6)(5)
Shops at Arbor Walk, The	TX	Austin	Ground Lease (2056)	100.0%	Built 2006	98.9%	458,468	The Home Depot, Marshalls, DSW, Vitamin Cottage Natural Grocer, Spec's Wine, Spirits and Fine Foods, Jo-Ann Fabrics, Sam Moon Trading Co., DXL Men''s Apparel, Chuck E. Cheese
Shops at North East Mall, The	TX	Hurst (Dallas)	Fee	100.0%	Built 1999	100.0%	365,039	Michaels, PetsMart, T.J. Maxx, Bed Bath & Beyond, Best Buy, Barnes & Noble, DSW, Old Navy, Ulta
St. Charles Towne Plaza	MD	Waldorf (Washington, D.C.)	Fee	100.0%	Built 1987	94.5%	391,889	K & G Menswear, Shoppers Food Warehouse, Dollar Tree, Value City Furniture, Big Lots, Citi Trends, Ashley Furniture(6)
Tippecanoe Plaza	IN	Lafayette	Fee	100.0%	Built 1974	100.0%	90,522	Best Buy, Barnes & Noble
University Center	IN	Mishawaka	Fee	100.0%	Built 1980	89.1%	150,441	Michaels, Best Buy, Ross Dress for Less
University Town Plaza	FL	Pensacola	Fee	100.0%	Redeveloped 2013	100.0%	565,538	JCPenney, Sears, Academy Sports, Toys 'R Us/Babies 'R Us, Burlington Coat Factory
Village Park Plaza	IN		Fee		Built 1990			

		Carmel (Indianapolis)		100.0%		100.0%	575,576	Bed Bath & Beyond, Kohl's, Walmart Supercenter, Marsh, Menards, Regal Cinema, Hobby Lobby
Washington Plaza	IN	Indianapolis	Fee	100.0%	Built 1976	93.5%	50,107	Jo-Ann Fabrics

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Property Name	State	City	Ownership Interest (expiration if Lease)	Legal Ownership	Year Acquired or Built	OCC(2)	Total Center SF	Anchors
Waterford Lakes Town Center	FL	Orlando	Fee	100.0%	Built 1999	99.2%	960,226	Ross Dress for Less, T.J. Maxx, Bed Bath & Beyond, Barnes & Noble, Best Buy, Jo-Ann Fabrics, Office Max, PetsMart, Target, Ashley Furniture Home Store, L.A. Fitness, Regal Cinema
West Ridge Plaza	KS	Topeka	Fee	100.0%	Built 1988	100.0%	254,480	T.J. Maxx, Toys 'R Us, Target, Dollar Tree
West Town Corners	FL	Altamonte Springs (Orlando)	Fee	88.2%	Built 1989	95.3%	385,366	Sports Authority, PetsMart, Winn-Dixie Marketplace, American Signature Furniture, Walmart, Lowe's Home Improvement
Westland Park Plaza	FL	Orange Park (Jacksonville)	Fee	88.2%	Built 1989	89.5%	163,259	Burlington Coat Factory, LA Fitness, USA Discounters, Guitar Center
White Oaks Plaza	IL	Springfield	Fee	100.0%	Built 1986	95.0%	387,911	T.J. Maxx, Office Max, Kohl's, Toys 'R Us, Babies 'R Us, County Market, Petco, Ulta
Whitehall Mall	PA	Whitehall	Fee	100.0%	Acq 2003	93.9%	613,417	Sears, Kohl's, Bed Bath & Beyond, Gold's Gym, Buy Buy Baby, Raymour & Flanigan Furniture, Michaels,(5)
Wolf Ranch	TX	Georgetown (Austin)	Fee	100.0%	Built 2005	98.4%	627,284	Kohl's, Target, Michaels, Best Buy, Office Depot, PetsMart, T.J. Maxx, DSW, Ross Dress for Less, Gold's Gym, Spec's Wine & Spirits, Old Bavy, Pier 1
Total WPG Strip Portfolio Square Footage(4)							**16,094,115**	
Total WPG Portfolio Square Footage(4)							**52,609,739**	

(1)

Direct and indirect interests in some joint venture properties are subject to preferences on distributions and/or capital allocation in favor of other partners.

(2)
Malls Executed leases for all company-owned gross leasable area ("GLA") in mall stores, excluding majors and anchors. Strip centers Executed leases for all company-owned GLA (or total center GLA).

(3)
WPG receives substantially all the economic benefit of the property due to a preference or advance.

(4)
Includes office space including the following centers with more than 20,000 square feet of office space:

Clay Terrace 75,110 sq. ft.; Oak Court Mall 126,401 sq. ft.; River Oaks 41,494 sq. ft.

(5)
Indicates vacant anchor space(s).

(6)
Indicates anchor or major that is currently under development.

(7)
Indicates anchor is vacant but not owned by WPG

(8)
Tenant has multiple locations at this center.

(9)
Indicates anchor has announced its intent to close this location.

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Lease Expirations(1)

The following table summarizes lease expiration data for our properties as of December 31, 2014:

Combined Inline Stores and Freestanding	Number of Leases Expiring	Square Feet		Avg. Base Minimum Rent PSF at 12/31/14	Percentage of Gross Annual Rental Revenues(2)
Year					
Month To Month Leases	100	184,967	$	25.60	0.9%
2015	632	1,849,116	$	23.70	8.6%
2016	765	2,525,183	$	23.30	11.7%
2017	646	2,181,513	$	23.98	10.0%
2018	467	1,359,736	$	26.79	7.4%
2019	419	1,467,532	$	24.56	7.4%
2020	213	985,620	$	23.79	4.6%
2021	138	610,032	$	21.52	2.6%
2022	161	708,945	$	22.80	3.3%
2023	200	1,026,868	$	21.84	4.7%
2024	157	580,214	$	25.62	3.1%
2025 and Thereafter	77	384,864	$	21.29	1.7%
Specialty Leasing Agreements w/ terms in excess of 12 months	552	1,179,945	$	11.56	2.9%
Combined Anchors					
Year					
Month To Month Leases	1	26,964	$	4.50	0.0%
2015	17	885,729	$	5.46	1.0%
2016	37	2,048,501	$	6.43	2.8%
2017	24	1,383,029	$	6.19	1.8%
2018	35	1,819,293	$	8.01	3.0%
2019	26	1,572,716	$	6.73	2.2%
2020	38	2,029,397	$	7.40	3.1%
2021	12	820,173	$	6.63	1.1%
2022	13	797,862	$	6.28	1.0%
2023	17	741,102	$	9.18	1.4%
2024	12	574,902	$	8.04	1.0%
2025 and Thereafter	14	801,959	$	8.17	1.4%

(1) Does not consider the impact of renewal options that may be contained in leases.

(2) Gross annual rental revenues represents 2014 consolidated and joint venture combined base rental revenue for the portfolio.

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Mortgage Financing on Properties

The following table sets forth certain information regarding the mortgages and unsecured indebtedness encumbering our properties and the properties held by our joint venture arrangements, and our unsecured corporate debt as of December 31, 2014:

Washington Prime Group Inc.
Summary of Mortgage and Other Indebtedness
As of December 31, 2014
(In thousands)

Property Name	Maturity Date	Interest Rate	Principal Balance	WPG's Share of Principal Balance	F = Fixed V = Variable Floating
Consolidated Indebtedness:					
Secured Indebtedness					
Anderson Mall	12/01/22	4.61%	$ 19,933	$ 19,933	F
Bloomingdale Court	11/01/15	8.15%	24,732	24,732	F
Brunswick Square	03/01/24	4.80%	76,084	76,084	F
Charlottesville Fashion Square	04/01/24	4.54%	49,434	49,434	F
Chesapeake Square	02/01/17	5.84%	64,014	64,014(1)	F
Clay Terrace	10/01/15	5.08%	115,000	115,000	F
Concord Mills Marketplace	11/01/23	4.82%	16,000	16,000	F
Cottonwood Mall	04/06/24	4.82%	103,999	103,999	F
Forest Plaza	10/10/19	7.50%	17,366	17,366	F
Gaitway Plaza	07/01/15	4.60%	13,900	13,113(1)	F
Henderson Square	04/01/16	4.43%	12,954	12,954	F
Lakeline Plaza	10/10/19	7.50%	16,269	16,269	F
Lincolnwood Mall	04/01/21	4.26%	52,366	52,366	F
Mall of Georgia Crossing	10/06/22	4.28%	24,102	24,102	F
Mesa Mall	06/01/16	5.79%	87,250	87,250	F
Muncie Mall	04/01/21	4.19%	36,551	36,551	F
Muncie Towne Plaza	10/10/19	7.50%	6,764	6,764	F
North Ridge Shopping Center	12/01/22	3.41%	12,500	12,500	F
Oak Court Mall/Office	04/01/21	4.76%	39,614	39,614	F
Palms Crossing	08/01/21	5.49%	36,620	36,620	F
Port Charlotte Town Center	11/01/20	5.30%	45,593	45,593(1)	F
Rushmore Mall	02/01/19	5.79%	94,000	94,000	F
Shops at Arbor Walk, The	08/01/21	5.49%	41,388	41,388	F
Southern Hills Mall	06/01/16	5.79%	101,500	101,500	F
Town Center at Aurora	04/01/21	4.19%	55,000	55,000	F
Towne West Square	06/01/21	5.61%	48,573	48,573	F
Valle Vista Mall	05/10/17	5.35%	40,000	40,000	F
West Ridge Mall	03/06/24	4.84%	42,740	42,740	F
West Ridge Plaza	03/06/24	4.84%	10,685	10,685	F
West Town Corners	07/01/15	4.60%	18,800	18,042(1)	F
Westminster Mall	04/01/24	4.65%	84,060	84,060	F
White Oaks Plaza	10/10/19	7.50%	13,527	13,527	F
Whitehall Mall	11/01/18	7.00%	10,198	10,198	F
Unsecured Indebtedness					
Credit Facility	05/30/19	1.20%	413,750	413,750	V
Term Loan	05/30/19	1.30%	500,000	500,000	V
Total Indebtedness at Face Value	4.9 yrs.	3.68%	2,345,266	2,343,721	

