



At the
CENTER

CBL[®]

CBL & Associates Properties, Inc.

2016 Annual Report

Our people are at the center of our success.

CBL's success over the years is a direct result of our team of employees, who through their dedication, creativity and hard work have helped us grow into one of the largest and most well-respected retail real estate companies in the industry. CBL's leadership has encouraged an entrepreneurial spirit by building a culture focused on innovation and collaboration. Our veteran employees work in tandem with newer team members to share best practices and effective processes and techniques throughout the organization.

Our philosophy encourages an open exchange of opinions and ideas as we look to create new, exciting ways to bring customers to CBL malls and provide them with experiences that make them want to return. As we incorporate new technology and other innovations in our business into our properties, we are providing even more unique and captivating experiences for our customers.



Debbie Milhouse

Director – Business Development

"CBL encourages its employees to approach opportunities as a team making it easier to be successful. We work together in an open environment to discuss the opportunities and challenges that exist and find the best solutions."



David Robinson

National Director – Mall Restaurants and Entertainment

"CBL has energized many of our existing properties by embracing the shopper demand of today to create a truly synergistic and experiential food and entertainment environment."

Nick Lane

Manager – Technology Services

"CBL is a company that invests in its employees and encourages them to grow along with the business. CBL has also invested in technology to allow for better tools and capabilities to empower its employees to be more productive and connected."

**Rosie Bean**

Director – Portfolio Operations, Shared Services

"CBL is a company that requires you to stretch your brain and skills, offers real chances to grow professionally and an opportunity to work with people I admire and respect. They say that people make a company great and that is definitely evident at CBL."

**Amy McGee**

Senior Specialty Leasing Manager

"Being able to help small business owners get off the ground is very fulfilling. When local businesses are successful in creating income and jobs, the whole community benefits."

Louise Dudley

General Manager – Valley View Mall, Roanoke, VA

"Valley View Mall's team is committed to positively impacting the community where we live and work through our involvement in Breast Cancer awareness events, the Salvation Army Angel Tree program, MDA's boot drive and support of the local arts."



CBL's performance centers on enhancing value.

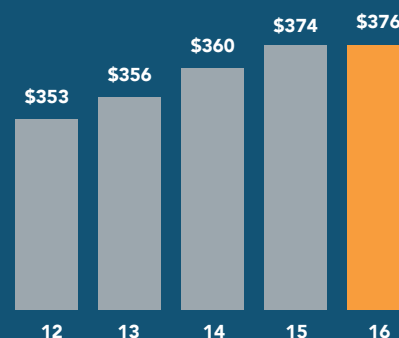
CBL owns and operates dominant regional shopping centers in middle markets. We cultivate our portfolio to include growing properties in dynamic markets and we actively manage these properties to achieve superior performance. Our strategy is to own shopping centers that are the best in their markets, or are the "only game in town." On average, our nearest major competition is more than 27 miles away.

Retail demand remains strong as a result of CBL's market dominant position—we leased nearly 4.3 million square feet in 2016. We ended 2016 with a stabilized mall occupancy rate of 94.2%, which reflects a 90 basis points increase from year-end 2015. And our total stabilized mall lease spreads were strong at 7.6%, with new lease spreads of 28.2%.

4.3 million
square feet leased
\$376
sales per square foot

Sales per Square Foot

For reporting tenants under 10,000 square feet in stabilized malls



Total Debt

In millions, pro rata share as of December 31

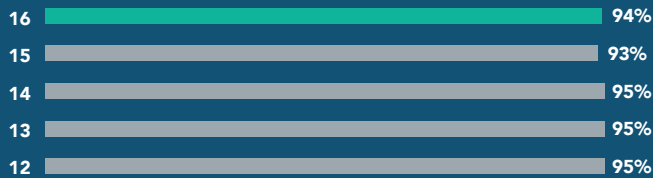


3.9% growth
in FFO per share,
as adjusted

2.3%
same center
NOI growth

Consistently High Occupancy Levels

Stabilized mall occupancy at year-end



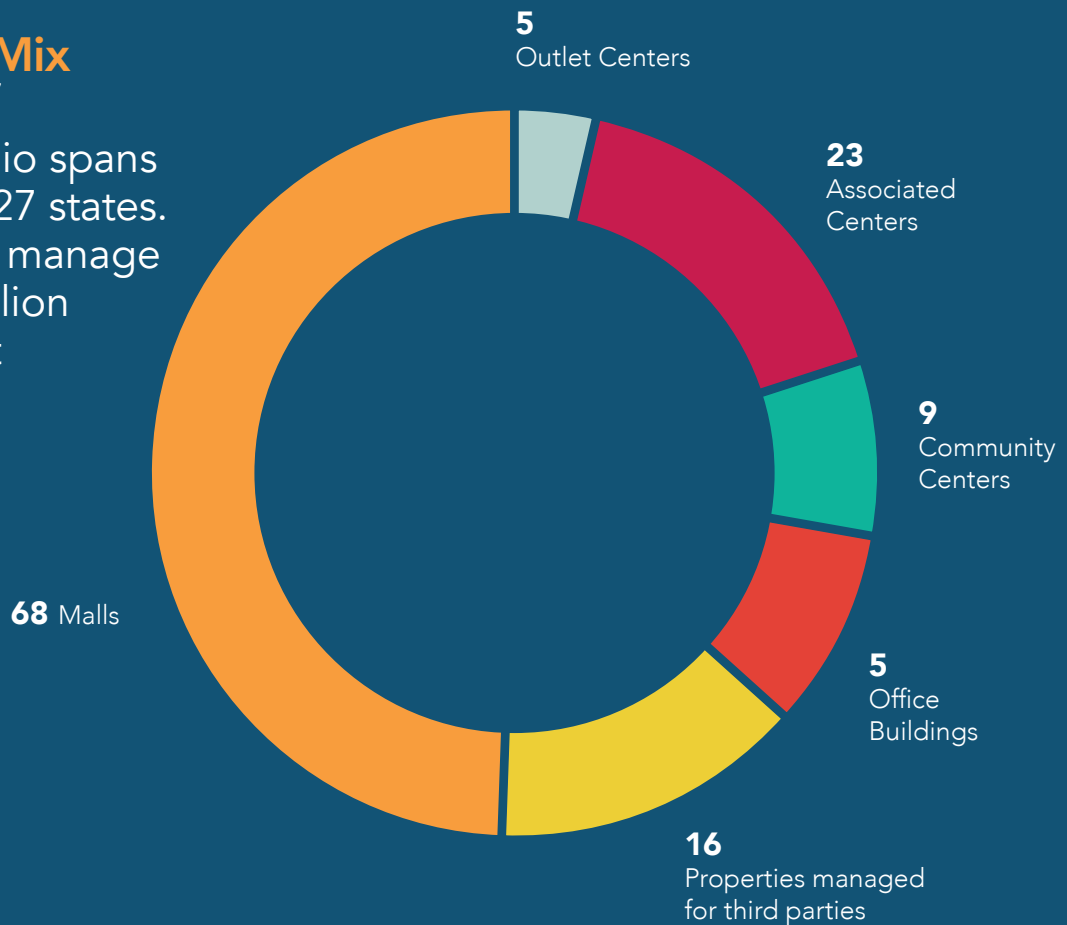
\$370 million

in disposition transactions
completed in 2016

Portfolio Mix

As of March 1, 2017

Our portfolio spans more than 27 states. We own or manage over 75 million square feet of space.

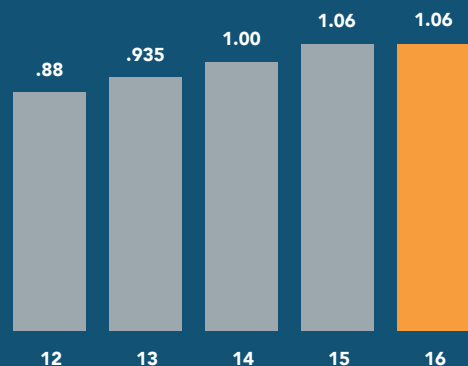


90%

of 2016 total mall NOI
from Tier 1 and Tier 2

Common Dividends per Share

In dollars



Mayfaire Town Center

This center has it all, from top shopping destinations, to entertainment and residences in Wilmington, NC.



Fayette Mall

We provide the best shopping in Lexington, KY, with high quality retailers like Aveda, Vera Bradley and Apple.

Friendly Center

Retailers focused on creating an experience for their customer, such as Altar'd State, are in demand at our centers.



Engaging customers and communities is central to our business.

CoolSprings Galleria

This Nashville property was recently renovated as part of our ongoing commitment to enhance the experience at our centers.



Brookfield Square

A proactive approach to redevelopment allowed us to bring in more exciting dining and entertainment, like Blackfinn Ameripub.



Friendly Center

The Cheesecake Factory has opened in four of our properties, including this new location in Greensboro, NC.



Transforming underperforming anchors at CBL malls provides opportunities to attract new uses and enhance the customer experience. We are bringing in restaurants, entertainment, fitness centers and lifestyle retailers that engage consumers and encourage them to spend more time at our properties. For example, West Elm, a highly sought-after modern furniture and home décor store, and first-class restaurant operator, The Cheesecake Factory, recently opened at Friendly Center, providing two additional compelling reasons to visit the center more often and stay longer. We're redeveloping the JCPenney store at York Galleria to include a new Gold's Gym, H&M and additional stores and restaurants. The former JCPenney store at College Square Mall was converted into Dick's Sporting Goods, ULTA Beauty and other small shops and follows the replacement of a former Sears store

at the same shopping center with T.J. Maxx and Longhorn Steakhouse two years ago.

CBL's shopping centers are typically one of the largest employers and tax contributors in their community. But our impact goes well beyond economics. We routinely host charity and community events, such as the Positively Pink Parade at Valley View Mall to benefit breast cancer research, Ovarian Cancer Awareness events at Fayette Mall and Go Red for Women in partnership with the American Heart Association at Monroeville Mall. We also partner with the Salvation Army to host Red Kettle Drives and Angel Trees at many of our malls. Santa Cares events at several properties benefit children with physical and mental challenges. These and other local events reinforce the role CBL plays as the center of each community.



Pearland Town Center

The very popular H&M continues to add more stores in our portfolio, like this one in Houston (Pearland), TX.



Dear Shareholders:

CBL had an excellent year in 2016. By all metrics, we generated strong results and made significant headway in advancing our strategic objectives. As we approach the completion of our portfolio transformation, CBL is a stronger company with a higher-quality collection of market-dominant properties and increased financial flexibility. Now we are more focused than ever on providing engaging customer experiences as our properties evolve to meet the changing demands of retailers and consumers.

Pride in performance

We are proud of CBL's operating performance in 2016. Same-center net operating income (SSNOI) grew 2.3% and funds from operations (FFO), as adjusted, grew 3.9% to \$2.41. Demand for space in our properties remained healthy with portfolio occupancy increasing 120 basis points to 94.8%. Leasing spreads improved to 7.6%, with renewals at 1.2% and new leasing at 28.2%. Our sales per square foot reached \$376. We achieved these impressive results in the face of challenges that included store bankruptcies and department store closings. As in the past, we turned these obstacles into opportunities by adding exciting new offerings to the mix in our centers.

Momentum on strategic initiatives

During 2016, we made major progress on the strategic initiatives that are contributing to CBL's success. Portfolio transformation through dispositions of lower-productivity malls and non-core

properties remained a top priority and we completed transactions on eight malls, five community centers and five office buildings for a total value of nearly \$370 million. We have completed transactions on 18 of the 25 properties we originally identified for disposition and expect to conclude this program in 2017. Our disposition efforts have improved the quality and performance of the remaining CBL portfolio which is stronger today than it has ever been.

Our balance sheet strengthened considerably during 2016, resulting in a reduction of our total debt by \$437 million from year-end 2015, the lowest level in 10 years. The \$400 million unsecured bond offering we closed in December considerably enhanced our liquidity position. During the year, our credit metrics improved across the board with debt to EBITDA down to 6.5x and unencumbered NOI now over 51% of total consolidated NOI.

We also made progress on our goal of making CBL more efficient through technology upgrades and streamlined accounting and processes. We have become a more productive organization, but we are always seeking ways to improve.

Focused on the future

CBL malls are evolving to meet the changing retail landscape. Retailers are embracing an omni-channel strategy where their physical stores work hand-in-hand with digital shopping channels. While online sales are growing, they only accounted for approximately 8% of total sales in 2016 and the majority of shopping is done with retailers that have a physical and an online presence. Retailers are encouraging buy-at-home and pick-up-in-store options and they are seeing average sales increase when customers shop through multiple channels. Increasingly, more online retailers are opening bricks-and-mortar stores in CBL malls to grow their customer base and expand their brand presence.

At CBL, we are focusing our resources on creating a mix of retail, dining, entertainment and other experiences. We are redeveloping our properties and transforming malls to appeal to today's customer and provide a broader mix of uses to maximize productivity. Since 2013, we have executed nearly 25 redevelopment projects, investing more than \$250 million at an average pro forma return of approximately 8.5%.

Earlier this year, we acquired eight department stores from Macy's and Sears. Our goal is to redevelop these buildings into exciting new hubs of activity. We are adding new technology and communicating more through social media to inform customers directly about promotions and events. As a result of our efforts, we are creating dynamic suburban town centers that are well-positioned to capitalize on their prime locations, growing demographic trends and significant customer base.

Partnerships that work

In 2016, we worked closely with leading retailers in our portfolio while at the same time building relationships with new users looking to join our properties. Some of our largest retailers such as Footlocker and L Brands, which owns Victoria's Secret, Pink and Bath & Body Works, expanded their presence at CBL centers. In addition, we have added more stores with growing retailers like Dick's Sporting Goods and ULTA Beauty. The Cheesecake Factory is a major draw in our markets and has expanded to four of our malls and H&M stores are a popular attraction in our portfolio. And, we are bringing new experiences to CBL mall shoppers, with recent additions of stores such as West Elm, Lolli & Pops, Lush, Evereve and Soft Surroundings.

Our relationships with joint venture partners also remain strong. With Horizon Properties, we are developing our sixth outlet center, the Outlet Shoppes at Laredo in Texas. This 350,000-square-foot center will be the only outlet for 180 miles, serving as a regional destination and shopping option for 4.5 million people living in Monterrey, Mexico, and nearly a million people living in Laredo and Nuevo Laredo. The center will open in spring 2017 with a terrific retail line-up, including Michael Kors, Brooks Brothers, Nike and Puma.

Ambassador Town Center, a joint venture with Stirling Properties in Lafayette, LA, has been a tremendous success. The 430,000-square-foot center opened in spring 2016, and is currently 100% leased and attracting sizable crowds. These successful projects highlight the benefit of our strong partnerships.

Team loyalty and continuity

CBL's team is second to none. We have tremendous talent throughout the ranks of our company, both at the home office and in the field. We enjoy incredible loyalty and continuity at all levels of the company. Our experience and expertise creates stability for our employees, who appreciate being part of an organization where loyalty is

valued. We also realize that fresh ideas and new talent are integral to our growth and our young professionals ensure CBL remains ahead of consumer trends. This combination of experience and new energy has created a progressive culture of innovation and entrepreneurship.

Going forward, we will remain focused on outstanding execution of CBL's strategic priorities, including portfolio transformation, balance sheet management, dynamic redevelopments and successful ventures with our partners. We are proud of CBL's accomplishments in 2016 and the progress we have made on our various initiatives. We are energized by the opportunity to transform our properties to adapt to today's customer preferences as well as new technology. CBL has a bright future, and we are confident our properties will remain at the center of consumers' shopping and entertainment choices in the markets we serve.



Charles B. Lebovitz (left)
Chairman of the Board



Stephen D. Lebovitz (right)
President and Chief Executive Officer



Senior Management

Monique Berke
Vice President – Business Transformation

Chris Bursch
Vice President – Information Technology

Rusty Carlton
Vice President – Portfolio Accounting

Maggie Carrington
Vice President – Human Resources

Andrew F. Cobb
Senior Vice President and Director of Accounting

Jennifer Cope
Vice President – Shared Services

Tricia Cunningham
Vice President – Operation Business Systems

Jeffery V. Curry
Chief Legal Officer

Jeffrey L. Gregerson
Vice President – Specialty Retail

Eric Griffith
Vice President – Leasing

Howard B. Grody
Senior Vice President – Leasing

Curt Hammontree
Vice President – Development

Mike Harrison
Senior Vice President – Strategic and Technology Initiatives

Michael Herman
Vice President – Legal Services

Keith L. Honnold
Vice President – Financial Services

Farzana Khaleel
Executive Vice President – Chief Financial Officer and Treasurer

Ben S. Landress⁵
Executive Vice President – Management

Alan L. Lebovitz
Senior Vice President – Asset Management

Michael I. Lebovitz
Executive Vice President – Development and Administration

Jon Meshel
Vice President – Development/Redevelopment

David T. Neuhoﬀ
Vice President – Redevelopment

Katie Reinsmidt
Executive Vice President – Chief Investment Officer

Gary Roddy
Vice President – Legal Collections

Don Sewell
Vice President – Mall Management

Jerry L. Sink
Senior Vice President – Mall Management

Stuart Smith
Senior Vice President – Redevelopment

Robert J. Snetman
Vice President – Asset Management and Third Party Services

Augustus N. Stephas
Executive Vice President and Chief Operating Officer

Justice Wade
Vice President – Development Leasing and Peripheral Property

John P. Waller
Vice President – Leasing

Jim Ward
Vice President – Marketing, Brand Development and Mobile Strategies

Jan Wills
Vice President – Leasing

Ken Wittler
Vice President – Development

Board of Directors

Charles B. Lebovitz³
Chairman of the Board, Chairman of the Executive Committee

Stephen D. Lebovitz³
President and Chief Executive Officer

Gary L. Bryenton¹⁴
Senior Partner – Baker & Hostetler LLP, Chairman of the Nominating/Corporate Governance Committee

A. Larry Chapman¹²
Retired Head of Commercial Real Estate – Wells Fargo, Chairman of the Audit Committee

Matthew S. Dominski¹²
Former CEO – Urban Shopping Centers, Lead Director, Chairman of the Compensation Committee

John D. Griffith²⁴
Retired Executive Vice President of Property Development – Target Corporation

Richard J. Lieb¹⁴
Managing Director of Greenhill & Co., LLC

Gary J. Nay²⁴
Retired Vice President – Macy's, Inc.

Kathleen M. Nelson¹³
President – KMN Associates, LLC, Retired Managing Director/Group Leader and Chief Administrative Officer – TIAA-CREF's Mortgage and Real Estate Division

1. Member of Audit Committee
2. Member of Compensation Committee
3. Member of Executive Committee
4. Member of Nominating/Corporate Governance Committee
5. Advisory Member of the Board

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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _____ TO _____**

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

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

**Delaware (CBL & Associates Properties, Inc.)
Delaware (CBL & Associates Limited Partnership)**
(State or other jurisdiction of incorporation or organization)

**62-1545718
62-1542285**
(I.R.S. Employer Identification No.)

**2030 Hamilton Place Blvd., Suite 500
Chattanooga, TN**
(Address of principal executive offices)

37421
(Zip Code)

Registrant's telephone number, including area code: **423.855.0001**

Securities registered pursuant to Section 12(b) of the Act:
CBL & Associates Properties, Inc.:

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

CBL & Associates Limited Partnership: None

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

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

CBL & Associates Properties, Inc.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
CBL & Associates Limited Partnership	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

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

CBL & Associates Properties, Inc.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
CBL & Associates Limited Partnership	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

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

CBL & Associates Properties, Inc.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
CBL & Associates Limited Partnership	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

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

CBL & Associates Properties, Inc.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
CBL & Associates Limited Partnership	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

CBL & Associates Properties, Inc.				
Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	
CBL & Associates Limited Partnership				
Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	

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

CBL & Associates Properties, Inc.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
CBL & Associates Limited Partnership	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

The aggregate market value of the 167,103,845 shares of CBL & Associates Properties, Inc.'s common stock held by non-affiliates of the registrant as of June 30, 2016 was \$1,555,736,797, based on the closing price of \$9.31 per share on the New York Stock Exchange on June 30, 2016. (For this computation, the registrant has excluded the market value of all shares of its common stock reported as beneficially owned by executive officers and directors of the registrant; such exclusion shall not be deemed to constitute an admission that any such person is an "affiliate" of the registrant.)

As of February 23, 2017, 171,093,419 shares of common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of CBL & Associates Properties, Inc.'s Proxy Statement for the 2017 Annual Meeting of Stockholders are incorporated by reference in Part III.

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2016 of CBL & Associates Properties, Inc. and CBL & Associates Limited Partnership. Unless stated otherwise or the context otherwise requires, references to the "Company" mean CBL & Associates Properties, Inc. and its subsidiaries. References to the "Operating Partnership" mean CBL & Associates Limited Partnership and its subsidiaries. The terms "we," "us" and "our" refer to the Company or the Company and the Operating Partnership collectively, as the context requires.

The Company is a real estate investment trust ("REIT") whose stock is traded on the New York Stock Exchange. The Company is the 100% owner of two qualified REIT subsidiaries, CBL Holdings I, Inc. and CBL Holdings II, Inc. At December 31, 2016, CBL Holdings I, Inc., the sole general partner of the Operating Partnership, owned a 1.0% general partner interest in the Operating Partnership and CBL Holdings II, Inc. owned an 84.8% limited partner interest for a combined interest held by the Company of 85.8%.

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

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

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

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

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

- consolidated financial statements;
- certain accompanying notes to consolidated financial statements, including Note 2- Summary of Significant Accounting Policies, Note 6 - Mortgage and Other Indebtedness, Note 7 - Shareholders' Equity and Partners' Capital and Note 8 - Redeemable Interests and Noncontrolling Interests;
- information concerning unregistered sales of equity securities and use of proceeds in Item 5 of Part II of this report;
- selected financial data in Item 6 of Part II of this report;
- controls and procedures in Item 9A of this report; and
- certifications of the Chief Executive Officer and Chief Financial Officer included as Exhibits 31.1 through 32.4.

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Cautionary Statement Regarding Forward-Looking Statements

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

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

- general industry, economic and business conditions;
- interest rate fluctuations;
- costs and availability of capital and capital requirements;
- costs and availability of real estate;
- inability to consummate acquisition opportunities and other risks associated with acquisitions;
- competition from other companies and retail formats;
- changes in retail demand and rental rates in our markets;
- shifts in customer demands;
- tenant bankruptcies or store closings;
- changes in vacancy rates at our Properties;
- changes in operating expenses;
- changes in applicable laws, rules and regulations;
- sales of real property;
- cyber-attacks or acts of cyber-terrorism;
- changes in our credit ratings;
- the ability to obtain suitable equity and/or debt financing and the continued availability of financing, in the amounts and on the terms necessary to support our future refinancing requirements and business; and
- other risks referenced from time to time in filings with the Securities and Exchange Commission (“SEC”) and those factors listed or incorporated by reference into this report.

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

PART I

ITEM 1. BUSINESS

Background

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

The Company's Business

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

We conduct substantially all of our business through CBL & Associates Limited Partnership (the "Operating Partnership"), which is a variable interest entity ("VIE"). We are the 100% owner of two qualified REIT subsidiaries, CBL Holdings I, Inc. and CBL Holdings II, Inc. CBL Holdings I, Inc. is the sole general partner of the Operating Partnership. At December 31, 2016, CBL Holdings I, Inc. owned a 1.0% general partner interest and CBL Holdings II, Inc. owned an 84.8% limited partner interest in the Operating Partnership, for a combined interest held by us of 85.8%.

As of December 31, 2016, we owned interests in the following Properties:

	Malls ⁽¹⁾	Associated Centers	Community Centers	Office Buildings	Total
Consolidated Properties	65	20	4	7 ⁽²⁾	96
Unconsolidated Properties ⁽³⁾	9	3	5	—	17
Total	74	23	9	7	113

(1) Category consists of regional malls, open-air centers and outlet centers (including one mixed-use center) (the "Malls").

(2) Includes our two corporate office buildings and two office buildings classified as held for sale as of December 31, 2016. See Note 4 and Note 19 to the consolidated financial statements for more information.

(3) The Operating Partnership accounts for these investments using the equity method because one or more of the other partners have substantive participating rights.

At December 31, 2016, we had interests in the following consolidated Properties under development ("Construction Properties"):

	Malls
Development	1
Expansions	3
Redevelopments	3

We also hold options to acquire certain development properties owned by third parties.

As of December 31, 2016, we owned mortgages on five Properties, each of which is collateralized by either a first mortgage, a second mortgage or by assignment of 100% of the ownership interests in the underlying real estate and related improvements (the "Mortgages").

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

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

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

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

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

- GLA – refers to gross leasable area of retail space in square feet, including Anchors and Mall tenants.
- Anchor – refers to a department store, other large retail store or theater greater than or equal to 50,000 square feet.
- Junior Anchor - non-traditional department store, retail store or theater comprising more than 20,000 square feet and less than 50,000 square feet.
- Freestanding – Property locations that are not attached to the primary complex of buildings that comprise the mall shopping center.
- Outparcel – land used for freestanding developments, such as retail stores, banks and restaurants, which are generally on the periphery of the Properties.
- 2023 Notes - \$450 million of senior unsecured notes issued by the Operating Partnership in November 2013 that bear interest at 5.25% and mature on December 1, 2023.
- 2024 Notes - \$300 million of senior unsecured notes issued by the Operating Partnership in October 2014 that bear interest at 4.60% and mature on October 15, 2024.
- 2026 Notes - \$400 million of senior unsecured notes issued by the Operating Partnership in December 2016 that bear interest at 5.95% and mature on December 15, 2026 (and, collectively with the 2023 Notes and 2024 Notes, the “Notes”). See Note 6 to the consolidated financial statements for additional information on the Notes.

Significant Markets and Tenants

Top Five Markets

Our top five markets, based on percentage of total revenues, were as follows for the year ended December 31, 2016:

Market	Percentage of Total Revenues
St. Louis, MO	7.7%
Chattanooga, TN	4.3%
Lexington, KY	3.6%
Madison, WI	3.4%
Laredo, TX	2.6%

Top 25 Tenants

Our top 25 tenants based on percentage of total revenues were as follows for the year ended December 31, 2016:

	Tenant	Number of Stores	Square Feet	Percentage of Total Annualized Revenues ⁽¹⁾
1	L Brands, Inc. ⁽²⁾	143	814,777	3.59 %
2	Signet Jewelers Limited ⁽³⁾	199	290,527	2.93 %
3	Ascena Retail Group, Inc. ⁽⁴⁾	193	979,572	2.45 %
4	Foot Locker, Inc.	120	542,662	2.40 %
5	AE Outfitters Retail Company	71	441,331	1.94 %
6	Dick's Sporting Goods, Inc. ⁽⁵⁾	27	1,534,783	1.72 %
7	Genesco Inc. ⁽⁶⁾	177	284,764	1.69 %
8	The Gap, Inc.	60	679,341	1.55 %
9	Luxottica Group, S.P.A. ⁽⁷⁾	110	240,862	1.23 %
10	Express Fashions	40	332,070	1.21 %
11	Forever 21 Retail, Inc.	23	460,658	1.20 %
12	Finish Line, Inc.	51	269,844	1.10 %
13	Abercrombie & Fitch, Co.	49	333,198	1.10 %
14	The Buckle, Inc.	47	244,767	1.03 %
15	JC Penney Company, Inc. ⁽⁸⁾	53	6,250,809	1.01 %
16	Charlotte Russe Holding, Inc.	49	312,350	1.00 %
17	Aeropostale, Inc. ⁽⁹⁾	54	208,286	0.88 %
18	H&M	32	656,828	0.86 %
19	Shoe Show, Inc.	44	568,404	0.82 %
20	The Children's Place Retail Stores, Inc.	55	240,246	0.79 %
21	New York & Company, Inc.	35	235,583	0.78 %
22	Cinemark	9	496,674	0.77 %
23	Best Buy Co., Inc. ⁽¹⁰⁾	50	459,864	0.77 %
24	Claire's Stores, Inc.	97	122,811	0.77 %
25	Barnes & Noble Inc.	19	579,660	0.75 %
		1,807	17,580,671	34.34%

(1) Includes the Company's proportionate share of revenues from unconsolidated affiliates based on our ownership percentage in the respective joint venture and any other applicable terms.

(2) L Brands, Inc. operates Victoria's Secret, PINK, White Barn Candle and Bath & Body Works.

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

(4) Ascena Retail Group, Inc. operates Justice, Dressbarn, Maurices, Lane Bryant, Catherines, Ann Taylor, LOFT, and Lou & Grey.

(5) Dick's Sporting Goods, Inc. operates Dick's Sporting Goods, Golf Galaxy and Field & Stream stores.

(6) Genesco Inc. operates Journey's, Underground by Journey's, Shi by Journey's, Johnston & Murphy, Hat Shack, Lids, Hat Zone, and Clubhouse stores.

(7) Luxottica Group, S.P.A. operates Lenscrafters, Sunglass Hut, and Pearle Vision.

(8) JC Penney Co., Inc. owns 30 of these stores.

(9) The above chart includes 10 Aeropostale stores that were terminated effective December 31, 2016.

(10) Best Buy Co., Inc. operates Best Buy and Best Buy Mobile.

Growth Strategy

Our objective is to achieve growth in funds from operations ("FFO") (see page 76 for a discussion of funds from operations) and reduce our overall cost of debt and equity by maximizing same-center net operating income ("NOI"), total earnings before income taxes, depreciation and amortization ("EBITDA") and cash flows through a variety of methods as further discussed below.

FFO and same-center NOI are non-GAAP measures. For a description of same-center NOI, a reconciliation from net income to same-center NOI, and an explanation of why we believe this is a useful performance measure, see **Non-GAAP Measure - Same-center Net Operating Income** in "Results of Operations." For a description of FFO, a reconciliation from net income attributable to common shareholders to FFO allocable to Operating Partnership common unitholders, and an explanation of why we believe this is a useful performance measure, see **Non-GAAP Measure - Funds from Operations** within the "Liquidity and Capital Resources" section.

Leasing, Management and Marketing

Our objective is to maximize cash flows from our existing Properties through:

- aggressive leasing that seeks to increase occupancy and facilitate an optimal merchandise mix,
- originating and renewing leases at higher gross rents per square foot compared to the previous lease,
- merchandising, marketing, sponsorship and promotional activities and
- actively controlling operating costs.

Redevelopments

Redevelopments represent situations where we capitalize on opportunities to add incremental square footage or increase the productivity of previously occupied space through aesthetic upgrades, retenancing and/or changing the use of the space. Many times, redevelopments result from acquiring possession of Anchor space (such as former Sears and JC Penney stores) and subdividing it into multiple spaces. The following presents the redevelopments we completed during 2016 and those under construction at December 31, 2016 (dollars in thousands):

Property	Location	CBL Ownership Interest	Total Project Square Feet	CBL's Share of		Actual/ Expected Opening Date	Initial Unleveraged Yield
				Total Cost ⁽¹⁾	Cost to Date ⁽²⁾		
Completed in 2016:							
Mall Redevelopments:							
College Square - JCP Redevelopment (Dick's/ ULTA)	Morristown, TN	100%	84,842	\$ 14,881	\$ 9,334	Oct-16	7.6%
CoolSprings Galleria - Sears Redevelopment (American Girl, Cheesecake Factory)	Nashville, TN	50%	208,976	32,307	36,505	May-16	7.2%
East Towne Mall (Planet Fitness / Shops)	Madison, WI	100%	27,692	2,142	2,560	Nov-16	12.1%
Northpark Mall (Dunham's Sports)	Joplin, MO	100%	80,524	4,007	4,274	Nov-16	9.5%
Oak Park Mall - Self Development	Overland Park, KS	50%	6,735	1,230	1,216	Jul/Aug-16	8.2%
Randolph Mall - JCP Redevelopment (Ross/ULTA) ⁽³⁾	Asheboro, NC	100%	33,796	4,513	4,257	May/Jul-16	7.8%
Total Redevelopment Completed			442,565	\$ 59,080	\$ 58,146		
Currently under construction:							
Mall Redevelopments:							
College Square - Partial Belk Redevelopment (Planet Fitness)	Morristown, TN	100%	20,000	\$ 1,549	\$ 21	Spring-17	9.9%
Hickory Point Mall (T.J. Maxx/Shops)	Forsyth, IL	100%	50,030	3,581	110	Fall-17	10.0%
York Galleria - Partial JCP Redevelopment - (H&M/Shops)	York, PA	100%	42,672	5,597	2,157	Spring-17	7.8%
York Galleria - Partial JCP Redevelopment (Gold's Gym/Shops)	York, PA	100%	40,832	5,658	2,118	Spring-17	12.8%
Total Redevelopments Under Construction			153,534	\$ 16,385	\$ 4,406		

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

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

(3) This mall was sold in December 2016.

Renovations

Renovations usually include remodeling and upgrading existing facades, uniform signage, new entrances and floor coverings, updating interior décor, resurfacing parking lots and improving the lighting of interiors and parking lots. Renovations can result in attracting new retailers, increased rental rates, sales and occupancy levels and maintaining the Property's market dominance. Our 2016 renovation program included approximately \$7.0 million, at our share, of a \$13.8 million renovation at CoolSprings Galleria in Nashville, TN as well as other eco-friendly green renovations. In total, we invested \$11.9 million in renovations in 2016. The total investment in the renovations that are scheduled for 2017 is projected to be \$11.1 million, which primarily is for floor renovations at East Towne Mall in Madison, WI and Asheville Mall in Asheville, NC.

Development of New Retail Properties and Expansions

In general, we seek development opportunities in middle-market trade areas that we believe are under-served by existing retail operations. These middle-markets must also have strong demographics to provide the opportunity to effectively maintain a competitive position. The following presents the new development we opened during 2016 and the development under construction at December 31, 2016 (dollars in thousands):

Property	Location	CBL Ownership Interest	Total Project Square Feet	CBL's Share of		Actual/Expected Opening Date	Initial Unleveraged Yield
				Total Cost ⁽¹⁾	Cost to Date ⁽²⁾		
<u>Completed in 2016:</u>							
Community Center:							
Ambassador Town Center	Lafayette, LA	65%	431,139	\$ 40,295	\$ 34,906	Apr-16	8.5%
<u>Currently under construction:</u>							
Outlet Center:							
The Outlets Shoppes at Laredo	Laredo, TX	65%	357,756	\$ 69,926	\$ 57,056	Spring-17	9.6%

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

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

We can also generate additional revenues by expanding a Property through the addition of large retail formats and Mall stores, including restaurants and entertainment venues. An expansion also protects the Property's competitive position within its market. The following tables present the expansions we completed during 2016 and those under construction at December 31, 2016 (dollars in thousands):

Property	Location	CBL Ownership Interest	Total Project Square Feet	CBL's Share of		Actual Opening Date	Initial Unleveraged Yield
				Total Cost ⁽¹⁾	Cost to Date ⁽²⁾		
Completed in 2016:							
Mall Expansions:							
Dakota Square Mall - Expansion	Minot, ND	100%	23,922	\$ 7,284	\$ 6,083	Nov-16	7.5%
Friendly Center - Cheesecake Factory	Greensboro, NC	50%	9,156	2,365	1,727	Oct-16	10.4%
Friendly Center - Shops	Greensboro, NC	50%	12,765	2,540	1,960	Nov-16	8.4%
Hamilton Place - Theatre	Chattanooga, TN	90%	30,169	4,868	3,511	Sep-16	9.1%
Kirkwood Mall - Self Development (Panera Bread, Verizon, Caribou Coffee)	Bismarck, ND	100%	12,570	3,702	4,210	Mar-16	10.5%
			88,582	20,759	17,491		
Community Center Expansions:							
The Forum at Grandview - Expansion	Madison, MS	75%	24,516	5,598	4,135	Dec-16	8.5%
Hammock Landing - Expansion	West Melbourne, FL	50%	23,717	2,431	1,659	Nov-16	10.7%
High Pointe Commons (Petco) ⁽³⁾	Harrisburg, PA	50%	12,885	1,012	820	Sep-16	10.5%
			61,118	9,041	6,614		
Total Expansions Opened			149,700	\$ 29,800	\$ 24,105		

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

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

(3) This community center was sold in September 2016.

Property	Location	CBL Ownership Interest	Total Project Square Feet	CBL's Share of		Expected Opening Date	Initial Unleveraged Yield
				Total Cost ⁽¹⁾	Cost to Date ⁽²⁾		
<u>Currently under construction:</u>							
Mall Expansions:							
Kirkwood Mall - Lucky 13	Bismarck, ND	100%	6,500	\$ 3,200	\$ 751	Summer-17	7.6%
Mayfaire Town Center - Phase I	Wilmington, NC	100%	67,766	19,395	9,108	Spring-17	8.4%
Parkdale Mall - Restaurant Addition	Beaumont, TX	100%	4,700	1,277	5	Winter-17	10.7%
Total Expansions Under Development			78,966	\$ 23,872	\$ 9,864		

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

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

Shadow Development Pipeline

We are continually pursuing new development opportunities and have projects in various stages of pre-development. Our shadow pipeline consists of projects for Properties on which we have completed initial project analysis and design but which have not commenced construction as of December 31, 2016. Subsequent to December 31, 2016, we acquired five Sears' locations, which were then leased back to Sears, and four Macy's locations. See Note 19 to the consolidated financial statements for more information. These Properties will be redeveloped in the future.

Acquisitions

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

Environmental Matters

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

Competition

The Properties compete with various shopping facilities in attracting retailers to lease space. In addition, retailers at our Properties face competition from discount shopping centers, outlet centers, wholesale clubs, direct mail, television shopping networks, the internet and other retail shopping developments. The extent of the retail competition varies from market to market. We work aggressively to attract customers through marketing promotions and campaigns. Many of our retailers have adopted an omni-channel approach which leverages sales through both on-line and in-store retailing channels.

Seasonality

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

Recent Developments

New Developments

In the second quarter of 2016, we formed a 65/35 joint venture, Laredo Outlet JV, LLC, to develop The Outlet Shoppes at Laredo in Laredo, TX. We initially contributed \$7.7 million, which consisted of a cash contribution of \$2.4 million and our interest in a note receivable of \$5.3 million, and the third party partner contributed \$10.7 million, which included land and construction costs to date. We contributed 100% of the capital to fund the project until the pro rata 65% contribution of \$19.8 million was reached in the third quarter of 2016. All subsequent future contributions will be funded on a 65/35 pro rata basis.