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Property Name	Maturity Date	Interest Rate	Principal Balance	WPG's Share of Principal Balance	F = Fixed V = Variable Floating
Premium on Fixed-Rate Indebtedness			3,598	3,593	F
Premium on Variable-Rate Indebtedness					V
Total Consolidated Indebtedness	**4.9 yrs.**	**3.68%**	**2,348,864**	**2,347,314**	
Unconsolidated Secured Indebtedness:					
Seminole Towne Center	5/6/2021	5.97%	57,346	6,314(1)	F
Total Unconsolidated Indebtedness	**6.3 yrs.**	**5.97%**	**57,346**	**6,314**	
Total Mortgage and Other Indebtedness	**5.0 yrs.**	**3.74%**	**$ 2,406,210**	**$ 2,353,628**	

(1) WPG's share does not reflect its legal ownership percentage due to capital preferences.

Note: Substantially all of the above mortgage and property related debt is nonrecourse to us.

The following table lists the unencumbered properties in our portfolio as of December 31, 2014:

Washington Prime Group Inc.
Unencumbered Properties
As of December 31, 2014

		Legal Ownership
Malls:		
1.	Bowie Town Center	100.0%
2.	Boynton Beach Mall	100.0%
3.	Chautauqua Mall	100.0%
4.	Edison Mall	100.0%
5.	Forest Mall	100.0%
6.	Great Lakes Mall	100.0%
7.	Gulf View Square	100.0%
8.	Irving Mall	100.0%
9.	Jefferson Valley Mall	100.0%
10.	Knoxville Center	100.0%
11.	Lima Mall	100.0%
12.	Lindale Mall	100.0%
13.	Longview Mall	100.0%
14.	Maplewood Mall	100.0%
15.	Markland Mall	100.0%
16.	Melbourne Square	100.0%
17.	Northlake Mall	100.0%

18.	Northwoods Mall	100.0%
19.	Orange Park Mall	100.0%
20.	Paddock Mall	100.0%
21.	Richmond Town Square	100.0%
22.	River Oaks Center	100.0%
23.	Rolling Oaks Mall	100.0%
24.	Southern Park Mall	100.0%
25.	Sunland Park Mall	100.0%
26.	Virginia Center Commons	100.0%

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		Legal Ownership
Strips:		
27.	Arboretum	100.0%
28.	Bowie Town Center Strip	100.0%
29.	Charles Towne Square	100.0%
30.	Chesapeake Center	100.0%
31.	Countryside Plaza	100.0%
32.	Dare Centre	100.0%
33.	DeKalb Plaza	100.0%
34.	Empire East	100.0%
35.	Fairfax Court	100.0%
36.	Fairfield Town Center	100.0%
37.	Gateway Centers	100.0%
38.	Greenwood Plus	100.0%
39.	Keystone Shoppes	100.0%
40.	Lake Plaza	100.0%
41.	Lake View Plaza	100.0%
42.	Lima Center	100.0%
43.	Lincoln Crossing	100.0%
44.	MacGregor Village	100.0%
45.	Markland Plaza	100.0%
46.	Martinsville Plaza	100.0%
47.	Matteson Plaza	100.0%
48.	Northwood Plaza	100.0%
49.	Plaza at Buckland Hills, The	100.0%
50.	Richardson Square	100.0%
51.	Rockaway Commons	100.0%
52.	Rockaway Town Plaza	100.0%
53.	Royal Eagle Plaza	100.0%
54.	Shops at North East Mall, The	100.0%
55.	St. Charles Towne Plaza	100.0%
56.	Tippecanoe Plaza	100.0%
57.	University Center	100.0%
58.	University Town Plaza	100.0%
59.	Village Park Plaza	100.0%
60.	Washington Plaza	100.0%
61.	Waterford Lakes Town Center	100.0%
62.	Westland Park Plaza	88.2%(1)
63.	Wolf Ranch	100.0%

(1) WPG receives substantially all the economic benefit of the property due to a capital preference.

Item 3. Legal Proceedings

We are involved from time-to-time in various legal proceedings that arise in the ordinary course of our business, including, but not limited to commercial disputes, environmental matters, and litigation in connection with transactions including acquisitions and divestitures. We believe that such litigation, claims and administrative proceedings will not have a material adverse impact on our financial position or our results of operations. We record a liability when a loss is considered probable and the amount can be reasonably estimated.

Two shareholder lawsuits challenging the Merger-related transactions have been filed in Maryland state court, respectively captioned *Zucker v. Glimcher Realty Trust* et al., 24-C-14-005675 (Circ. Ct. Baltimore City), filed on October 2, 2014, and *Motsch v. Glimcher Realty Trust* et al., 24-C-14-006011 (Circ. Ct. Baltimore City), filed on October 23, 2014. The actions were consolidated, and on November 12, 2014 plaintiffs filed a consolidated shareholder class action and derivative complaint, captioned *In re Glimcher Realty Trust Shareholder Litigation* , 24-C-14-005675 (Circ. Ct. Baltimore City) (the "Consolidated Action"). The Consolidated Action names as defendants the trustees of Glimcher, and alleges these defendants breached fiduciary duties. Specifically, plaintiffs in the Consolidated Action allege that the trustees of Glimcher agreed to sell Glimcher for inadequate consideration and agreed to improper deal protection provisions that precluded other bidders from making successful offers. Plaintiffs further allege that the sales process was flawed and conflicted in several respects, including the allegation that the trustees failed to canvas the market for potential buyers, failed to secure a "go-shop" provision in the merger agreement allowing Glimcher to seek alternative bids after signing the merger agreement, and were improperly influenced by WPG's early suggestion that the surviving entity would remain headquartered in Ohio and would retain a significant portion of Glimcher management, including the retention of Michael Glimcher as CEO of the surviving entity and positions for Michael Glimcher and another trustee of Glimcher on the board of the surviving entity. Plaintiffs in the Consolidated Action additionally allege that the Preliminary Registration Statement filed with the SEC on October 28, 2014, failed to disclose material information concerning, among other things, (i) the process leading up to the consummation of the Merger Agreement; (ii) the financial analyses performed by Glimcher's financial advisors; and (iii) certain financial projections prepared by Glimcher and WPG management allegedly relied on by Glimchers' financial advisors. The Consolidated Action also names as defendants Glimcher, WPG and certain of their affiliates, and alleges that these defendants aided and abetted the purported breaches of fiduciary duty. The plaintiffs seek, among other things, an order enjoining or rescinding the transaction, damages, and an award of attorney's fees and costs.