Dispositions

We completed the disposition of interests in seven malls, two associated centers, four community centers and five office buildings in 2016 for an aggregate gross sales price of \$414.0 million. After loan repayment or assumption by buyer, commissions and closing costs, the sales generated an aggregate \$340.0 million of net proceeds (\$252.9 million at our share). Additionally, we sold our 50% interest in an unconsolidated affiliate to a new unconsolidated joint venture, in which we have a 10% ownership interest, as described in Note 5 to the consolidated financial statements. We also returned one mall to the lender in satisfaction of the non-recourse debt secured by the Property and recognized a gain on sale of real estate assets of approximately \$26.1 million, at our share, from outparcel sales. As of December 31, 2016, we have classified two office buildings as held for sale that were sold subsequent to December 31, 2016. See Note 4, Note 5, Note 6 and Note 19 to the consolidated financial statements for additional information on these dispositions.

Impairment Losses

During the year ended December 31, 2016, we recorded a loss on impairment totaling \$116.8 million, which primarily consists of \$96.7 million related to 2016 Property dispositions, \$15.4 million attributable to two malls that are in foreclosure and \$3.8 million related to two office buildings that are classified as held for sale as of December 31, 2016. See Note 4, Note 15 and Note 19 to the consolidated financial statements for further details.

Gain on Investments

In the fourth quarter of 2016, we received \$15.5 million upon the redemption of our 6.2% noncontrolling interest in subsidiaries of Jinsheng Group (“Jinsheng”), an established mall operating and real estate development company located in Nanjing, China and recorded a gain on investment of \$10.1 million. We had previously recorded an other-than-temporary impairment of \$5.3 million related to this investment in 2009 upon the decline of China's real estate market. This gain was partially offset by a loss of \$2.6 million related to the redemption of our ownership interest in a consolidated joint venture that was redeemed in the fourth quarter of 2016 for \$3.8 million. See Note 5 and Note 8 to the consolidated financial statements for more information.

Financing and Capital Markets Activity

We made substantial progress during 2016 in our strategy to build a high-quality unencumbered pool of Properties in addition to balancing our leverage structure. Highlights of financing and capital markets activity for the year ended December 31, 2016 include the following:

- completed a \$400 million unsecured bond issuance at a fixed-rate of 5.95%, utilizing proceeds to reduce balances on our unsecured lines of credit;
- retired \$210.1 million in mortgage loans, at our share, which added eight Properties to our unencumbered pool, resulting in over 48% of our total consolidated NOI being unencumbered at year-end;
- completed \$162.1 million in loan restructurings, at our share, reducing the weighted-average interest rate to 4.75% from 6.36%, on four property-level loans; and
- disposed of interests in Properties as noted above, generating aggregate net proceeds of over \$340 million, which were primarily used to reduce the balances on our unsecured lines of credit.

Equity

Common Stock and Common Units

Our authorized common stock consists of 350,000,000 shares at \$0.01 par value per share. We had 170,792,645 and 170,490,948 shares of common stock issued and outstanding as of December 31, 2016 and 2015, respectively. The Operating Partnership had 199,085,032 and 199,748,131 common units outstanding as of December 31, 2016 and 2015, respectively.

Preferred Stock

Our authorized preferred stock consists of 15,000,000 shares at \$0.01 par value per share. See Note 7 to the consolidated financial statements for a description of our outstanding cumulative redeemable preferred stock.

Financial Information About Segments

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

Employees

CBL does not have any employees other than its statutory officers. Our Management Company currently has 586 full-time and 111 part-time employees. None of our employees are represented by a union.

Corporate Offices

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

Available Information

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

ITEM 1A. RISK FACTORS

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

RISKS RELATED TO REAL ESTATE INVESTMENTS

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

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

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

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

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

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

Substantially all of our total consolidated assets consist of investments in real properties. Because real estate investments are relatively illiquid, our ability to quickly sell one or more Properties in our portfolio in response to changing economic, financial and investment conditions is limited. The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand for space, that are beyond our control. We cannot predict whether we will be able to sell any Property for the price or on the terms we set, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a Property. In addition, current economic and capital market conditions might make it more difficult for us to sell Properties or might adversely affect the price we receive for Properties that we do sell, as prospective buyers might experience increased costs of debt financing or other difficulties in obtaining debt financing.

Moreover, there are some limitations under federal income tax laws applicable to REITs that limit our ability to sell assets. In addition, because many of our Properties are mortgaged to secure our debts, we may not be able to obtain a release of a lien on a mortgaged Property without the payment of the associated debt and/or a substantial prepayment penalty, which restricts our ability to dispose of a Property, even though the sale might otherwise be desirable. Furthermore, the number of prospective buyers interested in purchasing shopping centers is limited. Therefore, if we want to sell one or more of our Properties, we may not be able to dispose of it in the desired time period and may receive less consideration than we originally invested in the Property.

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

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

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

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

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

We own partial interests in 16 malls, 7 associated centers, 8 community centers and 2 office buildings. Governor's Square and Governor's Plaza in Clarksville, TN; Kentucky Oaks Mall in Paducah, KY; Fremaux Town Center in Slidell, LA and Ambassador Town Center in Lafayette, LA are all owned by unconsolidated joint ventures and are managed by a property manager that is affiliated with the third party partner, which receives a fee for its services. The third party partner of each of these Properties controls the cash flow distributions, although our approval is required for certain major decisions. The Outlet Shoppes at Oklahoma City in Oklahoma City, OK; The Outlet Shoppes at Gettysburg in Gettysburg, PA; The Outlet Shoppes at El Paso in El Paso, TX; The Outlet Shoppes at Atlanta in Woodstock, GA and The Outlet Shoppes of the Bluegrass in Simpsonville, KY are owned by consolidated joint ventures and managed by a property manager that is affiliated with the third party partner, which receives a fee for its services.

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

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

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

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

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

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

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

We believe that our Properties are in compliance in all material respects with all federal, state and local ordinances and regulations regarding the handling, discharge and emission of hazardous or toxic substances. As of December 31, 2016, we have recorded in our consolidated financial statements a liability of \$3.1 million related to potential future asbestos abatement activities at our Properties which are not expected to have a material impact on our financial condition or results of operations. We have not been notified by any governmental authority, and are not otherwise aware, of any material noncompliance, liability or claim relating to hazardous or toxic substances in connection with any of our present or former Properties. Therefore, we have not recorded any liability related to hazardous or toxic substances. Nevertheless, it is possible that the environmental assessments available to us do not reveal all potential environmental liabilities. It is also possible that subsequent investigations will identify material contamination, that adverse environmental conditions have arisen subsequent to the performance of the environmental assessments, or that there are material environmental liabilities of which management is unaware. Moreover, no assurances can be given that (i) future laws, ordinances or regulations will not impose any material environmental liability or (ii) the current environmental condition of the Properties has not been or will not be affected by tenants and occupants of the Properties, by the condition of properties in the vicinity of the Properties or by third parties unrelated to us, the Operating Partnership or the relevant Property's partnership.

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

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

RISKS RELATED TO OUR BUSINESS AND THE MARKET FOR OUR STOCK

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

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

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

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

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

Many of the factors listed above are beyond our control. Those factors may cause the market price of our common stock or other securities to decline significantly, regardless of our financial performance and condition and prospects. It is impossible to provide any assurance that the market price of our common stock or other securities will not fall in the future, and it may be difficult for holders to sell such securities at prices they find attractive, or at all.

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

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

- discount shopping centers;
- outlet malls;
- wholesale clubs;
- direct mail;
- television shopping networks; and
- on-line shopping.

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

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

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

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

Additionally, in the event that our Properties are not fully occupied, we would be required to pay the portion of any operating, redevelopment or renovation expenses allocable to the vacant space(s) that would otherwise typically be paid by the residing tenant(s). Our cost recovery ratio was 99.6% for 2016.

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

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

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

We monitor events or changes in circumstances that could indicate the carrying value of a long-lived asset may not be recoverable. When indicators of potential impairment are present that suggest that the carrying amounts of a long-lived asset may not be recoverable, we assess the recoverability of the asset by determining whether the asset's carrying value will be recovered through the estimated undiscounted future cash flows expected from our probability weighted use of the asset and its eventual disposition. In the event that such undiscounted future cash flows do not exceed the carrying value, we adjust the carrying value

of the long-lived asset to its estimated fair value and recognize an impairment loss. The estimated fair value is calculated based on the following information, in order of preference, depending upon availability: (Level 1) recently quoted market prices, (Level 2) market prices for comparable properties, or (Level 3) the present value of future cash flows, including estimated salvage value. Certain of our long-lived assets may be carried at more than an amount that could be realized in a current disposition transaction. Projections of expected future operating cash flows require that we estimate future market rental income amounts subsequent to expiration of current lease agreements, property operating expenses, the number of months it takes to re-lease the Property, and the number of years the Property is held for investment, among other factors. As these assumptions are subject to economic and market uncertainties, they are difficult to predict and are subject to future events that may alter the assumptions used or management's estimates of future possible outcomes. Therefore, the future cash flows estimated in our impairment analyses may not be achieved. For the year ended December 31, 2016, we recorded a loss on impairment of real estate totaling \$116.8 million, which primarily consisted of \$96.7 million related to 2016 Property dispositions, \$15.4 million attributable to two malls that are in foreclosure and \$3.8 million related to two office buildings that were classified as held for sale as of December 31, 2016 and were sold subsequent to year-end. See Note 4, Note 15 and Note 19 to the consolidated financial statements for further details.

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

Increased inflation could have a pronounced negative impact on our mortgage and debt interest and general and administrative expenses, as these costs could increase at a rate higher than our rents. Also, inflation may adversely affect tenant leases with stated rent increases, which could be lower than the increase in inflation at any given time. Inflation could also have an adverse effect on consumer spending which could impact our tenants' sales and, in turn, our percentage rents, where applicable.

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

We may face security breaches through cyber-attacks as well as other significant disruptions of our information technology (IT) networks and related systems, which could harm our business by disrupting our operations and compromising or corrupting confidential information, which could adversely impact our financial condition.

We face risks associated with security breaches, whether through cyber-attacks or cyber intrusions over the internet, malware, computer viruses, attachments to e-mails, persons inside our organization or persons with access to systems inside our organization, and other significant disruptions of our IT networks and related systems. The risk of a security breach or disruption, particularly through cyber-attack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Our IT networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations (including managing our building systems) and, in some cases, may be critical to the operations of certain of our tenants. Although we make efforts to maintain the security and integrity of these types of IT networks and related systems, and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

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

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

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

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

The general liability and property casualty insurance policies on our Properties currently include coverage for losses resulting from acts of terrorism, whether foreign or domestic. While we believe that the Properties are adequately insured in accordance with industry standards, the cost of general liability and property casualty insurance policies that include coverage for acts of terrorism has risen significantly subsequent to September 11, 2001. The cost of coverage for acts of terrorism is currently mitigated by the Terrorism Risk Insurance Act ("TRIA"). In January 2015, Congress reinstated TRIA under the Terrorism Risk Insurance Program Reauthorization Act of 2015 ("TRIPRA") and extended the program through December 31, 2020. Under TRIPRA, the amount of terrorism-related insurance losses triggering the federal insurance threshold will be raised gradually from \$100 million in 2015 to \$200 million in 2020. Additionally, the bill increases insurers' co-payments for losses exceeding their deductibles, in annual steps, from 15% in 2015 to 20% in 2020. Each of these changes may have the effect of increasing the cost to insure against acts of terrorism for property owners, such as the Company, notwithstanding the other provisions of TRIPRA. Further, if TRIPRA is not continued beyond 2020 or is significantly modified, we may incur higher insurance costs and experience greater difficulty in obtaining insurance that covers terrorist-related damages. Our tenants may also have similar difficulties.

RISKS RELATED TO DEBT AND FINANCIAL MARKETS

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

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

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

At December 31, 2016, our total share of consolidated and unconsolidated debt outstanding was approximately \$4,969.8 million, which represented approximately 63.0% of our total market capitalization at that time. Our total share of consolidated and unconsolidated debt maturing in 2017, 2018 and 2019, giving effect to all maturity extensions that are available at our election, was approximately \$335.4 million, \$697.0 million and \$525.3 million, respectively. Additionally, we have \$172.0 million of consolidated debt, which matured in 2016, related to two non-recourse loans that are in default and receivership. See Note 6 to the consolidated financial statements for more information. Our leverage could have important consequences. For example, it could:

- result in the acceleration of a significant amount of debt for non-compliance with the terms of such debt or, if such debt contains cross-default or cross-acceleration provisions, other debt;
- result in the loss of assets due to foreclosure or sale on unfavorable terms, which could create taxable income without accompanying cash proceeds, which could hinder the Company's ability to meet the REIT distribution requirements imposed by the Internal Revenue Code;
- materially impair our ability to borrow unused amounts under existing financing arrangements or to obtain additional financing or refinancing on favorable terms or at all;

- require us to dedicate a substantial portion of our cash flow to paying principal and interest on our indebtedness, reducing the cash flow available to fund our business, to pay dividends, including those necessary to maintain our REIT qualification, or to use for other purposes;
- increase our vulnerability to an economic downturn;
- limit our ability to withstand competitive pressures; or
- reduce our flexibility to respond to changing business and economic conditions.

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

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

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

As of December 31, 2016, our total share of consolidated and unconsolidated variable rate debt was \$954.5 million. Increases in interest rates will increase our cash interest payments on the variable rate debt we have outstanding from time to time. If we do not have sufficient cash flow from operations, we might not be able to make all required payments of principal and interest on our debt, which could result in a default or have a material adverse effect on our financial condition and results of operations, and which might adversely affect our cash flow and our ability to make distributions to shareholders. These significant debt payment obligations might also require us to use a significant portion of our cash flow from operations to make interest and principal payments on our debt rather than for other purposes such as working capital, capital expenditures or distributions on our common equity.

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

In May 2013, we received an investment grade rating of Baa3 with a stable outlook from Moody's Investors Service ("Moody's") and an issuer default rating ("IDR") of BBB- with a stable outlook and a senior unsecured notes rating of BBB- from Fitch Ratings ("Fitch") in July 2013. In September 2015, we received a corporate rating of BBB- with a stable outlook from Standard & Poor's Rating Services ("S&P"). S&P also assigned a BBB- issue-level rating to the Operating Partnership's senior unsecured notes. However, there can be no assurance that we will be able to maintain these ratings. In 2013, we made a one-time irrevocable election to use our credit ratings to determine the interest rate on our three unsecured credit facilities. With this election and so long as we maintain our current credit ratings, borrowings under our three unsecured credit facilities, which were extended and modified in October 2015, bear interest at LIBOR plus 120 basis points. We also have two unsecured term loans that bear interest at LIBOR plus 135 and 150 basis points, respectively, based on our current credit ratings. If our credit ratings decline, our unsecured credit facilities would bear interest at LIBOR plus 155 basis points and the interest rate on our two unsecured term loans would bear interest at LIBOR plus 175 basis points and LIBOR plus 200 basis points, respectively, which would increase our borrowing costs. Additionally, a downgrade in our credit ratings may adversely impact our ability to obtain financing and limit our access to capital.

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

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

The covenants in our credit facilities and in the Notes might adversely affect us.

Our credit facilities, as well as the terms of the Notes, require us to satisfy certain affirmative and negative covenants and to meet numerous financial tests, and also contain certain default and cross-default provisions as described in more detail in Note 6 to the consolidated financial statements. Our credit facilities also restrict our ability to enter into any transaction that could result in certain changes in our ownership or structure as described under the heading “Change of Control/Change in Management” in the agreements to the credit facilities.

The financial covenants under the unsecured credit facilities require, among other things, that our debt to total asset value ratio, as defined in the agreements to our unsecured credit facilities, be less than 60%, that our ratio of unencumbered asset value to unsecured indebtedness, as defined, be greater than 1.60, that our ratio of unencumbered NOI to unsecured interest expense, as defined, be greater than 1.75, and that our ratio of earnings before EBITDA to fixed charges (debt service), as defined, be greater than 1.50. The financial covenants under the Notes also require, among other things, that our debt to total assets, as defined in the indenture governing the Notes, be less than 60%, that our ratio of total unencumbered assets to unsecured indebtedness, as defined, be greater than 150%, and that our ratio of consolidated income available for debt service to annual debt service charges, as defined, be greater than 1.50. For the 2023 Notes and the 2024 Notes, the financial covenants require that our ratio of secured debt to total assets, as defined, be less than 45% (40% on and after January 1, 2020). The financial covenants require that our ratio of secured debt to total assets, as defined, be less than 40% for the 2026 Notes. Compliance with each of these ratios is dependent upon our financial performance. The debt to total asset value ratio is based, in part, on applying a capitalization rate to EBITDA as defined in the agreements to our credit facilities. Based on this calculation method, decreases in EBITDA would result in an increased debt to total asset value ratio, assuming overall debt levels remain constant.

If any future failure to comply with one or more of these covenants resulted in the loss of these credit facilities or a default under the Notes and we were unable to obtain suitable replacement financing, such loss could have a material, adverse impact on our financial position and results of operations.

RISKS RELATED TO THE OPERATING PARTNERSHIP'S NOTES

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

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

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

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

- our cash flow may be insufficient to meet our debt service obligations with respect to the Notes and our other indebtedness, which would enable the lenders and other debtholders to accelerate the maturity of their indebtedness, or be insufficient to fund other important business uses after meeting such obligations;
- we may be unable to borrow additional funds as needed or on favorable terms;
- we may be unable to refinance our indebtedness at maturity or earlier acceleration, if applicable, or the refinancing terms may be less favorable than the terms of our original indebtedness or otherwise be generally unfavorable;
- because a significant portion of our debt bears interest at variable rates, increases in interest rates could materially increase our interest expense;
- increases in interest rates could also materially increase our interest expense on future fixed rate debt;
- we may be forced to dispose of one or more of our Properties, possibly on disadvantageous terms;
- we may default on our other unsecured indebtedness;

- we may default on our secured indebtedness and the lenders may foreclose on our Properties or our interests in the entities that own the Properties that secure such indebtedness and receive an assignment of rents and leases; and
- we may violate restrictive covenants in our debt agreements, which would entitle the lenders and other debtholders to accelerate the maturity of their indebtedness.

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

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

The Notes are the Operating Partnership's unsecured and unsubordinated indebtedness and rank equally with the Operating Partnership's existing and future unsecured and unsubordinated indebtedness, and are effectively junior to all liabilities and any preferred equity of the Operating Partnership's subsidiaries and to all of the Operating Partnership's indebtedness that is secured by the Operating Partnership's assets, to the extent of the value of the assets securing such indebtedness. While the indenture governing the Notes limits our ability to incur additional secured indebtedness in the future, it will not prohibit us from incurring such indebtedness if we are in compliance with certain financial ratios and other requirements at the time of its incurrence. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to us, the holders of any secured indebtedness will, subject to the automatic stay under section 362 of the Bankruptcy Code, be entitled to proceed directly against the collateral that secures the secured indebtedness. Therefore, such collateral generally will not be available for satisfaction of any amounts owed under our unsecured indebtedness, including the Notes, until such secured indebtedness is satisfied in full.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In addition, our revolving credit facilities, term loans and certain other debt agreements require us to meet specified financial ratios and the indenture governing the Notes requires us to maintain at all times a specified ratio of unencumbered assets to unsecured debt. These covenants may restrict our ability to expand or fully pursue our business strategies. Our ability to comply with these and other provisions of the indenture governing the Notes, our revolving credit facility and certain other debt agreements may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments or other events beyond our control.