On December 22, 2014, the defendants, including the Company, of the Consolidated Action, by and through counsel, entered into a memorandum of understanding (the "MOU") with the plaintiffs of the Consolidated Action providing for the settlement of the Consolidated Action. Under the terms of the MOU, and to avoid the burden and expense of further litigation, the Company and Glimcher have agreed to make certain supplemental disclosures related to the proposed Mergers, all of which are set forth in a Current Report on Form 8-K filed by Glimcher with the Securities and Exchange Commission (the "SEC") on December 23, 2014. The MOU contemplates that the parties will enter into a stipulation of settlement. The stipulation of settlement will be subject to customary conditions, including court approval following notice to the Company's common shareholders. In the event that the parties enter into a stipulation of settlement, a hearing will be scheduled at which the Circuit Court for Baltimore City will consider the fairness, reasonableness, and adequacy of the settlement. If the settlement is approved by the court, it will resolve and release all claims by shareholders of the Company challenging any aspect of the Merger, the Merger agreement, and any disclosure made in connection therewith, including in the Definitive Proxy Statement/Prospectus on Schedule 14A filed with the SEC by the Company on December 2, 2014. Additionally, in connection with the settlement, the parties contemplate that plaintiffs' counsel will file a petition in the Circuit Court for Baltimore City for an award of attorneys' fees and expenses to be paid by the Company. The settlement, including the payment by the Company of any such attorneys' fees, is also contingent upon, among other things, the Merger becoming effective under Maryland law. There can be no assurance that the Circuit Court for Baltimore City will approve the settlement contemplated by the MOU. In the event that the settlement is not approved and such conditions are not satisfied, the defendants will continue to vigorously defend against the allegations in the Consolidated Action.

Item 4. Mine Safety Disclosures

Not applicable.

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Part II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

Market Information

Our common shares began trading on the New York Stock Exchange ("NYSE") on May 14, 2014 under the symbol "WPG." The following table sets forth, for the periods indicated, the high and low sales prices per common share and the dividends declared per common share:

	Price Per Common Share		Dividend Declared Per Common Share(1)
	High	Low	
2014			
Second Quarter (from May 14, 2014)	$ 21.49	$ 18.52	N/A
Third Quarter	$ 19.74	$ 16.55	$ 0.25
Fourth Quarter	$ 18.26	$ 15.88	$ 0.25

(1) Dividends on WPG common shares are currently declared and paid on a quarterly basis.

The closing price for our common shares, as reported by the NYSE on December 31, 2014, was $17.22 per share.

Stockholder Information

As of February 6, 2015, there were 1,585 holders of record of our common shares.

Dividends

We must pay a minimum amount of dividends to maintain our status as a REIT. Our future dividends and future distributions of WPG L.P. will be determined by the board of directors based on actual results of operations, cash available for dividends and limited partner distributions, cash reserves as deemed necessary for capital and operating expenditures, and the amount required to maintain our status as a REIT. In connection with our separation from SPG in May 2014, we announced a policy to pay a quarterly cash dividend at an annualized rate of $1.00 per common share and intend to pay the same dividend going forward.

Common stock dividends paid during 2014 aggregated $0.50 per share for the two full quarters after the completion of the separation from SPG. On January 22, 2015, the Company paid a cash dividend of $0.14 per common share/unit for the period from November 26, 2014 through January 14, 2015. On December 24, 2014, the Company's Board of Directors had declared the dividend, which was contingent on the closing of the Merger, to shareholders and unitholders of record on January 14, 2015, with an ex-dividend date of January 21, 2015. This dividend represents the first quarter 2015 regular quarterly dividend prorated for the dividend period prior to the Merger.

Our Series G Preferred Shares, Series H Preferred Shares and Series I Preferred Shares that were issued on January 15, 2015 in connection with the Merger each pay cumulative dividends, and therefore we are obligated to pay the dividends for these shares in each fiscal period in which the shares remain outstanding. Further, WPG LP issued Series I-1 Preferred Units which pay cumulative distributions, and therefore we are obligated to pay the distributions for these units in each fiscal period in which the units remain outstanding. The aggregate obligation is approximately $23.8 million per year.

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Operating Partnership Units and Recent Sales of Unregistered Securities

WPG L.P. issued 31,575,487 common units of limited partnership interest to third parties related to the separation from SPG on May 28, 2014.

On June 20, 2014, in connection with a property acquisition, WPG L.P. issued 1,173,678 common units of limited partnership interest to a third party. The issuance of the common units was effected in reliance upon an exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended. We relied on the exemption based on representations given by the holder of the common units.

On January 15, 2015, in connection with the Merger, WPG L.P. issued 1,621,695 common units of limited partnership interest and 130,592 WPG LP Series I-1 Preferred Units to third parties.

Additionally, LTIP units of limited partnership interest are periodically issued to executives of the Company under equity compensation awards. See Note 8 Equity in the Notes to Financial Statements. Holders of common units of limited partnership interest receive distributions per unit in the same manner as distributions on a per common share basis to the common shareholders of beneficial interest.

Common shares to be issued upon redemption of common units of limited partnership interest would be issued in reliance on an exemption from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

Issuances Under Equity Compensation Plans

For information regarding the securities authorized for issuance under our equity compensation plans, see Item 12 of this report.

Item 6. Selected Financial Data

The following tables set forth selected financial data. The consolidated and combined statements of operations include the consolidated accounts of the Company and the combined accounts of SPG Businesses. Accordingly, the results presented for the year ended December 31, 2014 reflect the aggregate operations and changes in cash flows and equity on a carve-out basis of the SPG Businesses for the period from January 1, 2014 through May 27, 2014 and on a consolidated basis of the Company subsequent to May 27, 2014. The financial statements for the periods prior to the separation are prepared on a carve-out basis from the consolidated financial statements of SPG using the historical results of operations and bases of the assets and liabilities of the transferred businesses and including allocations from SPG.

The combined historical financial statements prior to the separation do not necessarily include all of the expenses that would have been incurred had we been operating as a separate, stand-alone entity and may not necessarily reflect our results of operations, financial position and cash flows had we been a stand-alone company during the periods presented prior to the separation. Our combined historical financial statements include charges related to certain SPG corporate functions, including senior management, property management, legal, leasing, development, marketing, human resources, finance, public reporting, tax and information technology. These expenses have been charged based on direct usage or benefit where identifiable, with the remainder charged on a pro rata basis of revenues, headcount, square footage, number of transactions or other measures. We consider the expense allocation methodology and results to be reasonable for all periods presented. However, the charges may not be indicative of the actual expenses that would have been incurred had WPG operated as an independent, publicly-traded company for the periods presented prior to the separation. Post-separation, WPG now incurs additional costs associated with being an independent, publicly traded company, primarily from newly established or expanded corporate functions.

The selected financial data should be read in conjunction with the financial statements and notes thereto and with "Management's Discussion and Analysis of Financial Condition and Results of

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Operations". Other financial data we believe is important in understanding trends in our business is also included in the tables. The amounts in the below tables are in thousands, except per share amounts.

	Year Ended December 31,				
	2014	2013	2012	2011	2010
Operating Data:					
Total revenue	$ 661,126	$ 626,289	$ 623,927	$ 577,978	$ 579,006
Depreciation and amortization	(197,890)	(182,828)	(189,187)	(155,514)	(154,922)
Spin-off, merger and transaction costs	(47,746)				
Other operating expenses	(238,329)	(216,441)	(220,369)	(206,978)	(206,091)
Operating income	177,161	227,020	214,371	215,486	217,993
Interest expense	(82,452)	(55,058)	(58,844)	(55,326)	(63,601)
Income and other taxes	(1,215)	(196)	(165)	(157)	(119)
Income (loss) from unconsolidated entities	973	1,416	1,028	(143)	(525)
Gain on sale of interests in properties	110,988	14,152			
Net income	205,455	187,334	156,390	159,860	153,748
Net income attributable to noncontrolling interests	(35,426)	(31,853)	(26,659)	(27,317)	(26,319)
Net income attributable to common shareholders	$ 170,029	$ 155,481	$ 129,731	$ 132,543	$ 127,429
Earnings per common share, basic and diluted					
Net income attributable to common shareholders	$ 1.10	$ 1.00	$ 0.84	$ 0.85	$ 0.82
Cash Flow Data:					
Operating activities	$ 277,640	$ 336,434	$ 350,703	$ 298,853	$ 301,082
Investing activities	(234,432)	(92,608)	(71,551)	(82,448)	(29,226)
Financing activities	39,703	(248,955)	(270,777)	(213,492)	(270,395)
Other Financial Data:					
Total NOI from continuing operations(1)	$ 460,913	$ 452,913	$ 443,628	$ 411,718	$ 443,165
Our share of NOI(2)	440,307	418,121	410,908	376,635	409,364
FFO(3)	295,051	359,107	348,327	317,820	311,264

	As of December 31,				
	2014	2013	2012	2011	2010
Balance Sheet Data:					
Cash and cash equivalents	$ 108,768	$ 25,857	$ 30,986	$ 22,611	$ 19,698
Total assets	3,528,003	3,002,658	3,093,961	3,150,339	2,785,447
Mortgages and other debt	2,348,864	918,614	926,159	1,014,852	1,008,075
Total equity	958,041	1,884,525	1,954,856	1,952,567	1,619,940

(1) Net operating income ("NOI") does not represent income from operations as defined by GAAP. We use NOI as a supplemental measure of our operating performance. For our definition of NOI, as well as an important discussion of uses and inherent limitations,

please refer to "Non-GAAP Financial Measures" below.

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(2) Represents total NOI of our portfolio including properties sold, net of our joint venture partners' share.

(3) Funds from operations ("FFO") does not represent cash flow from operations as defined by GAAP and may not be reflective of WPG's operating performance due to changes in WPG's capital structure in connection with the separation and distribution. We use FFO as a supplemental measure of our operating performance. For a definition of FFO as well as a discussion of its uses and inherent limitations, please refer to "Non-GAAP Financial Measures" below. FFO includes transaction costs related to WPG's separation from SPG of $38.9 million, or $0.21 per diluted share, in the year ended December 31, 2014. Additionally, FFO includes costs associated with the Merger with Glimcher of $8.8 million, or $0.05 per diluted share, in the year ended December 31, 2014. Further, FFO includes general and administrative costs related to being a publicly traded company after the separation of $12.2 million, or $0.07 per diluted share, in the year ended December 31, 2014. Finally, FFO includes interest expense related to additional indebtedness incurred related to the separation of approximately $24.6 million, or $0.13 per diluted share, in the year ended December 31, 2014.

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

The following discussion should be read in conjunction with the consolidated and combined financial statements and notes thereto that are included in this Annual Report on Form 10-K.

Overview Basis of Presentation

WPG is an Indiana corporation that was created to hold the strip center business and smaller enclosed malls of SPG and its subsidiaries. On May 28, 2014, WPG separated from SPG through the distribution of 100% of the outstanding shares of WPG to the SPG shareholders in a tax-free distribution. Prior to the separation, WPG was a wholly owned subsidiary of SPG. Prior to or concurrent with the separation, SPG engaged in certain formation transactions that were designed to consolidate the ownership of its interests in the SPG Businesses and distribute such interests to WPG and its operating partnership, WPG L.P. Pursuant to the separation agreement, SPG distributed 100% of the common shares of WPG on a pro rata basis to SPG's shareholders as of the record date.

The consolidated and combined financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The consolidated balance sheet as of December 31, 2014 includes the accounts of the Company and WPG L.P., as well as their wholly-owned subsidiaries. The consolidated and combined statements of operations include the consolidated accounts of the Company and the combined accounts of SPG Businesses. Accordingly, the results presented for the year ended December 31, 2014 reflect the aggregate operations and changes in cash flows and equity on a carve-out basis of the SPG Businesses for the period from January 1, 2014 through May 27, 2014 and on a consolidated basis of the Company subsequent to May 27, 2014. The financial statements for the periods prior to the separation are prepared on a carve-out basis from the consolidated financial statements of SPG using the historical results of operations and bases of the assets and liabilities of the transferred businesses and including allocations from SPG. All intercompany transactions have been eliminated in consolidation and combination. In the opinion of management, the consolidated and combined financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position of the Company and its results of operations and cash flows for the interim periods presented. The Company believes that the disclosures made are adequate to prevent the information presented from being misleading.

The combined financial statements prior to the separation include the allocation of certain assets and liabilities that have historically been held at the SPG corporate level but which are specifically identifiable or allocable to SPG Businesses. Cash and cash equivalents, short-term investments and restricted funds held by SPG were not allocated to SPG Businesses unless the cash or investments were held by an entity that was transferred to WPG. Long-term unsecured debt and short-term borrowings were not allocated to SPG Businesses as none of the debt recorded by SPG is directly attributable to or guaranteed by SPG Businesses. All intra-company transactions and accounts have been eliminated. The total net effect of the settlement of these intercompany transactions is reflected in the consolidated and combined statements of cash flow as a financing activity and in the consolidated and combined balance sheets as SPG equity in SPG Businesses for periods prior to the separation.

The combined historical financial statements prior to the separation do not necessarily include all of the expenses that would have been incurred had we been operating as a separate, stand-alone entity and may not necessarily reflect our results of operations, financial position and cash flows had we been a stand-alone company during the periods presented prior to the separation. Our combined historical financial statements include charges related to certain SPG corporate functions, including senior management, property management, legal, leasing, development, marketing, human resources, finance, public reporting, tax and information technology. These expenses have been charged based on direct usage or benefit where identifiable, with the remainder charged on a pro rata basis of revenues, headcount, square footage, number of transactions or other measures. We consider the expense allocation methodology and results to

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be reasonable for all periods presented. However, the charges may not be indicative of the actual expenses that would have been incurred had WPG operated as an independent, publicly-traded company for the periods presented prior to the separation.

WPG now incurs additional costs associated with being an independent, publicly traded company, primarily from newly established or expanded corporate functions. We believe that cash flow from operations will be sufficient to fund these additional corporate expenses.

Prior to the separation, WPG entered into agreements with SPG under which SPG provides various services to us, including accounting, asset management, development, human resources, information technology, leasing, legal, marketing, public reporting and tax. The charges for the services are based on an hourly or per transaction fee arrangement and pass-through of out-of-pocket costs.

In connection with the separation, we incurred $38.9 million of expenses, including investment banking, legal, accounting, tax and other professional fees, which are included in spin-off costs for the year ended December 31, 2014 in the consolidated and combined statements of operations.

At the time of the separation, our assets consisted of interests in 98 shopping centers. In addition to the above properties, the combined historical financial statements include interests in three shopping centers held within a joint venture portfolio of properties which were sold during the first quarter of 2013 as well as one additional shopping center which was sold by that same joint venture on February 28, 2014. As of December 31, 2014, our assets consisted of interests in 97 shopping centers.

Merger with Glimcher Realty Trust

On January 15, 2015, the Company acquired Glimcher Realty Trust ("Glimcher"), pursuant to a definitive agreement and plan of merger with Glimcher and certain affiliated parties of each dated September 16, 2014 (the "Merger Agreement"), in a stock and cash transaction valued at approximately $4.2 billion, including the assumption of debt (the "Merger"). Under the terms of the Merger, which was unanimously approved by the Board of Directors of the Company and the Board of Trustees of Glimcher, Glimcher common shareholders received, for each Glimcher common share, $14.02 consisting of $10.40 in cash and 0.1989 of a share of the Company's common stock valued at $3.62 per Glimcher common share, based on the closing price of the Company's common stock on the Merger closing date. Approximately 29.9 million shares of WPG common stock were issued to Glimcher shareholders in the Merger as noted below. Additionally included in consideration are operating partnership units and preferred stock as noted below. In connection with the closing of the Merger, an indirect subsidiary of WPG was merged into Glimcher's operating partnership. In the Merger, we acquired 23 shopping centers comprised of approximately 15.8 million square feet of gross leasable area and assumed additional mortgages on 16 properties with a fair value of approximately $1.3 billion. The combined company, to be renamed WP Glimcher Inc. (pending shareholder approval), is comprised of approximately 68 million square feet of gross leasable area (compared to approximately 53 million square feet for the Company as of December 31, 2014) and has a combined portfolio of approximately 120 properties.

As described in Amendment No. 1 to our Registration Statement on Form S-4 filed on November 24, 2014 pertaining to the Merger (the "Form S-4"), in the Merger, the preferred stock of Glimcher was converted into preferred stock of WPG and each outstanding unit of Glimcher's operating partnership was converted into 0.7431 of a unit of WPG LP. Further, each outstanding stock option in respect of Glimcher common stock was converted into a WPG option, and certain other Glimcher equity awards were assumed by WPG and converted into equity awards in respect of WPG common shares.

Concurrent with the execution of the Merger agreement, the Company entered into a definitive agreement with SPG under which SPG acquired Jersey Gardens in Elizabeth, New Jersey, and University Park Village in Fort Worth, Texas, properties previously owned by Glimcher, for an aggregate purchase price of $1.09 billion, including SPG's assumption of $405.0 million of associated mortgage indebtedness. Completion of the sale of these properties to SPG occurred concurrent with the closing of the Merger.

On September 16, 2014, in connection with the execution of the Merger Agreement, WPG entered into a debt commitment letter, which was amended and restated on September 23, 2014 pursuant to which the initial commitment parties agreed to provide up to $1.25 billion in a senior unsecured bridge loan facility (the "Bridge Loan"), with WPG borrowing $1.19 billion under the facility at Merger closing. On October 6, 2014, certain financial institutions became parties to the debt commitment letter by way of a joinder agreement and were assigned a portion of the initial commitment parties' commitments thereunder.

The Bridge Loan matures on January 14, 2016, the date that is 364 days following the closing date of the Merger. The interest rate payable on amounts outstanding under the facility is equal to three-month LIBOR plus an applicable margin based on WPG's credit rating, and such interest rate increases on the 180th and 270th days following the consummation of the Merger. In addition, an increasing duration fee will be payable on the 180th and 270th days following the consummation of the Merger on the outstanding principal amount, if any, under the facility. The facility will not amortize and any amounts outstanding will be repaid in full on the maturity date. The facility contains events of default, representations and warranties and covenants that are substantially identical to those contained in WPG's existing credit agreement (subject to certain exceptions set forth in the debt commitment letter).