The breach of any of these covenants could result in a default under our indebtedness, which could result in the acceleration of the maturity of such indebtedness. If any of our indebtedness is accelerated prior to maturity, we may not be able to repay such indebtedness or refinance such indebtedness on favorable terms, or at all.

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

Prior to the offering of each of the 2023 Notes, the 2024 Notes and the 2026 Notes, there was no public market for such Notes and we cannot be certain that an active trading market will ever develop for the Notes or, if one develops, will be maintained. Furthermore, we do not intend to apply for listing of the Notes on any securities exchange or for the inclusion of the Notes on any automated dealer quotation system. The underwriters informed us that they intend to make a market in the Notes. However, the underwriters may cease their market making at any time without notice to or the consent of existing holders of the Notes. The lack of a trading market could adversely affect a holder's ability to sell the Notes when desired, or at all, and the price at which a holder may be able to sell the Notes. The liquidity of the trading market, if any, and future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our financial condition, liquidity, results of operations and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. It is possible that the market for the Notes will be subject to disruptions which may have a negative effect on the holders of the Notes, regardless of our financial condition, liquidity, results of operations or prospects.

RISKS RELATED TO GEOGRAPHIC CONCENTRATIONS

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

Our Properties are located principally in the southeastern and midwestern United States. Our Properties located in the southeastern United States accounted for approximately 47.3% of our total revenues from all Properties for the year ended December 31, 2016 and currently include 34 malls, 12 associated centers, 9 community centers and 6 office buildings. Our Properties located in the midwestern United States accounted for approximately 30.2% of our total revenues from all Properties for the year ended December 31, 2016 and currently include 23 malls and 2 associated centers. Our results of operations and funds available for distribution to shareholders therefore will be subject generally to economic conditions in the southeastern and midwestern United States. While we already have Properties located in 7 states across the southwestern, northeastern and western regions, we will continue to look for opportunities to geographically diversify our portfolio in order to minimize dependency on any particular region; however, the expansion of the portfolio through both acquisitions and developments is contingent on many factors including consumer demand, competition and economic conditions.

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

Our Properties located in the St. Louis, MO; Chattanooga, TN; Lexington, KY; Madison, WI; and Laredo, TX metropolitan areas accounted for approximately 7.7%, 4.3%, 3.6%, 3.4 and 2.6%, respectively, of our total revenues for the year ended December 31, 2016. No other market accounted for more than 2.6% of our total revenues for the year ended December 31, 2016. Our financial position and results of operations will therefore be affected by the results experienced at Properties located in these metropolitan areas.

RISKS RELATED TO DIVIDENDS

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

Depending upon our liquidity needs, we reserve the right to pay any or all of a dividend in a combination of cash and shares of common stock, to the extent permitted by any applicable revenue procedures of the Internal Revenue Service ("IRS"). In the event that we pay a portion of our dividends in shares of our common stock pursuant to such procedures, taxable U.S. stockholders would be required to pay tax on the entire amount of the dividend, including the portion paid in shares of common stock, in which case such stockholders may have to use cash from other sources to pay such tax. If a U.S. stockholder sells the common stock it receives as a dividend in order to pay its taxes, the sales proceeds may be less than the amount included in income

with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold federal tax with respect to our dividends, including dividends that are paid in common stock. In addition, if a significant number of our stockholders sell shares of our common stock in order to pay taxes owed on dividends, such sales would put downward pressure on the market price of our common stock.

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

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

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

RISKS RELATED TO FEDERAL INCOME TAX LAWS

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

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

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

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

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

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

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

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

In order to maintain our status as a REIT and avoid the imposition of certain additional taxes under the Internal Revenue Code, we must satisfy minimum requirements for distributions to shareholders, which may limit the amount of cash we might otherwise have been able to retain for use in growing our business.

To maintain our status as a REIT under the Internal Revenue Code, we generally will be required each year to distribute to our stockholders at least 90% of our taxable income after certain adjustments. However, to the extent that we do not distribute all of our net capital gains or distribute at least 90% but less than 100% of our REIT taxable income, as adjusted, we will be subject to tax on the undistributed amount at regular corporate tax rates, as the case may be. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which certain distributions paid by us during each calendar year are less than the sum of 85% of our ordinary income for such calendar year, 95% of our capital gain net income for the calendar year and any amount of such income that was not distributed in prior years. In the case of property acquisitions, including our initial formation, where individual Properties are contributed to our Operating Partnership for Operating Partnership units, we have assumed the tax basis and depreciation schedules of the entities contributing Properties. The relatively low tax basis of such contributed Properties may have the effect of increasing the cash amounts we are required to distribute as dividends, thereby potentially limiting the amount of cash we might otherwise have been able to retain for use in growing our business. This low tax basis may also have the effect of reducing or eliminating the portion of distributions made by us that are treated as a non-taxable return of capital.

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

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

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

Because we conduct our operations through the Operating Partnership, our ability to service our debt obligations and pay dividends to our shareholders is strictly dependent upon the earnings and cash flows of the Operating Partnership and the ability of the Operating Partnership to make distributions to us. Under the Delaware Revised Uniform Limited Partnership Act, the Operating Partnership is prohibited from making any distribution to us to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the Operating Partnership (other than some non-recourse liabilities and some liabilities to the partners) exceed the fair value of the assets of the Operating Partnership. Additionally, the terms of some of the debt to which our Operating Partnership is a party may limit its ability to make some types of payments and other distributions

to us. This in turn may limit our ability to make some types of payments, including payment of dividends on our outstanding capital stock, unless we meet certain financial tests or such payments or dividends are required to maintain our qualification as a REIT or to avoid the imposition of any federal income or excise tax on undistributed income. Any inability to make cash distributions from the Operating Partnership could jeopardize our ability to pay dividends on our outstanding shares of capital stock and to maintain qualification as a REIT.

RISKS RELATED TO OUR ORGANIZATIONAL STRUCTURE

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

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

- The Ownership Limit – As described above, to maintain our status as a REIT under the Internal Revenue Code, not more than 50% in value of our outstanding capital stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) during the last half of a taxable year. Our amended and restated certificate of incorporation generally prohibits ownership of more than 6% of the outstanding shares of our capital stock by any single stockholder determined by value (other than Charles Lebovitz, David Jacobs, Richard Jacobs and their affiliates under the Internal Revenue Code's attribution rules). In addition to preserving our status as a REIT, the ownership limit may have the effect of precluding an acquisition of control of us without the approval of our Board of Directors.
- Supermajority Vote Required for Removal of Directors - Historically, our governing documents have provided that stockholders can only remove directors for cause and only by a vote of 75% of the outstanding voting stock. Last year, in light of a ruling by the Delaware Court of Chancery in a proceeding not involving the Company, our Board of Directors approved an amendment to our Bylaws to delete the "for cause" limitation on removal of the Company's directors, and, based on our Board of Directors' recommendation, our shareholders approved a similar amendment to our Amended and Restated Certificate of Incorporation at the Company's 2016 annual meeting. As a result of such actions, shareholders will be able to remove directors with or without cause, but only by a vote of 75% of the outstanding voting stock. This provision makes it more difficult to change the composition of our Board of Directors and may have the effect of encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our Board of Directors rather than pursue non-negotiated takeover attempts.
- Advance Notice Requirements for Stockholder Proposals – Our Bylaws establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures generally require advance written notice of any such proposals, containing prescribed information, to be given to our Secretary at our principal executive offices not less than 90 days nor more than 120 days prior to the anniversary date of the prior year's annual meeting. Alternatively, a stockholder (or group of stockholders) seeking to nominate candidates for election as directors pursuant to the proxy access provisions set forth in Section 2.8 of our Bylaws generally must provide advance written notice to our Secretary, containing information prescribed in the proxy access bylaw, not less than 120 days nor more than 150 days prior to the anniversary date of the prior year's annual meeting.
- Vote Required to Amend Bylaws – A vote of 66 ²/₃% of our outstanding voting stock (in addition to any separate approval that may be required by the holders of any particular class of stock) is necessary for stockholders to amend our Bylaws.
- Delaware Anti-Takeover Statute – We are a Delaware corporation and are subject to Section 203 of the Delaware General Corporation Law. In general, Section 203 prevents an "interested stockholder" (defined generally as a person owning 15% or more of a company's outstanding voting stock) from engaging in a "business combination" (as defined in Section 203) with us for three years following the date that person becomes an interested stockholder unless:
 - (a) before that person became an interested holder, our Board of Directors approved the transaction in which the interested holder became an interested stockholder or approved the business combination;
 - (b) upon completion of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owns 85% of our voting stock outstanding at the time the transaction commenced (excluding stock held by directors who are also officers and by employee stock plans that do not provide employees with the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or

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

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

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

- Tax Consequences of the Sale or Refinancing of Certain Properties – Since certain of our Properties had unrealized gain attributable to the difference between the fair market value and adjusted tax basis in such Properties immediately prior to their contribution to the Operating Partnership, a taxable sale of any such Properties, or a significant reduction in the debt encumbering such Properties, could cause adverse tax consequences to the members of our senior management who owned interests in our predecessor entities. As a result, members of our senior management might not favor a sale of a Property or a significant reduction in debt even though such a sale or reduction could be beneficial to us and the Operating Partnership. Our Bylaws provide that any decision relating to the potential sale of any Property that would result in a disproportionately higher taxable income for members of our senior management than for us and our stockholders, or that would result in a significant reduction in such Property's debt, must be made by a majority of the independent directors of the Board of Directors. The Operating Partnership is required, in the case of such a sale, to distribute to its partners, at a minimum, all of the net cash proceeds from such sale up to an amount reasonably believed necessary to enable members of our senior management to pay any income tax liability arising from such sale.
- Interests in Other Entities; Policies of the Board of Directors – Certain Property tenants are affiliated with members of our senior management. Our Bylaws provide that any contract or transaction between us or the Operating Partnership and one or more of our directors or officers, or between us or the Operating Partnership and any other entity in which one or more of our directors or officers are directors or officers or have a financial interest, must be approved by our disinterested directors or stockholders after the material facts of the relationship or interest of the contract or transaction are disclosed or are known to them. Our code of business conduct and ethics also contains provisions governing the approval of certain transactions involving the Company and employees (or immediate family members of employees, as defined therein) that are not subject to the provision of the Bylaws described above. Such transactions are also subject to the Company's related party transactions policy in the manner and to the extent detailed in the proxy statement filed with the SEC for the Company's 2016 annual meeting. Nevertheless, these affiliations could create conflicts between the interests of these members of senior management and the interests of the Company, our shareholders and the Operating Partnership in relation to any transactions between us and any of these entities.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

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

Malls

We owned a controlling interest in 65 Malls and non-controlling interests in 9 Malls as of December 31, 2016. The Malls are primarily located in middle markets and generally have strong competitive positions because they are the only, or the dominant, regional mall in their respective trade areas. The Malls are generally anchored by two or more department stores and a wide variety of mall stores. Anchor tenants own or lease their stores and non-anchor stores lease their locations. Additional freestanding stores and restaurants that either own or lease their stores are typically located along the perimeter of the Malls' parking areas.

We classify our regional Malls into three categories:

- (1) Stabilized Malls - Malls that have completed their initial lease-up and have been open for more than three complete calendar years.
- (2) Non-stabilized Malls - Malls that are in their initial lease-up phase. After three complete calendar years of operation, they are reclassified on January 1 of the fourth calendar year to the Stabilized Mall category. The Outlet Shoppes of the Bluegrass and The Outlet Shoppes at Atlanta were classified as Non-stabilized Malls as of December 31, 2016. Fremaux Town Center, The Outlet Shoppes of the Bluegrass and The Outlet Shoppes at Atlanta were classified as Non-stabilized Malls as of December 31, 2015.
- (3) Excluded Malls - We exclude Malls from our core portfolio if they fall in the following categories, for which operational metrics are excluded:
 - a. Lender Malls - Properties for which we are working or intend to work with the lender on a restructure of the terms of the loan secured by the Property or convey the secured Property to the lender. As of December 31, 2016, Chesterfield Mall, Midland Mall and Wausau Center were classified as Lender Malls. Midland Mall was conveyed to the lender subsequent to December 31, 2016. As of December 31, 2015, Gulf Coast Town Center and Triangle Town Center were classified as Lender Malls. Additionally, Triangle Town Place, an associated center adjacent to Triangle Town Center, was classified as a Lender Property as of December 31, 2015. In the first quarter of 2016, Triangle Town Center and Triangle Town Place were recategorized as Minority Interest Properties as described below. In the second quarter of 2016, the foreclosure of Phase I and II of Gulf Coast Town Center was complete. Lender Properties are excluded from our same-center pool as decisions made while in discussions with the lender may lead to metrics that do not provide relevant information related to the condition of these Properties or they may be under cash management agreements with the respective servicers.
 - b. Repositioning Malls - Malls that are currently being repositioned or where we have determined that the current format of the Property no longer represents the best use of the Property and we are in the process of evaluating alternative strategies for the Property. This may include major redevelopment or an alternative retail or non-retail format, or after evaluating alternative strategies for the Property, we may determine that the Property no longer meets our criteria for long-term investment. The steps taken to reposition these Properties, such as signing tenants to short-term leases, which are not included in occupancy percentages, or leasing to regional or local tenants, which typically do not report sales, may lead to metrics which do not provide relevant information related to the condition of these Properties. Therefore, traditional performance measures, such as occupancy percentages and leasing metrics, exclude Repositioning Malls. As of December 31, 2016, Cary Towne Center and Hickory Point Mall were classified as Repositioning Malls. As of December 31, 2015, the Annex at Monroeville and CoolSprings Galleria were under significant redevelopment and Wausau Center was being considered for repositioning. Wausau Center was moved from Repositioning to the Lender Property category in the second quarter of 2016 when it was determined, after evaluating redevelopment options that an appropriate risk-adjusted return was not achievable and the Mall should be returned to the lender.
 - c. Minority Interest Malls - Malls in which we have a 25% or less ownership interest. As of December 31, 2016, we had two Malls classified as Minority Interest Malls. Triangle Town Center and Triangle Town Place were reclassified from the Lender Property category in the first quarter of 2016 upon the sale of our 50% interest in the unconsolidated affiliate to a newly formed joint venture in which we have a 10% ownership interest. The debt secured by these Properties was restructured in conjunction with the sale. Triangle Town Place was sold in the fourth quarter of 2016. We also sold a 75% interest in River Ridge Mall to a new joint venture in the first quarter of 2016. See Note 8 to the consolidated financial statements for more information on these unconsolidated affiliates.

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

The following table sets forth certain information for each of the Malls as of December 31, 2016:

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership	Total GLA ⁽¹⁾	Total Mall Store GLA ⁽²⁾	Mall Store Sales per Square Foot ⁽³⁾	Percentage Mall Store GLA Leased ⁽⁴⁾	Anchor & Junior Anchors ⁽⁵⁾
TIER 1 Sales ≥ \$375 or more per square foot								
Coastal Grand ⁽⁶⁾ Myrtle Beach, SC	2004	2007	50%	1,039,740	323,590	\$ 395	94%	Bed Bath & Beyond, Belk, Cinemark, Dick's Sporting Goods, Dillard's, H&M, JC Penney, Sears
CoolSprings Galleria ⁽⁶⁾ Nashville, TN	1991	2015	50%	1,142,750	407,997	543	99%	Belk Men's & Kid's, Belk Women's & Home, Dillard's, H&M, JC Penney, King's Bowl, Macy's
Cross Creek Mall Fayetteville, NC	1975/2003	2013	100%	1,045,311	282,155	499	99%	Belk, H&M, JC Penney, Macy's, Sears
Fayette Mall Lexington, KY	1971/2001	2014	100%	1,204,002	505,725	541	96%	Dick's Sporting Goods, Dillard's, H&M, JC Penney, Macy's
Friendly Center and The Shops at Friendly Greensboro, NC ⁽⁶⁾	1957/ 2006/ 2007	2016	50%	1,132,352	496,370	475	98%	Barnes & Noble, BB&T, Belk, Belk Home Store, The Grande Cinemas, Harris Teeter, Macy's, REI, Sears, Whole Foods
Governor's Square ⁽⁶⁾ Clarksville, TN	1986	1999	47.5%	719,565	238,528	379	95%	Belk, Best Buy, Carmike Cinema, Dick's Sporting Goods, Dillard's, JC Penney, Ross, Sears
Hamilton Place Chattanooga, TN	1987	2016	90%	1,150,185	331,493	390	93%	Barnes & Noble, Belk for Men, Kids & Home, Belk for Women, Dillard's for Men, Kids & Home, Dillard's for Women, Forever 21, H&M ⁽⁷⁾ , JC Penney, Regal Cinemas, Sears
Hanes Mall Winston-Salem, NC	1975/2001	1990	100%	1,477,098	475,972	377	91%	Belk, Dick's Sporting Goods, Dillard's, Encore, H&M, JC Penney, Macy's, Sears
Jefferson Mall Louisville, KY	1978/2001	1999	100%	900,434	224,728	398	100%	Dillard's, H&M, JC Penney, Macy's, Ross, Sears
Mall del Norte Laredo, TX	1977/2004	1993	100%	1,178,220	359,657	484	95%	Beall's, Cinemark, Dillard's, Foot Locker, Forever 21, H&M, JC Penney, Joe Brand, Macy's, Macy's Home Store, Sears
Mayfaire Town Center Wilmington, NC	2004/2015	N/A	100%	592,168	297,830	387	88%	Barnes & Noble, Belk, The Fresh Market, HH Gregg, H&M ⁽⁷⁾ , Michaels, Regal Cinemas
Northwoods Mall North Charleston, SC	1972/2001	1995	100%	771,676	268,557	380	95%	Belk, Books-A-Million, Dillard's, JC Penney, Sears

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership	Total GLA ⁽¹⁾	Total Mall Store GLA ⁽²⁾	Mall Store Sales per Square Foot ⁽³⁾	Percentage Mall Store GLA Leased ⁽⁴⁾	Anchors & Junior Anchors ⁽⁵⁾
Oak Park Mall ⁽⁶⁾ Overland Park, KS	1974/2005	1998	50%	1,609,613	431,455	456	96%	Academy Sports & Outdoors, Barnes & Noble, Dillard's for Women, Dillard's for Men, Children & Home, Forever 21, H&M, JC Penney, Macy's, Nordstrom
Old Hickory Mall Jackson, TN	1967/2001	1994	100%	538,991	161,896	394	79%	Belk, JC Penney, Macy's, Sears
The Outlet Shoppes at Atlanta Woodstock, GA	2013	2015	75%	412,055	386,711	422 *	91%	Saks Fifth Ave OFF 5TH
The Outlet Shoppes at El Paso El Paso, TX	2007/2012	2014	75%	433,046	411,007	376	98%	H&M
The Outlet Shoppes of the Bluegrass Simpsonville, KY	2014	2015	65%	428,073	381,373	406 *	95%	H&M, Saks Fifth Ave OFF 5TH
Post Oak Mall College Station, TX	1982	1985	100%	759,632	272,106	376	90%	Beall's, Dillard's Men & Home, Dillard's Women & Children, Encore, JC Penney, Macy's, Sears
Richland Mall Waco, TX	1980/2002	1996	100%	686,628	205,403	382	98%	Beall's, Dillard's for Men, Kids & Home, Dillard's for Women, JC Penney, Sears, XXI Forever
Sunrise Mall Brownsville, TX	1979/2003	2015	100%	801,392	236,635	394	99%	A'gaci, Beall's, Cinemark, Dick's Sporting Goods, Dillard's, JC Penney, Sears
Volusia Mall Daytona Beach, FL	1974/2004	2013	100%	1,067,343	226,510	376	99%	Dillard's for Men & Home, Dillard's for Women, Dillard's for Children, H&M, JC Penney, Macy's, Sears
West County Center ⁽⁶⁾ Des Peres, MO	1969/2007	2002	50%	1,197,210	414,789	496	98%	Barnes & Noble, Dick's Sporting Goods, Forever 21, JC Penney, Macy's, Nordstrom
West Towne Mall Madison, WI	1970/2001	2013	100%	823,505	266,033	513	99%	Boston Store, Dave & Buster's ⁽⁸⁾ , Dick's Sporting Goods, Forever 21, JC Penney, Sears ⁽⁸⁾ , Total Wine ⁽⁸⁾
Total Tier 1 Malls				21,110,989	7,606,520	\$ 441	95%	
TIER 2								
Sales ≥ \$300 to < \$375 per square foot								
Acadiana Mall Lafayette, LA	1979/2005	2004	100%	991,564	299,301	\$ 337	99%	Dillard's, JC Penney, Macy's, Sears
Arbor Place Atlanta (Douglasville), GA	1999	N/A	100%	1,163,432	309,002	364	98%	Bed Bath & Beyond, Belk, Dillard's, Forever 21, H&M, JC Penney, Macy's, Regal Cinemas, Sears
Asheville Mall Asheville, NC	1972/1998	2000	100%	974,223	266,319	363	98%	Barnes & Noble, Belk, Dillard's for Men, Children & Home, Dillard's for Women, H&M, JC Penney, Sears

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership	Total GLA ⁽¹⁾	Total Mall Store GLA ⁽²⁾	Mall Store Sales per Square Foot ⁽³⁾	Percentage Mall Store GLA Leased ⁽⁴⁾	Anchors & Junior Anchors ⁽⁵⁾
Brookfield Square ⁽⁹⁾ Brookfield, WI	1967/2001	2008	100%	1,032,242	292,168	322	97%	Barnes & Noble, Boston Store, H&M, JC Penney, Sears
Burnsville Center Burnsville, MN	1977/1998	N/A	100%	1,046,359	382,538	339	90%	Dick's Sporting Goods, Gordmans, H&M, JC Penney, Macy's, Sears
CherryVale Mall Rockford, IL	1973/2001	2007	100%	849,253	333,772	330	99%	Barnes & Noble, Bergner's, JC Penney, Macy's, Sears
Dakota Square Mall Minot, ND	1980/2012	2016	100%	812,222	182,516	345	98%	Barnes & Noble, Carmike Cinema, Herberger's, JC Penney, KJ's Fresh Market, Scheels, Sears, Sleep Inn & Suites - Splashdown Dakota Super Slides, Target
East Towne Mall Madison, WI	1971/2001	2004	100%	787,389	228,765	328	96%	Barnes & Noble, Boston Store, Dick's Sporting Goods, Gordmans, H&M ⁽⁷⁾ , JC Penney, Sears, Steinhafels
EastGate Mall ⁽¹⁰⁾ Cincinnati, OH	1980/2003	1995	100%	860,830	280,118	362	86%	Dillard's, JC Penney, Kohl's, Sears
Eastland Mall Bloomington, IL	1967/2005	N/A	100%	760,799	221,144	302	94%	Bergner's, JC Penney, Kohl's, Macy's, Sears
Frontier Mall Cheyenne, WY	1981	1997	100%	524,075	179,205	331	97%	Carmike Cinema, Dillard's for Women, Dillard's for Men, Kids & Home, JC Penney, Sears, Sports Authority
Greenbrier Mall Chesapeake, VA	1981/2004	2004	100%	890,852	269,039	359	92%	Dillard's, GameWorks, JC Penney, Macy's, Sears
Harford Mall Bel Air, MD	1973/2003	2007	100%	505,483	181,307	352	95%	Encore, Macy's, Sears
Honey Creek Mall Terre Haute, IN	1968/2004	1981	100%	677,322	185,807	344	93%	Carson's, Encore, JC Penney, Macy's, Sears
Imperial Valley Mall El Centro, CA	2005	N/A	100%	827,648	214,031	325	96%	Cinemark, Dillard's, JC Penney, Kohl's, Macy's, Sears
Kirkwood Mall Bismarck, ND	1970/2012	2016	100%	842,263	203,700	327	94%	H&M, Herberger's, Keating Furniture, JC Penney, Scheels, Target
Laurel Park Place Livonia, MI	1989/2005	1994	100%	494,886	196,076	349	94%	Carson's, Von Maur
Layton Hills Mall Layton, UT	1980/2006	1998	100%	557,333	211,366	353	99%	Dick's Sporting Goods, JC Penney, Macy's
Meridian Mall ⁽¹¹⁾ Lansing, MI	1969/1998	2001	100%	972,186	290,708	313	86%	Bed Bath & Beyond, Dick's Sporting Goods, Gordmans, H&M, JC Penney, Macy's, Planet Fitness, Schuler Books & Music, Younkers for Her, Younkers Men, Kids & Home

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership	Total GLA ⁽¹⁾	Total Mall Store GLA ⁽²⁾	Mall Store Sales per Square Foot ⁽³⁾	Percentage Mall Store GLA Leased ⁽⁴⁾	Anchors & Junior Anchors ⁽⁵⁾
Mid Rivers Mall St. Peters, MO	1987/2007	2015	100%	1,076,184	288,165	301	98%	Best Buy, Dick's Sporting Goods, Dillard's, JC Penney, Macy's, Planet Fitness, Sears, V-Stock, Wehrenberg Theaters
Northgate Mall Chattanooga, TN	1972/2011	2014	100%	762,381	181,634	321	96%	Belk, Burlington, Carmike Cinema, former JC Penney, Michaels, Ross, Sears, T.J. Maxx
Northpark Mall Joplin, MO	1972/2004	1996	100%	934,548	281,447	317	87%	Dunham's Sports, JC Penney, Jo-Ann Fabrics & Crafts, Macy's Children's & Home, Macy's Women's & Men's, Regal Cinemas, Sears, Tilt, T.J. Maxx, Vintage Stock
The Outlet Shoppes at Oklahoma City Oklahoma City, OK	2011	2014	75%	394,257	394,257	361	93%	None
Park Plaza Little Rock, AR	1988/2004	N/A	100%	540,167	236,417	346	97%	Dillard's for Men & Children, Dillard's for Women & Home, Forever 21, H&M ⁽⁷⁾
Parkdale Mall Beaumont, TX	1972/2001	2014	100%	1,248,667	313,501	352	89%	Ashley Furniture, Beall's, Dillard's, JC Penney, H&M, Hollywood Theater, Kaplan College, Macy's, Marshall's, Michaels, Sears, 2nd & Charles, Tilt Studio ⁽¹²⁾ , XXI Forever
Parkway Place Huntsville, AL	1957/1998	2002	100%	648,271	279,093	345	99%	Belk, Dillard's
Pearland Town Center ⁽¹³⁾ Pearland, TX	2008	N/A	100%	646,995	282,905	326	100%	Barnes & Noble, Dick's Sporting Goods ⁽¹⁴⁾ , Dillard's, Macy's
South County Center St. Louis, MO	1963/2007	2001	100%	1,044,146	311,280	367	92%	Dick's Sporting Goods, Dillard's, JC Penney, Macy's, Sears
Southaven Towne Center Southaven, MS	2005	2013	100%	567,640	184,545	303	95%	Bed Bath & Beyond, Dillard's, Gordmans, HH Gregg, JC Penney
Southpark Mall Colonial Heights, VA	1989/2003	2007	100%	672,975	229,715	372	93%	Dick's Sporting Goods, JC Penney, Macy's, Regal Cinemas, Sears
St. Clair Square ⁽¹⁵⁾ Fairview Heights, IL	1974/1996	1993	100%	1,084,898	299,675	374	98%	Dillard's, JC Penney, Macy's, Sears
Turtle Creek Mall Hattiesburg, MS	1994	1995	100%	846,121	192,734	344	89%	At Home, Belk, Dillard's, JC Penney, Sears, Southwest Theaters, Stein Mart
Valley View Mall Roanoke, VA	1985/2003	2007	100%	837,428	278,496	368	99%	Barnes & Noble, Belk, JC Penney, Macy's, Macy's for Home & Children, Sears
WestGate Mall ⁽¹⁶⁾ Spartanburg, SC	1975/1995	1996	100%	954,769	227,433	339	81%	Bed Bath & Beyond, Belk, Dick's Sporting Goods, Dillard's, JC Penney, Regal Cinemas, Sears

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership	Total GLA ⁽¹⁾	Total Mall Store GLA ⁽²⁾	Mall Store Sales per Square Foot ⁽³⁾	Percentage Mall Store GLA Leased ⁽⁴⁾	Anchor & Junior Anchors ⁽⁵⁾
Westmoreland Mall Greensburg, PA	1977/2002	1994	100%	979,541	300,160	317	97%	Bon-Ton, H&M, JC Penney, Macy's, Macy's Home Store, Old Navy, Sears
York Galleria York, PA	1989/1999	N/A	100%	751,902	219,976	348	91%	Bon-Ton, Boşçov's, Gold's Gym ⁽¹⁷⁾ , H&M ⁽¹⁷⁾ , former JC Penney ⁽¹⁷⁾ , Sears
Total Tier 2 Malls				29,561,251	9,228,315	\$ 342	94%	

TIER 3 Sales < \$300 per square foot								
Alamance Crossing Burlington, NC	2007	2011	100%	886,700	201,760	\$ 253	84%	Barnes & Noble, Belk, BJ's Wholesale Club, Carousel Cinemas, Dick's Sporting Goods, Dillard's, Hobby Lobby, JC Penney, Kohl's
College Square Morristown, TN	1988	1999	100%	450,398	129,921	265	99%	Belk, Carmike Cinema, Dick's Sporting Goods, Goody's, Kohl's, Planet Fitness ⁽¹⁸⁾ , T.J. Maxx
Foothills Mall Maryville, TN	1983/1996	2012	95%	463,751	121,596	283	99%	Belk, Carmike Cinema, Goody's, JC Penney, Sears, T.J. Maxx
Janesville Mall Janesville, WI	1973/1998	1998	100%	600,710	165,692	246	97%	Boston Store, Dick's Sporting Goods, Kohl's, Sears
Kentucky Oaks Mall ⁽⁶⁾ Paducah, KY	1982/2001	1995	50%	1,062,532	371,367	286	84%	Best Buy, Cinemark, Dick's Sporting Goods, Dillard's, Dillard's Home Store, Elder-Beerman, JC Penney, Planet Fitness, Sears, Vertical Trampoline Park
Monroeville Mall Pittsburgh, PA	1969/2004	2014	100%	1,077,250	471,138	274	89%	Barnes & Noble, Best Buy, Cinemark, Dick's Sporting Goods, Forever 21, H&M, JC Penney, Macy's
The Outlet Shoppes at Gettysburg Gettysburg, PA	2000/2012	N/A	50%	249,937	249,737	261	93%	None
Stroud Mall ⁽¹⁹⁾ Stroudsburg, PA	1977/1998	2005	100%	403,258	118,775	276	74%	Bon-Ton, Cinemark, JC Penney, Sears
Total Tier 3 Malls				5,194,536	1,829,986	\$ 268	89%	
Total Mall Portfolio				55,866,776	18,664,821	\$ 376	94%	

Excluded Malls ⁽²⁰⁾								
Lender Malls:								
Chesterfield Mall Chesterfield, MO	1976/2007	2006	100%	1,264,857	499,048	N/A	N/A	AMC Theater, Dillard's, H&M, Macy's, Sears, V-Stock
Midland Mall ⁽²¹⁾ Midland, MI	1991/2001	N/A	100%	473,634	136,684	N/A	N/A	Barnes & Noble, Dunham's Sports, JC Penney, Target, Younkers
Wausau Center ⁽²²⁾ Wausau, WI	1983/2001	1999	100%	423,774	150,574	N/A	N/A	former JC Penney, former Sears, Younkers
Total Lender Malls				2,162,265	786,306			

Mall / Location	Year of Opening/ Acquisition	Year of Most Recent Expansion	Our Ownership	Total GLA ⁽¹⁾	Total Mall Store GLA ⁽²⁾	Mall Store Sales per Square Foot ⁽³⁾	Percentage Mall Store GLA Leased ⁽⁴⁾	Anchor & Junior Anchors ⁽⁵⁾
Repositioning Malls:								
Cary Towne Center Cary, NC	1979/2001	1993	100%	927,882	266,096	N/A	N/A	Belk, Cary Towne Furniture, Dave & Buster's, Dillard's, JC Penney, Jump Street, former Macy's
Hickory Point Mall Forsyth, IL	1977/2005	N/A	100%	815,326	167,930	N/A	N/A	Bergner's, former Cohn Furniture, Encore, Hobby Lobby, Kohl's, Ross, former Sears, T.J. Maxx ⁽²³⁾ , Von Maur
Total Repositioning Malls				1,743,208	434,026			
Minority Interest Malls								
River Ridge Mall ⁽⁶⁾ Lynchburg, VA	1980/2003	2000	25%	761,133	193,981	N/A	N/A	Belk, JC Penney, Liberty University, Macy's, Regal Cinemas, T.J. Maxx
Triangle Town Center ⁽⁶⁾ Raleigh, NC	2002/2005	N/A	10%	1,254,274	428,184	N/A	N/A	Barnes & Noble, Belk, Dillard's, Macy's, Sak's Fifth Avenue, Sears
Total Minority Interest Malls				2,015,407	622,165			
Total Excluded Malls				5,920,880	1,842,497			

* Non-stabilized Mall - Mall Store Sales per Square Foot metrics are excluded from Mall Store Sales per Square Foot totals by tier and Mall portfolio totals.

- (1) Includes total square footage of the Anchors (whether owned or leased by the Anchor) and Mall stores. Does not include future expansion areas.
- (2) Excludes tenants over 20,000 square feet.
- (3) Totals represent weighted averages.
- (4) Includes tenants paying rent as of December 31, 2016.
- (5) Anchors and Junior Anchors listed are attached to the Malls or are in freestanding locations adjacent to the Malls.
- (6) This Property is owned in an unconsolidated joint venture.
- (7) H&M is scheduled to open stores at Hamilton Place, Mayfaire Town Center, East Towne Mall and Park Plaza in 2017.
- (8) West Towne Mall - Half of the Sears space is under redevelopment by its third party owner for a Dave & Buster's store and Total Wine store, which are scheduled to open in 2017.
- (9) Brookfield Square - The annual ground rent for 2016 was \$293,200.
- (10) EastGate Mall - Ground rent for the Dillard's parcel that extends through January 2022 is \$24,000 per year.
- (11) Meridian Mall - We are the lessee under several ground leases in effect through March 2067, with extension options. Fixed rent is \$18,700 per year plus 3% to 4% of all rent.
- (12) Parkdale Mall - Tilt Studio is scheduled to open in 2017.
- (13) Pearland Town Center is a mixed-use center which combines retail, hotel, office and residential components. For segment reporting purposes, the retail portion of the center is classified in Malls, the office portion is classified in Office Buildings, and the hotel and residential portions are classified as Other.
- (14) Pearland Town Center - Dick's Sporting Goods is scheduled to open in the former Sports Authority space in 2017.
- (15) St. Clair Square - We are the lessee under a ground lease for 20 acres. Assuming the exercise of available renewal options, at our election, the ground lease expires January 31, 2073. The rental amount is \$40,500 per year. In addition to base rent, the landlord receives 0.25% of Dillard's sales in excess of \$16,200,000.
- (16) WestGate Mall - We are the lessee under several ground leases for approximately 53% of the underlying land. Assuming the exercise of renewal options available, at our election, the ground lease expires October 31, 2024. The rental amount is \$130,025 per year. In addition to base rent, the landlord receives 20% of the percentage rents collected. The Company has a right of first refusal to purchase the fee.
- (17) York Galleria - The lower level of the former JC Penney space was redeveloped into an H&M, which opened in 2016, and a Gold's Gym, which is scheduled to open in 2017.
- (18) College Square - Planet Fitness is scheduled to open in 2017 in space previously utilized by Belk for storage.
- (19) Stroud Mall - We are the lessee under a ground lease, which extends through July 2089. The current rental amount is \$60,000 per year, increasing by \$10,000 every ten years through 2059. An additional \$100,000 is paid every 10 years.
- (20) Operational metrics are not reported for Excluded Malls.
- (21) Subsequent to December 31, 2016, the foreclosure process was complete and Midland Mall was returned to the lender. See Note 19 to the consolidated financial statements for more information.
- (22) Wausau Center - Ground rent is \$76,000 per year.
- (23) Hickory Point Mall - T.J. Maxx is scheduled to open in 2017 in the former Steve & Barry's space.

Anchors

Anchors are an important factor in a Mall's successful performance. However, we believe that the number of Anchor stores will reduce over time, providing us the opportunity to redevelop these spaces to attract new uses such as restaurants, entertainment, fitness centers and lifestyle retailers that engage consumers and encourage them to spend more time at our Malls. Mall Anchors are generally a department store or, increasingly, other large format retailers, whose merchandise appeals to a broad range of shoppers and plays a significant role in generating customer traffic and creating a desirable location for the Mall store tenants.

Anchors may own their stores and the land underneath, as well as the adjacent parking areas, or may enter into long-term leases with respect to their stores. Rental rates for Anchor tenants are significantly lower than the rents charged to mall store tenants. Total rental revenues from Anchors account for 13.2% of the total revenues from our Malls in 2016. Each Anchor that owns its store has entered into an operating and reciprocal easement agreement with us covering items such as operating covenants, reciprocal easements, property operations, initial construction and future expansion.