Related to the Merger, the Company issued 29,868,701 common shares, 4,700,000 shares of 8.125% Series G Cumulative Redeemable Preferred Stock, 4,000,000 shares of 7.5% Series H Cumulative Redeemable Preferred Stock, 3,800,000 shares of 6.875% Series I Cumulative Redeemable Preferred Stock, 1,621,695 common units of WPG L.P.'s limited partnership interest, and 130,592 WPG LP Series I-1 Preferred Units.

The cash portion of the Merger consideration was funded by the sale of the two properties to SPG and draws under the $1.25 billion bridge facility, the outstanding balance of which may potentially be repaid with proceeds from future joint ventures with institutional partners, other assets sales and/or capital markets transactions. During the year ended December 31, 2014, the Company incurred $8.8 million of costs related to the Merger, which are included in merger and transaction costs in the consolidated and combined statements of operations. Additionally, the Company incurred $3.9 million of Bridge Loan commitment and structuring fees, which are included in deferred costs and other assets as of December 31, 2014 in the consolidated and combined balance sheets. The Company incurred $3.7 million of Bridge Loan commitment and funding fees in 2015 in connection with the funding of the Bridge Loan. Accordingly, the Company will record $7.6 million of loan cost amortization in 2015. Additional transaction costs totaling approximately $18.6 million were incurred in 2015 in connection with the closing of the Merger.

See Item 3, "Legal Proceedings" for a discussion of Merger-related litigation.

Overview

We derive our revenues primarily from retail tenant leases, including fixed minimum rent leases, percentage rent leases based on tenants' sales volumes and reimbursements from tenants for certain expenses. We seek to re-lease our spaces at higher rents and increase our occupancy rates, and to enhance the performance of our properties and increase our revenues by, among other things, adding anchors or big-boxes, re-developing or renovating existing properties to increase the leasable square footage, and increasing the productivity of occupied locations through aesthetic upgrades, re-merchandising and/or changes to the retail use of the space. In addition, we believe that there are opportunities for us to acquire additional shopping centers that match our investment criteria.

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We invest in real estate properties to maximize total financial return which includes both operating cash flows and capital appreciation. We seek growth in earnings, funds from operations, or FFO, and cash flows by enhancing the profitability and operation of our properties and investments.

We consider FFO, NOI, and comparable property NOI (NOI for properties owned and operating in both periods under comparison) to be key measures of operating performance that are not specifically defined by accounting principles generally accepted in the United States, or GAAP. We use these measures internally to evaluate the operating performance of our portfolio and provide a basis for comparison with other real estate companies. Reconciliations of these measures to the most comparable GAAP measure are included elsewhere in this report.

Portfolio Data

The portfolio data discussed in this overview includes key operating statistics including ending occupancy and average base minimum rent per square foot.

Core business fundamentals in the overall portfolio during 2014 generally improved compared to 2013. Ending occupancy for the shopping centers held steady at 92.7% as of December 31, 2014, as compared to 92.8% as of December 31, 2013. Average base minimum rent per square foot remained stable across the portfolio as the shopping centers saw an increase of 1.6%.

Our share of portfolio NOI grew by 5.3% in 2014 as compared to 2013. Comparable property NOI increased 1.6% for the portfolio, net of the approximate 165 basis point impact of increased costs associated with the harsh winter weather conditions in the first quarter of 2014.

The following table sets forth key operating statistics for the combined portfolio of properties or interests in properties:

	December 31, 2014	%/Basis Points Change(1)	December 31, 2013	%/Basis Points Change(1)	December 31, 2012
Ending Occupancy	92.7%	10 bps	92.8%	+90 bps	91.9%
Average Base Minimum Rent per Square Foot	$ 19.17	1.6%	$ 18.86	0.3%	$ 18.81

(1) Percentages may not recalculate due to rounding. Percentage and basis point changes are representative of the change from the comparable prior period.

Ending Occupancy Levels and Average Base Minimum Rent per Square Foot. Ending occupancy is the percentage of gross leasable area, or GLA, which is leased as of the last day of the reporting period. We include all company owned space except for mall anchors, mall majors, office space, mall freestanding and mall outlots in the calculation of ending occupancy. Strip center GLA included in the calculation relates to all company owned space. Average base minimum rent per square foot is the average base minimum rent charge in effect for the reporting period for all tenants that would qualify to be included in ending occupancy.

Current Leasing Activities

During the year ended December 31, 2014, we signed 225 new leases and 582 renewal leases with a fixed minimum rent (excluding mall anchors and majors, new development, redevelopment, expansion, downsizing, and relocation) across the portfolio, comprising approximately 2.3 million square feet, essentially all of which related to consolidated properties. During the year ended December 31, 2013, we signed 263 new leases and 404 renewal leases, comprising approximately 1.9 million square feet of which 1.7 million square feet related to consolidated properties. The average annual initial base minimum rent

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for new leases was $21.25 psf in 2014 and $19.41 psf in 2013 with an average tenant allowance on new leases of $31.18 psf and $21.06 psf, respectively.

Critical Accounting Policies

The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. We base our estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances. These judgments affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied resulting in a different presentation of our financial statements. From time to time, we reevaluate our estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current information. Below is a discussion of accounting policies that we consider critical in that they may require complex judgment in their application or require estimates about matters that are inherently uncertain. For a summary of our significant accounting policies, please refer to Note 3 of the notes to the consolidated and combined financial statements.

We, as a lessor, retain substantially all of the risks and benefits of ownership of the investment properties and account for our leases as operating leases. We accrue minimum rents on a straight-line basis over the terms of their respective leases. Many of our retail tenants are also required to pay overage rents based on sales over a stated base amount during the lease year. We recognize overage rents only when each tenant's sales exceed its sales threshold.

We review investment properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable. These circumstances include, but are not limited to, a decline in a property's cash flows, occupancy or tenant sales. We measure any impairment of investment property when the estimated undiscounted operating income before depreciation and amortization plus its residual value is less than the carrying value of the property. To the extent impairment has occurred, we charge to income the excess of carrying value of the property over its estimated fair value. We may decide to sell properties that are held for use and the sale prices of these properties may differ from their carrying values. We also review our investments, including investments in unconsolidated entities, if events or circumstances change indicating that the carrying amount of our investments may not be recoverable. We will record an impairment charge if we determine that a decline in the fair value of the investments below carrying value is other-than-temporary. Changes in economic and operating conditions that occur subsequent to our review of recoverability of investment property and other investments could impact the assumptions used in that assessment and could result in future charges to earnings if assumptions regarding those investments differ from actual results.

To maintain our status as a REIT, we must distribute at least 90% of our taxable income in any given year and meet certain asset and income tests. We monitor our business and transactions that may potentially impact our REIT status. In the unlikely event that we fail to maintain REIT status, and available relief provisions do not apply, then we would be required to pay federal income taxes at regular corporate income tax rates during the period we did not qualify as a REIT. If we lost our REIT status, we could not elect to be taxed as a REIT for four years unless our failure was due to reasonable cause and certain other conditions were met. As a result, failing to maintain REIT status would result in a significant increase in the income tax expense recorded and paid during those periods.

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We make estimates as part of our allocation of the purchase price of acquisitions to the various components of the acquisition based upon the fair value of each component. The most significant components of our allocations are typically the allocation of fair value to the buildings as-if-vacant, land and market value of in-place leases. In the case of the fair value of buildings and the allocation of value to land and other intangibles, our estimates of the values of these components will affect the amount of depreciation we record over the estimated useful life of the property acquired or the remaining lease term. In the case of the market value of in-place leases, we make our best estimates of the tenants' ability to pay rents based upon the tenants' operating performance at the property, including the competitive position of the property in its market as well as tenant sales, rents per square foot, and overall occupancy cost for the tenants in place at the acquisition date. Our assumptions affect the amount of future revenue that we will recognize over the remaining lease term for the acquired in-place leases.

A variety of costs are incurred in the development and leasing of properties. After determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. Determination of when a development project is substantially complete and capitalization must cease involves a degree of judgment. The costs of land and buildings under development include specifically identifiable costs. The capitalized costs include pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. We consider a construction project as substantially completed and held available for occupancy and cease capitalization of costs upon opening.

Results of Operations

The following activities related to redevelopments affected our results in the comparative periods:

During the second quarter of 2014, we commenced redevelopment activities at Jefferson Valley Mall, a 556,000 square foot shopping center located in the New York City area.