During 2016, we added the following Anchors and Junior Anchors to the Malls, as listed below:

Name	Property	Location
Cary Towne Furniture	Cary Towne Center	Cary, NC
Dick's Sporting Goods	College Square	Morristown, TN
Dunham's Sports	Northpark Mall	Joplin, MO
H&M	Kirkwood Mall	Bismarck, ND
H&M	Mall del Norte	Laredo, TX
H&M	The Outlet Shoppes of the Bluegrass	Simpsonville, KY
H&M	York Galleria	York, PA
Jump Street	Cary Towne Center	Cary, NC
KJ's Fresh Market	Dakota Square Mall	Minot, ND
King's Bowl	CoolSprings Galleria	Nashville, TN
Planet Fitness	Kentucky Oaks Mall	Paducah, KY
Regal Cinemas	Hamilton Place	Chattanooga, TN

As of December 31, 2016, the Malls had a total of 262 Anchors, including two vacant Anchor locations, and excluding Anchors at our Excluded Malls and freestanding stores. The Mall Anchors and the amount of GLA leased or owned by each as of December 31, 2016 is as follows:

Anchor	Number of Stores			Gross Leasable Area		
	Mall Leased	Anchor Owned	Total	Mall Leased	Anchor Owned	Total
JC Penney ⁽¹⁾	21	30	51	2,192,563	3,871,630	6,064,193
Sears ⁽²⁾	11	36	47	1,131,524	5,485,171	6,616,695
Dillard's ⁽³⁾	4	38	42	420,809	5,460,979	5,881,788
Macy's ⁽⁴⁾	11	23	34	1,493,133	3,901,887	5,395,020
Belk ⁽⁵⁾	6	16	22	634,343	2,071,452	2,705,795
Bon-Ton:						
Bon-Ton ⁽⁶⁾	1	2	3	87,024	231,715	318,739
Bergner's	2	—	2	259,946	—	259,946
Boston Store	1	3	4	96,000	493,411	589,411
Carson's	2	—	2	219,190	—	219,190
Herberger's	2	—	2	144,968	—	144,968
Younkers ⁽⁷⁾	1	1	2	93,597	74,899	168,496
Elder-Beerman	1	—	1	60,092	—	60,092
Bon-Ton Subtotal	10	6	16	960,817	800,025	1,760,842
At Home	—	1	1	—	124,700	124,700
BB&T	—	1	1	—	60,000	60,000
BJ's Wholesale Club	1	—	1	85,188	—	85,188
Boscov's	—	1	1	—	150,000	150,000
Burlington	1	—	1	63,013	—	63,013

Anchor	Number of Stores			Gross Leasable Area		
	Mall Leased	Anchor Owned	Total	Mall Leased	Anchor Owned	Total
Carousel Cinemas	1	—	1	52,000	—	52,000
Cinemark	4	—	4	240,232	—	240,232
Dick's Sporting Goods	12	—	12	740,638	—	740,638
Dunham's Sports	1	—	1	80,551	—	80,551
Gordmans	2	—	2	109,401	—	109,401
The Grande Cinemas ⁽⁸⁾	—	1	1	—	60,400	60,400
Harris Teeter	—	1	1	—	72,757	72,757
Hobby Lobby	1	—	1	52,500	—	52,500
I. Keating Furniture	1	—	1	103,994	—	103,994
Kohl's	3	2	5	266,591	132,000	398,591
Nordstrom ⁽⁹⁾	—	2	2	—	385,000	385,000
Regal Cinemas	2	1	3	141,861	61,219	203,080
Scheel's	2	—	2	200,536	—	200,536
Sleep Inn & Suites	—	1	1	—	123,506	123,506
Target	—	2	2	—	237,600	237,600
Von Maur	—	1	1	—	150,000	150,000
Wehrenberg Theaters	1	—	1	56,000	—	56,000
XXI Forever / Forever 21	1	1	2	77,500	57,500	135,000
Vacant Anchors:						
Vacant - former JC Penney ⁽¹⁰⁾	1	1	2	55,986	173,124	229,110
Total Anchors	97	165	262	9,159,180	23,378,950	32,538,130

- (1) Of the 30 stores owned by JC Penney, 4 are subject to ground lease payments to the Company.
- (2) Of the 36 stores owned by Sears, 5 are subject to ground lease payments to the Company. Subsequent to December 31, 2016, the Company purchased 5 of the owned Sears' locations for future redevelopment. These stores were then leased back to Sears.
- (3) Of the 38 stores owned by Dillard's, 3 are subject to ground lease payments to the Company.
- (4) Of the 23 stores owned by Macy's, 3 are subject to ground lease payments to the Company. Subsequent to December 31, 2016, the Company purchased 4 of the owned Macy's locations for future redevelopment.
- (5) Of the 16 stores owned by Belk, 2 are subject to ground lease payments to the Company.
- (6) Of the 2 stores owned by Bon-Ton, 1 is subject to ground lease payments to the Company.
- (7) The store owned by Younkers is subject to ground lease payments to the Company.
- (8) The store owned by The Grande Theaters is subject to ground lease payments to the Company.
- (9) The 2 stores owned by Nordstrom are subject to ground lease payments to the Company.
- (10) The vacant JC Penney 55,986-square-foot space represents the upper level of the store. The lower level was redeveloped into an H&M and a Gold's Gym is under construction and scheduled to open in 2017.

As of December 31, 2016, the Malls had a total of 123 Junior Anchors, including one vacant Junior Anchor space, and excluding Junior Anchors at our Excluded Malls. The Mall Junior Anchors and the amount of GLA leased or owned by each as of December 31, 2016 is as follows:

Junior Anchor	Number of Stores			Gross Leasable Area		
	Mall Leased	Anchor Owned	Total	Mall Leased	Anchor Owned	Total
A'GACI	1	—	1	28,000	—	28,000
Ashley Furniture HomeStores	1	—	1	26,439	—	26,439
Barnes & Noble	14	—	14	396,292	—	396,292
Beall's	5	—	5	193,209	—	193,209
Bed, Bath & Beyond	5	—	5	154,249	—	154,249
Belk	1	—	1	26,997	—	26,997
Best Buy	1	—	1	34,262	—	34,262
Books-A-Million	1	—	1	20,642	—	20,642
Carmike Cinema	5	—	5	192,672	—	192,672
Cinemark	3	—	3	131,309	—	131,309
Dick's Sporting Goods	6	—	6	262,151	—	262,151

Junior Anchor	Number of Stores			Gross Leasable Area		
	Mall Leased	Anchor Owned	Total	Mall Leased	Anchor Owned	Total
Dillard's	—	1	1	—	39,241	39,241
Encore	4	—	4	101,488	—	101,488
The Fresh Market	1	—	1	21,442	—	21,442
Foot Locker	1	—	1	22,847	—	22,847
GameWorks	1	—	1	21,295	—	21,295
Goody's	2	—	2	61,358	—	61,358
Gordmans	2	—	2	96,979	—	96,979
H&M	21	—	21	454,117	—	454,117
HH Gregg	2	—	2	62,451	—	62,451
Jo-Ann Fabrics & Crafts	1	—	1	22,659	—	22,659
Joe Brand	1	—	1	29,413	—	29,413
KJs' Fresh Market	1	—	1	27,801	—	27,801
Kaplan College	1	—	1	30,294	—	30,294
King's Bowl	1	—	1	22,678	—	22,678
Macy's	2	1	3	58,312	48,270	106,582
Michaels	1	—	1	23,809	—	23,809
Old Navy	1	—	1	20,257	—	20,257
Planet Fitness	1	—	1	23,107	—	23,107
REI	1	—	1	24,427	—	24,427
Regal Cinemas	1	—	1	23,360	—	23,360
Ross	2	—	2	53,928	—	53,928
Saks Fifth Avenue OFF 5TH	2	—	2	49,365	—	49,365
Schuler Books & Music	1	—	1	24,116	—	24,116
2nd & Charles	1	—	1	23,538	—	23,538
Southwest Theaters	1	—	1	29,830	—	29,830
Stein Mart	1	—	1	30,463	—	30,463
Steinhafels	1	—	1	28,828	—	28,828
Tilt	1	—	1	22,484	—	22,484
T.J. Maxx	3	—	3	80,866	—	80,866
V-Stock / Vintage Stock	2	—	2	69,166	—	69,166
Vertical Trampoline Park	1	—	1	23,636	—	23,636
Whole Foods	—	1	1	—	34,320	34,320
XXI Forever / Forever 21	8	—	8	206,714	—	206,714
Vacant Junior Anchors:						
Vacant - former Sports Authority	1	—	1	66,835	—	66,835
Current Developments:						
Dave & Buster's ⁽¹⁾	—	1	1	—	30,728	30,728
Dick's Sporting Goods ⁽²⁾	1	—	1	42,085	—	42,085
Gold's Gym ⁽³⁾	1	—	1	30,664	—	30,664
Planet Fitness ⁽⁴⁾	1	—	1	20,000	—	20,000
Tilt Studio ⁽⁵⁾	1	—	1	42,174	—	42,174
Total Wine ⁽¹⁾	—	1	1	—	25,000	25,000
Total Junior Anchors	118	5	123	3,459,008	177,559	3,636,567

(1) A portion of the Sears store at West Towne Mall is being redeveloped into a Dave & Buster's and Total Wine shops, which are expected to open in 2017.

(2) Dick's Sporting Goods is under development to open in the former Sports Authority space at Pearland Town Center in 2017.

(3) Gold's Gym is under development in a portion of the vacant JC Penney space at York Galleria.

(4) Planet Fitness is scheduled to open in 2017 at College Square in space previously utilized by Belk for storage.

(5) Tilt Studio is scheduled to open in 2017 in the former Steve & Barry's space at Parkdale Mall.

Mall Stores

The Malls have approximately 6,360 Mall stores. National and regional retail chains (excluding local franchises) lease approximately 83.8% of the occupied Mall store GLA. Although Mall stores occupy only 31.2% of the total Mall GLA (the remaining 68.8% is occupied by Anchors and Junior Anchors and a minor percentage is vacant), the Malls received 81.3% of their revenues from Mall stores for the year ended December 31, 2016.

Mall Lease Expirations

The following table summarizes the scheduled lease expirations for mall stores as of December 31, 2016:

Year Ending December 31,	Number of Leases Expiring	Annualized Gross Rent ⁽¹⁾	GLA of Expiring Leases	Average Annualized Gross Rent Per Square Foot	Expiring Leases as % of Total Annualized Gross Rent ⁽²⁾	Expiring Leases as a % of Total Leased GLA ⁽³⁾
2017	915	\$ 104,987,000	2,485,000	\$ 42.24	15.0%	15.2%
2018	795	104,818,000	2,460,000	42.61	15.0%	15.1%
2019	635	82,844,000	1,975,000	41.95	11.9%	12.1%
2020	502	70,628,000	1,657,000	42.61	10.1%	10.2%
2021	530	70,256,000	1,786,000	39.33	10.1%	11.0%
2022	354	53,076,000	1,207,000	43.97	7.6%	7.4%
2023	374	62,341,000	1,317,000	47.32	8.9%	8.1%
2024	355	63,194,000	1,263,000	42.11	7.6%	7.7%
2025	301	48,907,000	1,092,000	44.81	7.0%	6.7%
2026	274	47,233,000	1,065,000	44.34	6.8%	6.5%

- (1) Total annualized gross rent, including recoverable common area expenses and real estate taxes, in effect at December 31, 2016 for expiring leases that were executed as of December 31, 2016.
- (2) Total annualized gross rent, including recoverable common area expenses and real estate taxes, of expiring leases as a percentage of the total annualized gross rent of all leases that were executed as of December 31, 2016.
- (3) Total GLA of expiring leases as a percentage of the total GLA of all leases that were executed as of December 31, 2016.

See page 57 for a comparison between rents on leases that expired in the current reporting period compared to rents on new and renewal leases executed in 2016. We leased approximately 4.3 million square feet with average stabilized mall leasing spreads of 7.6%, including new lease spreads of 28% and renewal spreads of 1.2%. We expect to achieve similar results for leases expiring in 2017. Page 58 includes new and renewal leasing activity as of December 31, 2016 with commencement dates in 2016 and 2017.

Mall Tenant Occupancy Costs

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

	Year Ended December 31, ⁽¹⁾		
	2016	2015	2014
Mall store sales (in millions)	\$ 5,110	\$ 5,778	\$ 5,539
Minimum rents	8.64%	8.46%	8.63%
Percentage rents	0.45%	0.55%	0.54%
Tenant reimbursements ⁽²⁾	3.66%	3.63%	3.79%
Mall tenant occupancy costs	12.75%	12.64%	12.96%

- (1) In certain cases, we own less than a 100% interest in the Malls. The information in this table is based on 100% of the applicable amounts and has not been adjusted for our ownership share.
- (2) Represents reimbursements for real estate taxes, insurance, common area maintenance charges, marketing and certain capital expenditures.

Debt on Malls

Please see the table entitled "Mortgage Loans Outstanding at December 31, 2016" included herein for information regarding any liens or encumbrances related to our Malls.

Associated Centers

We owned a controlling interest in 20 Associated Centers and a non-controlling interest in three Associated Centers as of December 31, 2016.

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

We own the land underlying the Associated Centers in fee simple interest. The following table sets forth certain information for each of the Associated Centers as of December 31, 2016:

Associated Center / Location	Year of Opening/ Most Recent Expansion	Company's Ownership	Total GLA ⁽¹⁾	Total Leasable GLA ⁽²⁾	Percentage GLA Occupied ⁽³⁾	Anchors & Junior Anchors
Annex at Monroeville Pittsburgh, PA	1986	100%	186,367	186,367	100%	Burlington, Steel City Indoor Karting
Coastal Grand Crossing ⁽⁴⁾ Myrtle Beach, SC	2005	50%	35,013	35,013	100%	PetSmart
CoolSprings Crossing Nashville, TN	1992	100%	167,475	63,015	97%	American Signature ⁽⁵⁾ , HH Gregg ⁽⁶⁾ , JumpStreet ⁽⁶⁾ , Target ⁽⁵⁾ , Toys R Us ⁽⁵⁾
Courtyard at Hickory Hollow Nashville, TN	1979	100%	68,438	68,438	96%	Carmike Cinema
Frontier Square Cheyenne, WY	1985	100%	186,552	16,527	100%	PETCO ⁽⁷⁾ , Ross ⁽⁷⁾ , Target ⁽⁵⁾ , T.J. Maxx ⁽⁷⁾
Governor's Square Plaza ⁽⁴⁾ Clarksville, TN	1985/1988	50%	214,728	71,801	64%	Bed Bath & Beyond, former Premier Medical Group, Target ⁽⁴⁾
Gunbarrel Pointe Chattanooga, TN	2000	100%	273,913	147,913	100%	Earthfare, Kohl's, Target ⁽⁵⁾
Hamilton Corner Chattanooga, TN	1990/2005	90%	67,301	67,301	100%	None
Hamilton Crossing Chattanooga, TN	1987/2005	92%	191,945	98,832	100%	HomeGoods ⁽⁸⁾ , Michaels ⁽⁸⁾ , T.J. Maxx, Toys R Us ⁽⁸⁾
Harford Annex Bel Air, MD	1973/2003	100%	107,656	107,656	100%	Best Buy, Office Depot, PetSmart
The Landing at Arbor Place Atlanta (Douglasville), GA	1999	100%	162,988	85,301	67%	The Furniture Company, Toys R Us ⁽⁵⁾
Layton Hills Convenience Center Layton, UT	1980	100%	90,066	90,066	94%	Bed Bath & Beyond
Layton Hills Plaza Layton, UT	1989	100%	18,808	18,808	100%	None
Parkdale Crossing Beaumont, TX	2002	100%	28,564	28,564	100%	Barnes & Noble
The Plaza at Fayette Lexington, KY	2006	100%	190,207	190,207	100%	Cinemark, Gordmans
The Shoppes at Hamilton Place Chattanooga, TN	2003	92%	131,274	131,274	93%	Bed Bath & Beyond, Marshalls, Ross
The Shoppes at St. Clair Square Fairview Heights, IL	2007	100%	71,483	71,483	100%	Barnes & Noble
Sunrise Commons Brownsville, TX	2001	100%	205,623	104,178	100%	Marshalls, Ross
The Terrace Chattanooga, TN	1997	92%	158,175	158,175	100%	Academy Sports, Party City
West Towne Crossing Madison, WI	1980	100%	426,881	134,984	100%	Barnes & Noble, Best Buy, Kohl's ⁽⁵⁾ , Metcalf's Markets ⁽⁵⁾ , Nordstrom Rack, Office Max ⁽⁵⁾ , Shopko ⁽⁵⁾ , Stein Mart
WestGate Crossing Spartanburg, SC	1985/1999	100%	158,262	158,262	97%	Big Air Trampoline Park, Hamricks, Jo-Ann Fabrics & Crafts

Associated Center / Location	Year of Opening/ Most Recent Expansion	Company's Ownership	Total GLA ⁽¹⁾	Total Leasable GLA ⁽²⁾	Percentage GLA Occupied ⁽³⁾	Anchor & Junior Anchors
Westmoreland Crossing Greensburg, PA	2002	100%	174,315	174,315	100%	Carmike Cinema, Dick's Sporting Goods, Levin Furniture, Michaels ⁽⁹⁾ T.J. Maxx ⁽⁹⁾
York Town Center ⁽⁴⁾ York, PA	2007	50%	282,882	282,882	100%	Bed Bath & Beyond, Best Buy, Christmas Tree Shops, Dick's Sporting Goods, Ross, Staples
Total Associated Centers			3,598,916	2,491,362	97%	

(1) Includes total square footage of the Anchors and Junior Anchors (whether owned or leased by the Anchor or Junior Anchor) and shops. Does not include future expansion areas.

(2) Includes leasable Anchors and Junior Anchors.

(3) Includes tenants paying rent as of December 31, 2016, including leased Anchors.

(4) This Property is owned in an unconsolidated joint venture.

(5) Owned by the tenant.

(6) CoolSprings Crossing - Space is owned by Next Realty, LLC and subleased to HH Gregg and JumpStreet.

(7) Frontier Square - Space is owned by 1639 11th Street Associates and subleased to PETCO, Ross, and T.J. Maxx.

(8) Hamilton Crossing - Space is owned by Schottenstein Property Group and subleased to HomeGoods and Michaels.

(9) Westmoreland Crossing - Space is owned by Schottenstein Property Group and subleased to Michaels and T.J. Maxx.

Associated Centers Lease Expirations

The following table summarizes the scheduled lease expirations for Associated Center tenants in occupancy as of December 31, 2016:

Year Ending December 31,	Number of Leases Expiring	Annualized Gross Rent ⁽¹⁾	GLA of Expiring Leases	Average Annualized Gross Rent Per Square Foot	Expiring Leases as % of Total Annualized Gross Rent ⁽²⁾	Expiring Leases as % of Total Leased GLA ⁽³⁾
2017	40	\$ 4,707,000	254,000	\$ 18.50	11.3%	10.3%
2018	34	5,685,000	312,000	18.24	13.6%	12.6%
2019	29	4,282,000	260,000	16.48	10.3%	10.5%
2020	42	5,794,000	349,000	16.58	13.9%	14.1%
2021	25	6,773,000	462,000	14.67	16.3%	18.7%
2022	21	5,233,000	372,000	14.05	12.6%	15.1%
2023	9	1,679,000	83,000	20.35	4.0%	3.3%
2024	1	2,831,000	126,000	22.50	6.8%	5.1%
2025	10	2,476,000	160,000	15.51	5.9%	6.5%
2026	15	2,193,000	95,000	23.13	5.3%	3.8%

(1) Total annualized gross rent, including recoverable common area expenses and real estate taxes, in effect at December 31, 2016 for expiring leases that were executed as of December 31, 2016.

(2) Total annualized gross rent, including recoverable common area expenses and real estate taxes, of expiring leases as a percentage of the total annualized gross rent of all leases that were executed as of December 31, 2016.

(3) Total GLA of expiring leases as a percentage of the total GLA of all leases that were executed as of December 31, 2016.

Debt on Associated Centers

Please see the table entitled "Mortgage Loans Outstanding at December 31, 2016" included herein for information regarding any liens or encumbrances related to our Associated Centers.

Community Centers

We owned a controlling interest in four Community Centers and a non-controlling interest in five Community Centers as of December 31, 2016. Community Centers typically have less development risk because of shorter development periods and lower costs. While Community Centers generally maintain higher occupancy levels and are more stable, they typically have slower rent growth because the anchor stores' rents are typically fixed and are for longer terms.

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

We own the land underlying the Community Centers in fee simple interest. The following table sets forth certain information for each of our Community Centers at December 31, 2016:

Community Center / Location	Year of Opening/ Most Recent Expansion	Company's Ownership	Total GLA ⁽¹⁾	Total Leasable GLA ⁽²⁾	Percentage GLA Occupied ⁽³⁾	Anchors & Junior Anchors
Ambassador Town Center ⁽⁴⁾ Lafayette, LA	2016	65%	245,775	245,775	97%	Dick's Sporting Goods / Field & Stream, Nordstrom Rack, Marshalls
Fremaux Town Center ⁽⁴⁾ Slidell, LA	2014/2015	65%	518,828	518,828	96%	Best Buy, Dick's Sporting Goods, Dillard's, Kohl's, LA Fitness, Michaels, T.J. Maxx
The Forum at Grandview Madison, MS	2010/2016	75%	212,862	212,862	98%	Best Buy, Dick's Sporting Goods, HomeGoods, Michaels, Stein Mart
Gulf Coast Town Center - Phase III ⁽⁴⁾ Ft. Myers, FL	2005/2007	50%	78,851	78,851	100%	Dick's Sporting Goods
Hammock Landing ⁽⁴⁾ West Melbourne, FL	2009/2015	50%	465,645	328,644	97%	Academy Sports, Carmike Cinema, HH Gregg, Kohl's ⁽⁵⁾ , Marshalls, Michaels, Ross, Target ⁽⁵⁾
Parkway Plaza Fort Oglethorpe, GA	2015	100%	134,047	134,047	97%	Hobby Lobby, Marshalls, Ross
The Pavilion at Port Orange ⁽⁴⁾ Port Orange, FL	2010	50%	320,727	275,625	99%	Belk, Hollywood Theaters, Marshalls, Michaels
The Promenade D'Iberville, MS	2009/2014	85%	593,007	376,047	99%	Ashley Home Furniture, Bed Bath & Beyond, Best Buy, Dick's Sporting Goods, Kohl's ⁽⁵⁾ , Marshalls, Michaels, Ross, Target ⁽⁵⁾
Statesboro Crossing Statesboro, GA	2008/2015	50%	146,981	146,981	99%	Hobby Lobby, T.J. Maxx
Total Community Centers			2,716,723	2,317,660	98%	

(1) Includes total square footage of the Anchors and Junior Anchors (whether owned or leased by the Anchor or Junior Anchor) and shops. Does not include future expansion areas.

(2) Includes leasable Anchors and Junior Anchors.

(3) Includes tenants paying rent as of December 31, 2016, including leased Anchors and Junior Anchors.

(4) This Property is owned in an unconsolidated joint venture.

(5) Owned by tenant.

Community Centers Lease Expirations

The following table summarizes the scheduled lease expirations for tenants in occupancy at Community Centers as of December 31, 2016:

Year Ending December 31,	Number of Leases Expiring	Annualized Gross Rent ⁽¹⁾	GLA of Expiring Leases	Average Annualized Gross Rent Per Square Foot	Expiring Leases as % of Total Annualized Gross Rent ⁽²⁾	Expiring Leases as a % of Total Leased GLA ⁽³⁾
2017	8	\$ 431,000	21,000	\$ 20.97	1.2%	1.1%
2018	13	1,330,000	73,000	18.17	3.7%	4.0%
2019	36	6,442,000	302,000	21.30	17.8%	16.5%
2020	52	7,930,000	408,000	19.44	21.9%	22.3%
2021	25	3,000,000	155,000	19.32	8.3%	8.5%
2022	10	1,873,000	112,000	16.66	5.2%	6.1%
2023	18	2,260,000	121,000	18.79	6.2%	6.6%
2024	16	3,826,000	203,000	18.81	10.6%	11.1%
2025	21	3,495,000	191,000	18.32	9.7%	10.4%
2026	30	5,585,000	247,000	22.62	15.4%	13.5%

(1) Total annualized gross rent, including recoverable common area expenses and real estate taxes, in effect at December 31, 2016 for expiring leases that were executed as of December 31, 2016.

(2) Total annualized gross rent, including recoverable common area expenses and real estate taxes, of expiring leases as a percentage of the total annualized gross rent of all leases that were executed as of December 31, 2016.

(3) Total GLA of expiring leases as a percentage of the total GLA of all leases that were executed as of December 31, 2016.

Debt on Community Centers

Please see the table entitled “Mortgage Loans Outstanding at December 31, 2016” included herein for information regarding any liens or encumbrances related to our Community Centers.

Office Buildings

We owned a controlling interest in seven office buildings as of December 31, 2016.

We own a 92% interest in the CBL Center office buildings, with an aggregate square footage of approximately 204,000 square feet, where our corporate headquarters is located. As of December 31, 2016, we occupied 68.1% of the total square footage of the buildings.

The following tables set forth certain information for each of our office buildings at December 31, 2016:

Office Building / Location	Year of Opening/ Most Recent Expansion	Company's Ownership	Total GLA ⁽¹⁾	Total Leasable GLA	Percentage GLA Occupied
840 Greenbrier Circle Chesapeake, VA	1983	100%	50,820	50,820	82%
850 Greenbrier Circle Chesapeake, VA	1984	100%	81,318	81,318	100%
CBL Center Chattanooga, TN	2001	92%	130,658	130,658	100%
CBL Center II Chattanooga, TN	2008	92%	72,848	72,848	100%
One Oyster Point ⁽²⁾ Newport News, VA	1984	100%	36,275	36,275	73%
Pearland Office Pearland, TX	2009	100%	65,967	65,967	96%
Two Oyster Point ⁽²⁾ Newport News, VA	1985	100%	39,232	39,232	80%
Total Office Buildings			477,118	477,118	92%

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

(2) Subsequent to December 31, 2016 this Property was sold. See Note 19 to the consolidated financial statements for additional information.

Office Buildings Lease Expirations

The following table summarizes the scheduled lease expirations for tenants in occupancy at office buildings as of December 31, 2016:

Year Ending December 31,	Number of Leases Expiring	Annualized Gross Rent ⁽¹⁾	GLA of Expiring Leases	Average Annualized Gross Rent Per Square Foot	Expiring Leases as % of Total Annualized Gross Rent ⁽²⁾	Expiring Leases as a % of Total Leased GLA ⁽³⁾
2017	7	\$ 2,015,000	111,000	\$ 18.15	30.7%	33.2%
2018	9	1,457,000	75,000	19.31	22.2%	22.6%
2019	12	737,000	37,000	19.81	11.2%	11.2%
2020	9	834,000	42,000	19.87	12.7%	12.6%
2021	1	13,000	1,000	15.50	0.2%	30.0%
2022	2	99,000	5,000	21.59	1.5%	1.4%
2023	—	—	—	—	—%	—%
2024	1	150,000	13,000	12.00	2.3%	3.8%
2025	2	1,262,000	50,000	25.43	19.2%	14.8%
2026	—	—	—	—	—%	—%

(1) Total annualized contractual gross rent, including recoverable common area expenses and real estate taxes, in effect at December 31, 2016 for expiring leases that were executed as of December 31, 2016.

(2) Total annualized contractual gross rent, including recoverable common area expenses and real estate taxes, of expiring leases as a percentage of the total annualized gross rent of all leases that were executed as of December 31, 2016.

(3) Total GLA of expiring leases as a percentage of the total GLA of all leases that were executed as of December 31, 2016.

Debt on Office Buildings

Please see the table entitled “Mortgage Loans Outstanding at December 31, 2016” included herein for information regarding any liens or encumbrances related to our Offices.

Mortgages Notes Receivable

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

Mortgage Loans Outstanding at December 31, 2016 (in thousands):

Property	Our Ownership Interest	Stated Interest Rate	Principal Balance as of 12/31/16 ⁽¹⁾	Annual Debt Service	Maturity Date	Optional Extended Maturity Date	Balloon Payment Due on Maturity	Open to Prepayment Date ⁽²⁾	Footnote
Consolidated Debt									
Malls:									
Acadiana Mall	100%	5.67 %	\$ 125,829	\$ 3,199	Apr-17	—	\$ 124,998	Open	
Alamance Crossing	100%	5.83 %	47,160	3,589	Jul-21	—	43,046	Open	
Arbor Place	100%	5.10 %	113,574	7,948	May-22	—	100,861	Open	
Asheville Mall	100%	5.80 %	69,722	5,917	Sep-21	—	60,190	Open	
Burnsville Center	100%	6.00 %	71,785	6,417	Jul-20	—	63,589	Open	
Cary Towne Center	100%	4.00 %	46,716	1,869	Mar-19	Mar-21	46,716	Open	(3)
Chesterfield Mall	100%	5.74 %	140,000	4,758	Sep-16	—	140,000	Open	(4)
Cross Creek Mall	100%	4.54 %	123,398	9,376	Jan-22	—	51,130	Open	
EastGate Mall	100%	5.83 %	37,123	3,613	Apr-21	—	30,155	Open	
Fayette Mall	100%	5.42 %	162,240	13,527	May-21	—	139,177	Open	
Greenbrier Mall	100%	5.00 %	70,801	3,540	Dec-19	Dec-20	64,801	Open	(5)
Hamilton Place	90%	4.36 %	106,138	6,400	Jun-26	—	85,846	Jun-17	

Property	Our Ownership Interest	Stated Interest Rate	Principal Balance as of 12/31/16 ⁽¹⁾	Annual Debt Service	Maturity Date	Optional Extended Maturity Date	Balloon Payment Due on Maturity	Open to Prepayment Date ⁽²⁾	Footnote
Hanes Mall	100%	6.99 %	146,268	13,080	Oct-18	—	140,968	Open	
Hickory Point Mall	100%	5.85 %	27,446	1,606	Dec-18	Dec-19	27,690	Open	(6)
Honey Creek Mall	100%	8.00 %	26,700	3,373	Jul-19	—	23,290	Open	(7)
Jefferson Mall	100%	4.75 %	66,051	4,456	Jun-22	—	58,176	Open	
Kirkwood Mall	100%	5.75 %	37,984	2,885	Apr-18		37,109	Open	
Layton Hills Mall	100%	5.66 %	89,921	2,284	Apr-17	—	89,327	Open	(12)
Midland Mall	100%	6.10 %	31,953	1,544	Aug-16	—	31,953	Open	(4)
Northwoods Mall	100%	5.08 %	67,827	4,743	Apr-22	—	60,292	Open	
The Outlet Shoppes at Atlanta	75%	4.90 %	76,098	5,095	Nov-23	—	65,036	Open	
The Outlet Shoppes at Atlanta (Phase II)	75%	3.19 %	4,839	281	Dec-19	—	4,454	Open	(8) (9)
The Outlet Shoppes at Atlanta (Ridgewalk)	75%	5.03 %	2,496	127	Jun-17	—	2,456	Open	(8)
The Outlet Shoppes at El Paso	75%	7.06 %	62,355	5,514	Dec-17	—	61,265	Open	
The Outlet Shoppes at El Paso (Phase II)	75%	3.37 %	6,745	380	Apr-18	—	6,569	Open	(8) (10)
The Outlet Shoppes at Gettysburg	50%	4.80 %	38,450	1,963	Oct-25	—	33,172	Open	(11)
The Outlet Shoppes at Oklahoma City	75%	5.73 %	53,867	4,521	Jan-22	—	45,428	Open	
The Outlet Shoppes at Oklahoma City (Phase II)	75%	3.37 %	5,597	363	Apr-19	Apr-21	5,233	Open	(8)
The Outlet Shoppes at Oklahoma City (Phase III)	75%	3.37 %	2,744	220	Apr-19	Apr-21	2,464	Open	(8) (10)
The Outlet Shoppes of the Bluegrass	65%	4.05 %	74,736	4,464	Dec-24	—	61,830	Jan-17	
The Outlet Shoppes of the Bluegrass (Phase II)	65%	3.27 %	10,101	557	Jul-20	—	9,261	Open	(8) (10)
Park Plaza	100%	5.28 %	86,737	7,165	Apr-21	—	74,428	Open	
Parkdale Mall & Crossing	100%	5.85 %	83,527	7,241	Mar-21	—	72,447	Open	
Parkway Place	100%	6.50 %	36,659	3,403	Jul-20	—	32,661	Open	
Southpark Mall	100%	4.85 %	62,246	4,240	Jun-22	—	54,924	Open	
Valley View Mall	100%	6.50 %	56,734	5,267	Jul-20	—	50,547	Open	
Volusia Mall	100%	8.00 %	45,929	5,802	Jul-19	—	40,064	Open	(7)
Wausau Center	100%	5.85 %	17,689	1,509	Apr-21	—	15,100	Open	(4)
WestGate Mall	100%	4.99 %	36,021	2,803	Jul-22	—	29,670	Open	
			<u>2,372,206</u>	<u>165,039</u>			<u>2,086,323</u>		
Associated Centers:									
Hamilton Corner	90%	5.67 %	14,258	1,183	Apr-17	—	14,164	Open	(12)
Hamilton Crossing & Expansion	92%	5.99 %	9,368	819	Apr-21	—	8,122	Open	
The Plaza at Fayette	100%	5.67 %	37,146	944	Apr-17	—	36,901	Open	(12)
The Shoppes at St. Clair Square	100%	5.67 %	18,827	479	Apr-17	—	18,702	Open	(12)
The Terrace	92%	7.25 %	13,057	1,284	Jun-20	—	11,755	Open	
			<u>92,656</u>	<u>4,709</u>			<u>89,644</u>		

Property	Our Ownership Interest	Stated Interest Rate	Principal Balance as of 12/31/16 ⁽¹⁾	Annual Debt Service	Maturity Date	Optional Extended Maturity Date	Balloon Payment Due on Maturity	Open to Prepayment Date ⁽²⁾	Footnote
Community Center:									
Statesboro Crossing	50%	2.57 %	10,962	221	Jun-17	Jun-18	11,024	Open	(8)
Office Building:									
CBL Center	92%	5.00 %	19,170	1,651	Jun-22	—	14,949	Open	
Construction Loan:									
The Outlet Shoppes at Laredo	65%	3.12%	39,263	1,224	May-19	May-21	25,443	Open	(8) (13)
Unsecured Credit Facilities:									
\$500,000 capacity	100%	1.82 %	—	—	Oct-19	Oct-20	—	Open	(8)
\$500,000 capacity	100%	1.82 %	4,624	84	Oct-20	—	4,624	Open	(8)
\$100,000 capacity	100%	1.82 %	1,400	25	Oct-19	Oct-20	1,400	Open	(8)
			6,024	109			6,024		
Unsecured Term Loans:									
\$400,000 capacity	100%	2.12 %	400,000	8,467	Jul-18	—	400,000	Open	(8)
\$350,000 capacity	100%	1.94 %	350,000	6,797	Oct-17	Oct-19	350,000	Open	(8)
\$50,000 capacity	100%	2.17 %	50,000	1,083	Feb-18	—	50,000	Open	(8)
			800,000	16,347			800,000		
Senior Unsecured Notes:									
5.25% notes	100%	5.25 %	450,000	23,625	Dec-23	—	450,000	Open	
4.60% notes	100%	4.60 %	300,000	13,800	Oct-24	—	300,000	Open	
5.95% notes	100%	5.95 %	400,000	23,800	Dec-26	—	400,000	Open	
			1,150,000	61,225			1,150,000		
Unamortized Premiums and Discounts, net			(7,132)	—			—		(14)
Total Consolidated Debt			\$ 4,483,149	\$ 250,525			\$ 4,183,407		
Unconsolidated Debt:									
Ambassador Town Center	65%	3.22 %	\$ 47,197	\$ 2,479	Jun-23		\$ 38,866	Open	(15)
Ambassador Town Center Infrastructure Improvements	65%	2.62 %	11,700	1,014	Dec-17	Dec-19	11,035	Open	(8) (16)
Coastal Grand	50%	4.09 %	115,199	6,958	Aug-24	—	95,230	Open	
Coastal Grand Outparcel	50%	4.09 %	5,559	336	Aug-24	—	4,595	Open	
CoolSprings Galleria	50%	6.98 %	101,075	9,445	Jun-18	—	97,506	Open	
Fremaux Town Center (Phase I)	65%	3.70 %	72,126	4,427	Jun-26	—	52,130	Jun-19	
Friendly Shopping Center	50%	3.48 %	98,724	5,375	Apr-23	—	82,392	Open	
Gulf Coast Town Center (Phase III)	50%	2.75 %	4,451	387	Jul-17	—	4,118	Open	(8)
Hammock Landing (Phase I)	50%	2.62 %	42,847	1,736	Feb-18	Feb -19	42,147	Open	(8)
Hammock Landing (Phase II)	50%	2.62 %	16,557	676	Feb-18	Feb-19	16,277	Open	(8)
Oak Park Mall	50%	3.97 %	276,000	11,357	Oct-25	—	232,004	Oct-18	(17)

Property	Our Ownership Interest	Stated Interest Rate	Principal Balance as of 12/31/16 ⁽¹⁾	Annual Debt Service	Maturity Date	Optional Extended Maturity Date	Balloon Payment Due on Maturity	Open to Prepayment Date ⁽²⁾	Footnote
The Pavilion at Port Orange	50%	2.62 %	57,927	2,346	Feb-18	Feb-19	56,947	Open	(8)
The Shops at Friendly Center	50%	3.34 %	60,000	1,837	Apr-23	—	60,000	Feb-19	
Triangle Town Center	10%	5.74 %	141,126	9,816	Dec-18	Dec-20	108,673	Open	(18)
West County Center	50%	3.40 %	186,400	10,111	Dec-22	—	162,270	Open	
York Town Center	50%	4.90 %	33,822	2,657	Feb-22	—	28,293	Open	
York Town Center - Pier 1	50%	3.38 %	1,343	92	Feb-22	—	1,088	Open	(8)
Total Unconsolidated Debt			\$ 1,272,053	\$ 71,049			\$ 1,093,571		
Total Consolidated and Unconsolidated Debt			\$ 5,755,202	\$ 321,574			\$ 5,276,978		
Company's Pro-Rata Share of Total Debt			\$ 4,969,808	\$ 298,612					(19)