During the third quarter of 2013, we opened University Town Plaza, a 580,000 square foot shopping center located in Pensacola, Florida, after completion of the redevelopment.

The following acquisitions and dispositions affected our results in the comparative periods:

On December 1, 2014, we acquired our partner's 50 percent interest in Whitehall Mall, a 613,000 square foot shopping center located in Whitehall, Pennsylvania. The property was previously accounted for under the equity method, but is now consolidated as it is wholly owned post-acquisition.

On July 17, 2014, we sold Highland Lakes Center, a wholly owned shopping center in Orlando, Florida.

On June 23, 2014, we sold New Castle Plaza, a wholly owned shopping center in New Castle, Indiana.

On June 20, 2014, we acquired our partner's 50 percent interest in Clay Terrace, a 577,000 square foot lifestyle center located in Carmel, Indiana. The property was previously accounted for under the equity method, but is now consolidated as it is wholly owned post acquisition.

On June 18, 2014, we acquired our partner's interest in a portfolio of seven open-air shopping centers, consisting of four centers located in Florida, and one each in Indiana, Connecticut and Virginia. The properties were previously accounted for under the equity method, but are now consolidated as four properties are wholly owned and three properties are approximately 88.2 percent owned post acquisition.

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On March 22, 2012, SPG acquired a controlling interest in Concord Mills Marketplace, a 230,000 square foot shopping center and previously unconsolidated property which was distributed to WPG. Results of operations of this property have been included in the combined financial results from the date of SPG's acquisition.

In addition to the above, the following dispositions of interests in joint venture properties affected our income from unconsolidated entities in the comparative periods:

On February 28, 2014, SPG disposed of its interest in one unconsolidated shopping center held within a portfolio of interests in properties, the remainder of which is included within those properties distributed by SPG to WPG.

On February 21, 2013, SPG increased its economic interest in three unconsolidated shopping centers and subsequently disposed of its interests in those properties. These properties were part of a portfolio of interests in properties, the remainder of which is included within those properties distributed by SPG to WPG.

For the purposes of the following comparisons, the above transactions are referred to as the "property transactions." In the following discussions of our results of operations, "comparable" refers to properties we owned and operated throughout both years in the year-to-year comparisons.

Year Ended December 31, 2014 vs. Year Ended December 31, 2013

Minimum rents increased $23.1 million, of which the property transactions accounted for $18.4 million. Comparable rents increased $4.7 million, or 1.1%, primarily attributable to an increase in base minimum rents. Tenant reimbursements increased $10.1 million, due to a $7.1 million increase attributable to the property transactions and a $3.0 million increase in comparable properties primarily due to utility reimbursements and annual fixed contractual increases related to common area maintenance. Other income increased $1.1 million primarily attributable to the property transactions.

Total operating expenses increased $84.7 million, of which $38.9 million was attributable to transaction costs related to the separation of WPG from SPG, $12.2 million was attributable to general and administrative expenses associated with WPG operating as a separate, publicly-traded company and $8.8 million was attributable to costs associated with the Merger. Of the remaining increase, $19.5 million was attributable to the property transactions and $5.3 million was attributable to the comparable properties primarily resulting from increased snow removal and utility costs due to the harsh winter of 2014.

Interest expense increased $27.4 million, of which $15.5 million was attributable to mortgages placed on seven previously unencumbered properties during 2014, $1.6 million was attributable to the prepayment penalty net of interest savings on the Sunland Park Mall mortgage, $9.0 million was attributable to borrowings on the revolving credit facility and term loan and $2.7 million was attributable to the property transactions. These increases are partially offset by decreases of $1.2 million attributable to three fully or partially repaid loans and $0.2 million on the remaining properties primarily attributable to lower interest on their amortizing loan balances.

The aggregate gain recognized on the property transactions during the 2014 period was $111.0 million, including $99.4 million from the acquisition of controlling interests in Clay Terrace, a portfolio of seven open-air shopping centers and Whitehall Mall, $9.0 million from the sale of Highland Lakes Center, $2.4 million from the sale of New Castle Plaza and $0.2 million from the sale of our interest in one unconsolidated shopping center. The aggregate gain recognized on the property transactions during the 2013 period was $14.2 million from the increase in and subsequent sale of our interests in three unconsolidated shopping centers.

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Year Ended December 31, 2013 vs. Year Ended December 31, 2012

Minimum rents increased $4.1 million and tenant reimbursements increased $1.8 million during 2013, of which the property transactions accounted for the majority of both of the increases. Other income decreased $4.1 million primarily as a result of decreased land sales in 2013 versus 2012.

Total operating expenses decreased $10.3 million. The reduction was primarily the result of lower property operating costs of $2.2 million as a result of our continued cost savings efforts. In addition, depreciation and amortization expense decreased by $6.4 million due to amortization related to the property transactions and higher tenant allowance write offs in 2012 versus 2013. Our provision for credit losses decreased $1.3 million from the prior year period reflecting the overall strong economic health of our tenants.

Interest expense decreased $3.8 million primarily due to a reduction in mortgage debt outstanding as a result of our net financing activity during the comparative periods including unencumbering seven properties through repayment of $114.2 million of mortgage loans in 2012.

On February 21, 2013, SPG increased its economic interest in three unconsolidated strip centers and subsequently disposed its interests in those properties. These properties were part of a portfolio of interests in properties, the remainder of which is included within those properties expected to be distributed by SPG to WPG. The aggregate gain recognized on this transaction was $14.2 million.

Liquidity and Capital Resources

Our primary uses of cash include payment of operating expenses, working capital, debt repayment, including principal and interest, reinvestment in properties, development and redevelopment of properties, tenant allowance and dividends. Our primary sources of cash are operating cash flow and borrowings under our debt arrangements. At December 31, 2014, our debt arrangements included our senior unsecured revolving credit facility, or Revolver, and a senior unsecured term loan, or Term Loan (collectively referred to as the "Facility"). As a result of the Merger, our indebtedness has increased significantly, including $1.19 billion in new borrowings under the Bridge Loan, as further discussed below.

Liquidity and Capital Resources at December 31, 2014. Because we own primarily long-lived income-producing assets, our financing strategy relies on long-term fixed rate mortgage debt as well as floating rate debt. At December 31, 2014, floating rate debt comprised 38.9% of our total consolidated debt. We will continue to monitor our borrowing mix to limit market risk. We derive most of our liquidity from leases that generate positive net cash flow from operations and distributions of capital from unconsolidated entities, the total of which was $278.8 million during the year ended December 31, 2014.

Our balance of cash and cash equivalents increased $82.9 million during 2014 to $108.8 million as of December 31, 2014. The increase was primarily due to operating cash flow from the properties, balances acquired in business combinations and proceeds from sale of assets. See "Cash Flows" below for more information.

On December 31, 2014, we had an aggregate available borrowing capacity of $486.2 million under the Facility, net of outstanding borrowings of $913.8 million. The weighted average interest rate on the Facility was 1.3% for the period from initial borrowing concurrent with the May 28, 2014 separation through December 31, 2014.

Liquidity and Capital Resources Following the Merger. Our pro forma indebtedness as of December 31, 2014, after giving effect to the Merger and other transactions contemplated by the Merger agreement and the anticipated incurrence and extinguishment of indebtedness in connection therewith, was approximately $4.8 billion, compared to approximately $2.3 billion at December 31, 2014 on a historical basis. Thus, following completion of the Merger our indebtedness has increased significantly. This could have the effect, among other things, of reducing our flexibility to respond to changing business and economic conditions and increasing our interest expense. Our increased indebtedness following the Merger is described in greater detail under "Financing and Debt" below. The additional indebtedness includes additional mortgages of approximately $1.3 billion, as well as unsecured borrowings of $1.19 billion under the Bridge Loan.

In addition, we have and will continue to incur various costs and expenses associated with the financing for the Merger. The amount of cash required to pay interest on our increased indebtedness levels following completion of the Merger are greater than the amount of cash flows required to service our indebtedness prior to the Merger.

Our increased levels of indebtedness following completion of the Merger could also reduce access to capital and increase borrowing costs generally, thereby reducing funds available for working capital, capital expenditures, tenant improvements, acquisitions and other general corporate purposes and may create competitive disadvantages for us relative to other companies with lower debt levels. If we do not achieve the expected benefits and cost savings from the Merger, or if the financial performance of the combined company does not meet current expectations, then our ability to service our indebtedness may be adversely impacted. Certain of the indebtedness that we incurred in connection with the Merger bears interest at variable interest rates. If interest rates increase, such variable rate debt would create higher debt service requirements, which could adversely affect our cash flows.

On February 25, 2015, we announced that we, through certain of our affiliates, O'Connor Mall Partners, L.P., a Delaware limited partnership ("OC"), and Fidelity National Title Insurance Company, as escrow agent, entered into a purchase, sale and escrow agreement (the "Agreement"), providing for our sale to OC of a 49% partnership interest in a newly formed limited partnership (the "JV"), with the remaining 51% partnership interest held by us. The JV will own all of the membership interests in certain newly formed limited liability companies, which intend to qualify as real estate investment trusts ("REITs") (the "WPG-OC REITs"), which will own six of our mall properties, each of which was owned by Glimcher prior to the Merger. Pursuant to the Agreement, which is described more fully in our Form 8-K filed February 26, 2015, at the closing of the transaction, OC will acquire the 49% interest in the JV for an aggregate purchase price, subject to certain post-closing adjustments, equal to 49% of an amount equal to $1.625 billion, less any principal amount of new or existing debt related to the properties, plus certain costs spent with respect to the land and development of one of the properties. The transaction is subject to certain closing conditions. The Agreement contains representations and warranties by each party that are subject, in some cases, to specified exceptions and qualifications contained in the Agreement. Each party has agreed, following the closing, to indemnify the other party for losses arising from certain breaches of the Agreement and for certain other liabilities, subject to certain limitations as set forth in the Agreement. Simultaneous with the closing of the transaction, WPG and OC have agreed to enter into a limited partnership agreement with respect to the JV, which will provide for the management and governance of the JV. The Agreement contains termination provisions in favor of both parties, including a right to terminate the Agreement if the closing of the transaction has not occurred on or before September 1, 2015. We expect the transaction to close in the second quarter of 2015, subject to the satisfaction or waiver of the closing conditions, and to generate net proceeds of approximately $430 million to us after taking into account the assumption of debt and estimated closing costs. We expect to use the proceeds to repay a portion of the Bridge Loan.

Outlook. Our business model and status as a REIT requires us to regularly access the debt markets to raise funds for acquisition, development and redevelopment activity, and to refinance maturing debt. We may also, from time to time, access the equity capital markets to accomplish our business objectives. We believe we have sufficient cash on hand, availability under the Facility and Bridge Loan, and cash flow from operations to address our debt maturities, dividends and capital needs through 2015.

The successful execution of our business strategy will require the availability of substantial amounts of operating and development capital both initially and over time. Sources of such capital could include bank

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borrowings, public and private offerings of debt or equity, including rights offerings, sale of certain assets and joint ventures. The major credit rating agencies initially assigned us an investment grade credit rating of BBB or Baa2. However, as a result of the announcement of the Merger and related financings, the Company has been informed by S&P and Moody's that it has been placed on negative watch and Fitch has downgraded the Company to a BBB rating. There can be no assurance that the Company will achieve a particular rating or maintain a particular rating in the future.

Cash Flows

Our net cash flow from operating activities and distributions of capital from unconsolidated entities totaled $278.8 million during 2014. During 2014, we also:

- funded the acquisitions of interests in properties for the net amount of $168.6 million,
- funded capital expenditures of $80.3 million (includes development costs of $1.1 million, renovation and expansion costs of $32.9 million, and tenant costs and other operational capital expenditures of $46.3 million),
- funded restricted cash reserves for future capital expenditures of $9.2 million,
- received net proceeds from sale of assets of $25.0 million,
- received net proceeds from our debt financing, refinancing and repayment activities of $1.2 billion,
- funded distributions to SPG of $1.1 billion primarily related to the separation,
- funded distributions to noncontrolling interest holders in properties of $0.9 million,
- funded distributions to common shareholders and unitholders of $94.1 million, and
- funded investments in unconsolidated entities primarily for development capital of $2.5 million.

In general, we anticipate that cash generated from operations will be sufficient to meet operating expenses, monthly debt service, recurring capital expenditures, and dividends to shareholders necessary to maintain WPG's status as a REIT on a long-term basis. In addition, we expect to be able to generate or obtain capital for nonrecurring capital expenditures, such as acquisitions, major building renovations and expansions, as well as for scheduled principal maturities on outstanding indebtedness, from:

- excess cash generated from operating performance and working capital reserves,
- borrowings on our debt arrangements,
- additional secured or unsecured debt financing, or
- additional WPG equity raised in the public or private markets.

We expect to generate positive cash flow from operations in 2015, and we consider these projected cash flows in our sources and uses of cash. These cash flows are principally derived from rents paid by our retail tenants. A significant deterioration in projected cash flows from operations could cause us to increase our reliance on available funds from our debt arrangements, curtail planned capital expenditures, or seek other additional sources of financing as discussed above.

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Financing and Debt

Mortgage Debt

Total fixed-rate mortgage indebtedness at December 31, 2014 and 2013 was as follows (in thousands):

	December 31, 2014	December 31, 2013
Face amount of mortgage loans	**$ 1,431,516**	$ 917,532
Premiums, net	**3,598**	1,082
Carrying value of mortgage loans	**$ 1,435,114**	$ 918,614

On December 1, 2014, resulting from our acquisition of the controlling interest in Whitehall Mall (see "Acquisitions and Dispositions" below), we consolidated an additional mortgage with a fair value of $11.6 million.

On December 1, 2014, the Company repaid the $29.9 million mortgage on Village Park Plaza and $24.8 million mortgage on the Plaza at Buckland Hills through a $55.0 million borrowing under the Revolver.

On October 29, 2014, the Company repaid the $15.3 million mortgage on Lake View Plaza and $2.2 million mortgage on DeKalb Plaza through a $18.0 million borrowing under the Revolver.

On October 10, 2014, the Company restructured the $94.0 million mortgage on Rushmore Mall, splitting the principal balance into an "A Note" of $58.0 million and a "B Note" of $36.0 million. The maturity date of both notes was extended from June 1, 2016 to February 1, 2019 and the interest rate of both notes remains at 5.79%. Interest accrues on both notes, with payment due currently on the A Note and at maturity on the B Note. Under a sale or refinance, amounts of principal and interest due on the B Note may be forgiven, if the sale or refinance proceeds are insufficient to repay the B Note. At closing, the Company contributed $11.6 million to be applied towards closing costs and lender-held reserves, primarily for the funding of capital expenditures at the property. A return of 8% accumulates on this contribution, and payment of the accumulated return and repayment of the remaining contribution balance to the Company is senior to the repayment of the B Note.

On June 20, 2014, resulting from our acquisition of the controlling interest in Clay Terrace (see "Acquisitions and Dispositions" below), we consolidated an additional mortgage with a fair value of $117.5 million.

On June 19, 2014, we closed on an extension of the 5.84% fixed rate mortgage on Chesapeake Square with unpaid principal balance of $64.7 million and original maturity date of August 1, 2014. The new maturity date is February 1, 2017, with a one-year extension option subject to certain requirements.

On June 18, 2014, resulting from our acquisition of the controlling interest in a portfolio of seven open-air shopping centers (see "Acquisitions and Dispositions" below), we consolidated additional mortgages on four properties with a fair value of $88.9 million.

On June 5, 2014, we repaid the mortgage on Sunland Park Mall in the amount of $30.7 million (including prepayment penalty of $2.9 million, which is recorded in interest expense in the consolidated and combined statements of operations. The loan was due to mature on January 1, 2026. The repayment was funded through a borrowing on our credit facility (see below).

On February 20, 2014, West Ridge Mall refinanced its $64.6 million, 5.89% fixed rate mortgage maturing July 1, 2014 with a $54.0 million, 4.84% fixed rate mortgage that matures March 6, 2024. The new debt encumbers both West Ridge Mall and West Ridge Plaza.

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On February 11, 2014, Brunswick Square refinanced its $76.5 million, 5.65% fixed rate mortgage maturing August 11, 2014 with a $77.0 million, 4.796% fixed rate mortgage that matures March 1, 2024.

In addition, during 2014 prior to May 28, 2014, mortgages were obtained on previously unencumbered properties as follows (in millions):

Property	Amount	Interest Rate	Type	Maturity
Muncie Mall	$ 37.0	4.19%	Fixed	4/1/2021
Oak Court Mall	40.0	4.76%	Fixed	4/1/2021
Lincolnwood Town Center	53.0	4.26%	Fixed	4/1/2021
Cottonwood Mall	105.0	4.82%	Fixed	4/6/2024
Westminster Mall	85.0	4.65%	Fixed	4/1/2024
Charlottesville Fashion Square	50.0	4.54%	Fixed	4/1/2024
Town Center at Aurora	55.0	4.19%	Fixed	4/1/2019
Total(1)	$ 425.0			

(1) Proceeds were retained by SPG as part of the separation.

Unsecured Debt

On May 15, 2014, we closed on our Revolver and Term Loan. The Revolver provides borrowings on a revolving basis up to $900 million, bears interest at one-month LIBOR plus 1.05%, and will initially mature on May 30, 2018, subject to two, 6-month extensions available at our option subject to compliance with the terms of the Facility and payment of a customary extension fee. The Term Loan provides borrowings in an aggregate principal amount up to $500 million, bears interest at one-month LIBOR plus 1.15%, and will initially mature on May 30, 2016, subject to three, 12-month extensions available at our option subject to compliance with the terms of the Facility and payment of a customary extension fee.

In connection with the formation of WPG, and as contemplated in the Information Statement dated May 16, 2014 filed as Exhibit 99.1 to our current report on Form 8-K filed on May 20, 2014 (the "Information Statement"), we incurred $670.8 million of additional indebtedness under the Facility concurrent with the May 28, 2014 distribution or shortly thereafter. The proceeds of the borrowings under the Facility were used as follows: (i) $585.0 million was retained by SPG as part of the formation transactions, (ii) $30.7 million was used for the repayment of the Sunland Park Mall mortgage, (iii) $38.9 million was retained to cover transaction and other costs, (iv) $11.4 million was repaid to SPG for deferred loan financing costs and (v) the remaining $4.8 million was retained on hand for other corporate and working capital purposes. On June 17, 2014, we incurred an additional $170.0 million of indebtedness under the Facility, the proceeds of which were primarily used for the acquisition of our partner's interest in a portfolio of seven open-air shopping centers (see "Acquisitions and Dispositions" below). During the fourth quarter of 2014, we incurred an additional $73.0 million of indebtedness under the Facility, the proceeds of which were primarily used for the repayment of the Village Park Plaza mortgage, the Plaza at Buckland Hills mortgage, the Lake View Plaza mortgage and the DeKalb Plaza mortgage (see above).

At December 31, 2014, our unsecured debt consisted of $413.8 million outstanding under the Revolver and $500.0 million outstanding under the Term Loan. On December 31, 2014, we had an aggregate available borrowing capacity of $483.4 million under the Facility, net of $2.8 million received for outstanding letters of credit.

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Covenants

Our unsecured debt agreements contain financial and other covenants. If we were to fail to comply with these covenants, after the expiration of the applicable cure periods, the debt maturity could be accelerated or other remedies could be sought by the lender including adjustments to the applicable interest rate. As of December 31, 2014, management believes the Company is in compliance with all covenants of its unsecured debt.

At December 31, 2014, certain of our consolidated subsidiaries were the borrowers under 29 non-recourse mortgage loans secured by mortgages encumbering 33 properties, including four separate pools of cross-defaulted and cross- collateralized mortgages encumbering a total of 10 properties. Under these cross-default provisions, a default under any mortgage included in the cross-defaulted pool may constitute a default under all mortgages within that pool and may lead to acceleration of the indebtedness due on each property within the pool. Certain of our secured debt instruments contain financial and other non-financial covenants which are specific to the properties which serve as collateral for that debt. Our existing non-recourse mortgage loans generally prohibit our subsidiaries that are borrowers thereunder from incurring additional indebtedness, subject to certain customary and limited exceptions. In addition, certain of these instruments limit the ability of the applicable borrower's parent entity from incurring mezzanine indebtedness unless certain conditions are satisfied, including compliance with maximum loan to value ratio and minimum debt service coverage ratio tests. If the borrower fails to comply with these covenants, the lender could accelerate the debt and enforce its right against their collateral. Further, under certain of these existing agreements, if certain cash flow levels in respect of the applicable mortgaged property (as described in the applicable agreement) are not maintained for at least two consecutive quarters, the lender could accelerate the debt and enforce its right against its collateral. At December 31, 2014, management believes the applicable borrowers under these non-recourse mortgage loans were in compliance with all covenants where non-compliance could individually, or giving effect to applicable cross-default provisions in the aggregate, have a material adverse effect on our financial condition, results of operations or cash flows.

Summary of Financing

Our consolidated debt and the effective weighted average interest rates as of December 31, 2014 and 2013 consisted of the following (dollars in thousands):

Debt Subject to	**December 31, 2014**	**Effective Weighted Average Interest Rate**	**December 31, 2013**	**Effective Weighted Average Interest Rate**
Fixed Rate	$ 1,435,114	5.23%	$ 918,614	5.87%
Variable Rate	913,750	1.27%		0.00%
Total	$ 2,348,864	3.69%	$ 918,614	5.87%

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Contractual Obligations

In regards to long-term debt arrangements, the following table summarizes the material aspects of these future obligations on our indebtedness as of December 31, 2014, and subsequent years thereafter assuming the obligations remain outstanding through initial maturities (in thousands):

	2015	2016 - 2017	2018 - 2019	After 2019	Total
Long Term Debt(1)	$ 187,579	$ 928,634	$ 502,434	$ 726,619	$ 2,345,266
Interest Payments(2)	79,620	108,486	81,145	95,098	364,349
Ground Leases	2,205	5,076	5,008	89,794	102,083
Total	$ 269,404	$ 1,042,196	$ 588,587	$ 911,511	$ 2,811,698

(1) Represents principal maturities only and therefore excludes net premiums of $3,598.

(2) Variable rate interest payments are estimated based on the LIBOR rate at December 31, 2014.

(3) After taking into consideration the effects of the Merger, including the Bridge Loan, preferred dividends, assumed debt, and ground and office rent, the total obligations would be approximately $1.0 billion for 2015, $2.5 billion for 2016-2017, $0.7 billion for 2018-2019 and $1.9 billion for periods after 2019, for a total of $6.1 billion. Regarding preferred shares, since there is no required redemption, dividends on those shares may be paid in perpetuity; for purposes of this table, such dividends were included through 2017.

Off-Balance Sheet Arrangements

Off-balance sheet arrangements consist primarily of investments in joint ventures which are common in the real estate industry. Joint ventures typically fund their cash needs through secured debt financings obtained by and in the name of the joint venture entity. The joint venture debt is secured by a first mortgage, is without recourse to the joint venture partners, and does not represent a liability of the partners, except to the extent the partners or their affiliates expressly guarantee the joint venture debt. As of December 31, 2014, there were no guarantees of joint venture related mortgage indebtedness. WPG may elect to fund cash needs of a joint venture through equity contributions (generally on a basis proportionate to our ownership interests), advances or partner loans, although such fundings are not required contractually or otherwise.

Equity Activity

Prior to the May 28, 2014 separation, the financial statements were carved-out from SPG's books and records; thus, pre-separation ownership was solely that of SPG and noncontrolling interests based on their respective ownership interests in SPG L.P. on the date of separation (see "Overview Basis of Presentation" for more information). Upon becoming a separate company on May 28, 2014, WPG's ownership is now classified under the typical stockholders' equity classifications of common stock, capital in excess of par value and retained earnings. Related to the separation, 155,162,597 shares of WPG common stock and 31,575,487 units of WPG L.P.'s limited partnership interest were issued to shareholders of SPG and unit holders of SPG L.P., respectively.

Stock Based Compensation

On May 28, 2014, the Company's Board of Directors adopted the Washington Prime Group, L.P. 2014 Stock Incentive Plan (the "Plan"), which permits the Company to grant awards to current and prospective directors, officers, employees and consultants of the Company or an affiliate. An aggregate of 10,000,000 shares of common stock has been reserved for issuance under the Plan. In addition, the maximum number of awards to be granted to a participant in any calendar year is 500,000 shares. Awards may be in the form of stock options, stock appreciation rights, restricted stock, restricted stock units or other stock-based awards in WPG, or long term incentive plan ("LTIP") units or performance units in WPG, L.P. The Plan terminates on May 28, 2024.

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Long Term Incentive Awards

Time Vested LTIP Awards

During 2014, the Company awarded 283,610 time-vested LTIP Units ("Inducement LTIP Units") to certain executive officers and employees of the Company under the Plan, pursuant to LTIP Unit Award Agreements between the Company and each of the grant recipients. The Inducement LTIP Units vest 25% on each of the first four anniversaries of the grant date, subject to each respective grant recipient's continued employment on each such vesting date. The grant date fair value of the Inducement LTIP Units of $5.5 million is being recognized as expense over the applicable vesting period. As of December 31, 2014, the estimated future compensation expense for Inducement LTIP Units was $4.9 million. The weighted average period over which the compensation expense will be recorded for the Inducement LTIP Units is approximately 3.5 years.

Performance Based Awards

During 2014, the Company awarded LTIP units subject to performance conditions described below ("Performance LTIP Units") to certain executive officers and employees of the Company in the maximum total amount of 452,327 units. The Performance LTIP Units are market based awards with a service condition. Recipients may earn between 0% 100% of the award based on the Company's achievement of total shareholder return ("TSR") goals. The Performance LTIP Units relate to the following performance periods: from the beginning of the service period of May 28, 2014 (or August 25, 2014 for certain Perfor