- (1) The amount listed includes 100% of the loan amount even though the Operating Partnership may have less than a 100% ownership interest in the Property.
- (2) Prepayment premium is based on yield maintenance or defeasance.
- (3) Cary Towne Center - Payments are interest-only through the maturity date. The original maturity date is contingent on the Company's redevelopment plans. The loan has one two-year extension option, which is at the Company's option and contingent on the Company having met specified redevelopment criteria.
- (4) Chesterfield Mall, Midland Mall, and Wausau Center - The loans secured by these malls are in default and receivership as of December 31, 2016. Subsequent to December 31, 2016, foreclosure was complete and Midland Mall was returned to the lender. We expect the foreclosure process to be complete on the other two malls in early 2017. See Note 6 and Note 19 to the consolidated financial statements for more information.
- (5) Greenbrier Mall - Payments are interest-only through December 2017. The interest rate will increase to 5.4075% on January 1, 2018 and thereafter require monthly principal payments of \$225 and \$300 in 2018 and 2019, respectively, in addition to interest. The loan has a one-year extension option, at our election, which is contingent on the mall meeting specified debt service and operational metrics. If the loan is extended, monthly principal payments of \$325 will be required in 2020 in addition to interest.
- (6) Hickory Point Mall - The loan was modified in the second quarter of 2016 to eliminate future amortization payments.
- (7) The mortgages on Honey Creek Mall and Volusia Mall are cross-collateralized and cross-defaulted.
- (8) The interest rate is variable at various spreads over LIBOR priced at the rates in effect at December 31, 2016. The debt is prepayable at any time without prepayment penalty.
- (9) The Outlet Shoppes at Atlanta (Phase II) - The interest rate will be reduced to a spread of LIBOR plus 2.35% once certain debt and operational metrics are met. The Operating Partnership owns less than 100% of the Property but guarantees 100% of the debt.
- (10) The Operating Partnership owns less than 100% of the Property but guarantees 100% of the debt.
- (11) The Outlet Shoppes at Gettysburg - The loan is interest only through September 2017. Thereafter, debt service will be \$2,422 in annual principal payments plus interest.
- (12) The loan on this Property was retired subsequent to December 31, 2016. See Note 19 to the consolidated financial statements for more information.
- (13) The Outlet Shoppes at Laredo - The interest rate will be reduced to LIBOR plus 2.25% once the development is complete and certain debt and operational metrics are met. The loan has one 24-month extension option, which is at the joint venture's election, subject to continued compliance with the terms of the loan agreement. The Operating Partnership owns less than 100% of the Property but guarantees 100% of the debt.
- (14) Represents bond discounts as well as net premiums related to debt assumed to acquire real estate assets, which had stated interest rates that were above or below the estimated market rates for similar debt instruments at the respective acquisition dates.
- (15) Ambassador Town Center - The debt is prepayable at any time without prepayment penalty. The unconsolidated affiliate has an interest rate swap on a notional amount of \$47,197, amortizing to \$38,866 over the term of the swap, to effectively fix the interest rate on the variable-rate loan. Therefore, this amount is currently reflected as having a fixed rate. The swap terminates in June 2023.
- (16) Ambassador Town Center Infrastructure Improvements - The Operating Partnership owns less than 100% of the Property but guarantees 100% of the debt. The guaranty will be reduced to 50% on March 1st of such year as payment-in-lieu of taxes ("PILOT") payments received and attributed to the prior calendar year by Ambassador Infrastructure and delivered to the lender are \$1,200 or more, provided no event of default exists. The guaranty will be reduced to 20% when the PILOT payments are \$1,400 or more, provided no event of default exists.
- (17) Oak Park Mall - The loan is interest only through November 2017. Thereafter, debt service will be \$15,755 in annual principal payments plus interest.
- (18) Triangle Town Center - The fixed-rate loan is 4.00% interest-only payments through the initial maturity date. The unconsolidated affiliate, in which we have a 10% ownership interest, and its third party partner have the option to exercise two one-year extension options, subject to continued compliance with the terms of the loan agreement. Under the terms of the loan agreement, the joint venture must pay the lender \$5,000 to reduce the principal balance of the loan and an extension fee of 0.50% of the remaining outstanding loan balance if it exercises the first extension. If the joint venture elects to exercise the second extension, it must pay the lender \$8,000 to reduce the principal balance of the loan and an extension fee of 0.75% of the remaining outstanding principal loan balance. Additionally, the interest rate would increase to 5.737% during the extension period.
- (19) Represents the Company's pro rata share of debt, including our share of unconsolidated affiliates' debt and excluding noncontrolling interests' share of consolidated debt on shopping center Properties.

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

Total consolidated debt	\$ 4,483,149
Noncontrolling interests' share of consolidated debt	(116,666)
Company's share of unconsolidated debt	603,325
Unamortized deferred financing costs	(19,716)
Company's pro rata share of total debt	<u>\$ 4,950,092</u>

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

ITEM 3. LEGAL PROCEEDINGS

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

On May 27, 2016, Tommy French filed a putative class action in the United States District Court for the Eastern District of Tennessee on behalf of himself and all persons who purchased our common stock between August 8, 2013 and May 24, 2016. Two additional suits were filed shortly thereafter with similar allegations. On June 9, 2016, The Allan J. and Sherry R. Potts Living Trust filed a putative class action in the same Court on behalf of the trust and all persons who purchased our common stock between August 8, 2013 and May 24, 2016, and on June 24, 2016, International Union of Painters & Allied Trades District Council No. 35 Pension Plan filed another putative class action in the same Court on behalf of itself and all persons who purchased our common stock between August 9, 2011 and May 24, 2016, containing similar allegations. On July 26, 2016, motions were submitted to the Court for the consolidation of these three cases, as well as for the appointment of a lead plaintiff. On September 26, 2016, the Court granted the motion, consolidated the cases into one action, and appointed the New Mexico Educational Retirement Board as lead plaintiff and its counsel, Bernstein Liebhard, as lead counsel. The Court granted the lead plaintiff 60 days to file a consolidated amended complaint, and once filed, we will file a response. The previously filed complaints are all based on substantially similar allegations that certain of our financing arrangements were obtained through fraud and/or misrepresentation, and that we and certain of our officers and directors made materially misleading statements to the market by failing to disclose material information concerning these alleged misrepresentations, and concerning the supposed involvement by insiders in alleged trading of our stock by a United States senator on the basis of material nonpublic information. Based on these allegations, these complaints assert claims for violation of the securities laws and seek a variety of relief, including unspecified monetary damages as well as costs and attorneys' fees. The above-referenced plaintiffs voluntarily dismissed their claims on December 20 and 21, 2016, respectively, and on January 4, 2017, the Court administratively closed the case. We made no payment or entered into any agreement as part of this matter, and as such, we now consider this matter closed.

On July 29, 2016, Henry Shebitz filed a shareholder derivative suit in the Chancery Court for Hamilton County, Tennessee alleging that our directors, three former directors and certain current and former officers breached their fiduciary duties by causing us to make materially misleading statements to the market by failing to disclose material information concerning these alleged misrepresentations, and concerning the supposed involvement by insiders in alleged trading of our stock by a United States senator on the basis of material nonpublic information. The complaint further alleged that certain of our current and former officers and directors improperly engaged in transactions in the Company's stock while in possession of material nonpublic information concerning the Company's alleged misleading statements. The complaint purported to seek relief on behalf of us for unspecified damages as well as costs and attorneys' fees. On or about January 31, 2017, the plaintiff filed a Notice of Voluntary Dismissal, and on February 2, 2017, the Court entered an order dismissing the suit without prejudice. We made no payment or entered into any agreement as part of this matter, and as such, we now consider this matter closed.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

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

Quarter Ended	Market Price		Dividend
	High	Low	
<u>2016</u>			
March 31	\$ 12.74	\$ 9.40	\$ 0.265
June 30	\$ 12.28	\$ 9.10	\$ 0.265
September 30	\$ 14.29	\$ 9.73	\$ 0.265
December 31	\$ 12.28	\$ 10.36	\$ 0.265
<u>2015</u>			
March 31	\$ 21.36	\$ 18.72	\$ 0.265
June 30	\$ 19.98	\$ 15.92	\$ 0.265
September 30	\$ 16.61	\$ 13.65	\$ 0.265
December 31	\$ 15.59	\$ 12.06	\$ 0.265

There were approximately 771 shareholders of record for our common stock as of February 23, 2017.

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

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

The following table presents information with respect to repurchases of common stock made by us during the three months ended December 31, 2016:

Period	Total Number of Shares Purchased ⁽¹⁾⁽²⁾	Average Price Paid per Share ⁽³⁾	Total Number of Shares Purchased as Part of a Publicly Announced Plan ⁽²⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan ⁽²⁾
Oct. 1–31, 2016	897	\$ 11.94	—	\$ —
Nov. 1–30, 2016	—	—	—	—
Dec. 1–31, 2016	—	—	—	—
Total	897	\$ 11.94	—	\$ —

- (1) Represents shares surrendered to the Company by employees to satisfy federal and state income tax requirements related to the vesting of shares of restricted stock.
- (2) Does not include any activity under the \$200 million common stock repurchase program approved by the Company's Board of Directors in July 2015, pursuant to which no shares were repurchased during the quarter. This program expired in August 2016.
- (3) Represents the market value of the common stock on the vesting date for the shares of restricted stock, which was used to determine the number of shares required to be surrendered to satisfy income tax withholding requirements.

Operating Partnership Units

During the three months ended December 31, 2016, the Operating Partnership canceled the 897 common units underlying the 897 shares of common stock that were surrendered for tax obligations in conjunction with the surrender to the Company of such shares, as described above.

There is no established public trading market for the Operating Partnership's common units and they are not registered under Section 12 of the Securities Exchange Act of 1934. Each limited partner in the Operating Partnership has the right to exchange all or a portion of its common units for shares of the Company's common stock, or at the Company's election, their cash equivalent.

ITEM 6. SELECTED FINANCIAL DATA (CBL & Associates Properties, Inc.)

(In thousands, except per share data)

	Year Ended December 31, ⁽¹⁾				
	2016	2015	2014	2013	2012
Total revenues	\$ 1,028,257	\$ 1,055,018	\$ 1,060,739	\$ 1,053,625	\$ 1,002,843
Total operating expenses	774,629	777,434	685,596	722,860	632,922
Income from operations	253,628	277,584	375,143	330,765	369,921
Interest and other income	1,524	6,467	14,121	10,825	3,953
Interest expense	(216,318)	(229,343)	(239,824)	(231,856)	(242,357)
Gain (loss) on extinguishment of debt	—	256	87,893	(9,108)	265
Gain on investments	7,534	16,560	—	2,400	45,072
Income tax (provision) benefit	2,063	(2,941)	(4,499)	(1,305)	(1,404)
Equity in earnings of unconsolidated affiliates	117,533	18,200	14,803	11,616	8,313
Income from continuing operations before gain on sales of real estate assets	165,964	86,783	247,637	113,337	183,763
Gain on sales of real estate assets	29,567	32,232	5,342	1,980	2,286
Income from continuing operations	195,531	119,015	252,979	115,317	186,049
Discontinued operations	—	—	54	(4,947)	(11,530)
Net income	195,531	119,015	253,033	110,370	174,519
Net income attributable to noncontrolling interests in:					
Operating Partnership	(21,537)	(10,171)	(30,106)	(7,125)	(19,267)
Other consolidated subsidiaries	(1,112)	(5,473)	(3,777)	(18,041)	(23,652)
Net income attributable to the Company	172,882	103,371	219,150	85,204	131,600
Preferred dividends	(44,892)	(44,892)	(44,892)	(44,892)	(47,511)
Net income available to common shareholders	\$ 127,990	\$ 58,479	\$ 174,258	\$ 40,312	\$ 84,089

Basic per share data attributable to common shareholders:

Income from continuing operations, net of preferred dividends	\$ 0.75	\$ 0.34	\$ 1.02	\$ 0.27	\$ 0.60
Net income attributable to common shareholders	\$ 0.75	\$ 0.34	\$ 1.02	\$ 0.24	\$ 0.54
Weighted-average common shares outstanding	170,762	170,476	170,247	167,027	154,762

Diluted per share data attributable to common shareholders:

Income from continuing operations, net of preferred dividends	\$ 0.75	\$ 0.34	\$ 1.02	\$ 0.27	\$ 0.60
Net income attributable to common shareholders	\$ 0.75	\$ 0.34	\$ 1.02	\$ 0.24	\$ 0.54
Weighted-average common and potential dilutive common shares outstanding	170,836	170,499	170,247	167,027	154,807

Amounts attributable to common shareholders:

Income from continuing operations, net of preferred dividends	\$ 127,990	\$ 58,479	\$ 174,212	\$ 44,515	\$ 93,469
Discontinued operations	—	—	46	(4,203)	(9,380)
Net income attributable to common shareholders	\$ 127,990	\$ 58,479	\$ 174,258	\$ 40,312	\$ 84,089
Dividends declared per common share	\$ 1.060	\$ 1.060	\$ 1.000	\$ 0.935	\$ 0.880

	December 31,				
	2016	2015	2014	2013	2012
BALANCE SHEET DATA:					
Net investment in real estate assets	\$ 5,520,539	\$ 5,857,953	\$ 5,947,175	\$ 6,067,157	\$ 6,328,982
Total assets	6,104,640	6,479,991	6,599,172	6,769,687	7,077,188
Total mortgage and other indebtedness, net	4,465,294	4,710,628	4,683,333	4,841,239	4,733,135
Redeemable noncontrolling interests	17,996	25,330	37,559	34,639	464,082
Total shareholders' equity	1,228,714	1,284,970	1,406,552	1,404,913	1,328,693
Noncontrolling interests	112,138	114,629	143,376	155,021	192,404
Total equity	1,340,852	1,399,599	1,549,928	1,559,934	1,521,097

	Year Ended December 31,				
	2016	2015	2014	2013	2012
OTHER DATA:					
Cash flows provided by (used in):					
Operating activities	\$ 468,579	\$ 495,015	\$ 468,061	\$ 464,751	\$ 481,515
Investing activities	(1,446)	(259,815)	(234,855)	(125,693)	(246,670)
Financing activities	(485,074)	(236,246)	(260,768)	(351,806)	(212,689)
FFO allocable to Operating Partnership common unitholders ⁽²⁾	538,198	481,068	545,514	437,451	458,159
FFO allocable to common shareholders	460,052	410,592	465,160	371,702	372,758

- (1) Please refer to Note 3, 5 and 15 to the consolidated financial statements for a description of acquisitions, joint venture transactions and impairment charges that have impacted the comparability of the financial information presented.
- (2) Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations for the definition of FFO, which does not represent cash flows from operations as defined by accounting principles generally accepted in the United States and is not necessarily indicative of the cash available to fund all cash requirements. A reconciliation of net income attributable to common shareholders to FFO allocable to Operating Partnership common unitholders is presented on page 77.

ITEM 6. SELECTED FINANCIAL DATA (CBL & Associates Limited Partnership)

(In thousands, except per unit data)

	Year Ended December 31, ⁽¹⁾				
	2016	2015	2014	2013	2012
Total revenues	\$ 1,028,257	\$ 1,055,018	\$ 1,060,739	\$ 1,053,625	\$ 1,002,843
Total operating expenses	774,629	777,434	685,596	722,860	632,922
Income from operations	253,628	277,584	375,143	330,765	369,921
Interest and other income	1,524	6,467	14,121	10,825	3,953
Interest expense	(216,318)	(229,343)	(239,824)	(231,856)	(242,357)
Gain (loss) on extinguishment of debt	—	256	87,893	(9,108)	265
Gain on investments	7,534	16,560	—	2,400	45,072
Income tax (provision) benefit	2,063	(2,941)	(4,499)	(1,305)	(1,404)
Equity in earnings of unconsolidated affiliates	117,533	18,200	14,803	11,616	8,313
Income from continuing operations before gain on sales of real estate assets	165,964	86,783	247,637	113,337	183,763
Gain on sales of real estate assets	29,567	32,232	5,342	1,980	2,286
Income from continuing operations	195,531	119,015	252,979	115,317	186,049
Discontinued operations	—	—	54	(4,947)	(11,530)
Net income	195,531	119,015	253,033	110,370	174,519
Net income attributable to noncontrolling interests	(1,112)	(5,473)	(3,777)	(18,041)	(23,652)
Net income attributable to the Operating Partnership	194,419	113,542	249,256	92,329	150,867
Distributions to preferred unitholders	(44,892)	(44,892)	(44,892)	(44,892)	(47,511)
Net income available to common unitholders	\$ 149,527	\$ 68,650	\$ 204,364	\$ 47,437	\$ 103,356

Basic per unit data attributable to common unitholders:

Income from continuing operations, net of preferred distributions	\$ 0.75	\$ 0.34	\$ 1.02	\$ 0.26	\$ 0.59
Net income attributable to common unitholders	\$ 0.75	\$ 0.34	\$ 1.02	\$ 0.24	\$ 0.54
Weighted-average common units outstanding	199,764	199,734	199,660	196,572	190,223

Diluted per unit data attributable to common unitholders:

Income from continuing operations, net of preferred distributions	\$ 0.75	\$ 0.34	\$ 1.02	\$ 0.26	\$ 0.59
Net income attributable to common unitholders	\$ 0.75	\$ 0.34	\$ 1.02	\$ 0.24	\$ 0.54
Weighted-average common and potential dilutive common units outstanding	199,838	199,757	199,660	196,572	190,268

	Year Ended December 31, ⁽¹⁾				
	2016	2015	2014	2013	2012
Amounts attributable to common unitholders:					
Income from continuing operations, net of preferred distributions	\$ 149,527	\$ 68,650	\$ 204,318	\$ 51,640	\$ 112,736
Discontinued operations	—	—	46	(4,203)	(9,380)
Net income attributable to common unitholders	<u>\$ 149,527</u>	<u>\$ 68,650</u>	<u>\$ 204,364</u>	<u>\$ 47,437</u>	<u>\$ 103,356</u>
Distributions per unit	<u>\$ 1.09</u>	<u>\$ 1.09</u>	<u>\$ 1.03</u>	<u>\$ 0.97</u>	<u>\$ 0.92</u>

	December 31,				
	2016	2015	2014	2013	2012
BALANCE SHEET DATA:					
Net investment in real estate assets	\$ 5,520,539	\$ 5,857,953	\$ 5,947,175	\$ 6,067,157	\$ 6,328,982
Total assets	6,104,997	6,480,430	6,599,600	6,770,109	7,077,677
Total mortgage and other indebtedness, net	4,465,294	4,710,628	4,683,333	4,841,239	4,733,135
Redeemable interests	17,996	25,330	37,559	34,639	464,082
Total partners' capital	1,329,076	1,395,162	1,541,533	1,541,176	1,458,164
Noncontrolling interests	12,103	4,876	8,908	19,179	63,496
Total capital	1,341,179	1,400,038	1,550,441	1,560,355	1,521,660

	Year Ended December 31,				
	2016	2015	2014	2013	2012
OTHER DATA:					
Cash flows provided by (used in):					
Operating activities	\$ 468,577	\$ 495,022	\$ 468,063	\$ 464,741	\$ 481,181
Investing activities	(1,446)	(259,815)	(234,855)	(125,693)	(246,683)
Financing activities	(485,075)	(236,246)	(260,768)	(351,806)	(212,331)

- (1) Please refer to Notes 3, 5 and 15 to the consolidated financial statements for a description of acquisitions, joint venture transactions and impairment charges that have impacted the comparability of the financial information presented.

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

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

Executive Overview

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

We conduct substantially all of our business through the Operating Partnership. The Operating Partnership consolidates the financial statements of all entities in which it has a controlling financial interest or where it is the primary beneficiary of a VIE. See Item 1. Business for a description of the number of Properties owned and under development as of December 31, 2016.

Net income for the year ended December 31, 2016 was \$195.5 million as compared to \$119.0 million in the prior-year period, representing an increase of 64.3%. Our strategic initiatives to refine our portfolio, reduce leverage and strengthen our balance sheet have produced outstanding results. Same-center NOI (see below) increased 2.3% as compared to the prior-year period. The 2.3% growth was driven by increases in same-center Mall occupancy to 94.2% and a 2.1% increase in average annual base rents for our same-center Malls. Diluted earnings per share ("EPS") attributable to common shareholders was \$0.75 per diluted share for the year ended December 31, 2016 as compared to \$0.34 per diluted share for the prior-year period. FFO, as adjusted, per diluted share (see below) grew 3.9% for the year ended December 31, 2016 to \$2.41 per diluted share as compared to \$2.32 per diluted share in the prior-year period.

Leasing spreads for comparable space under 10,000 square feet in our stabilized malls were 7.6% for leases signed in 2016, including a 1.2% increase in renewal lease rates, and a 28.2% increase for new leases. For the year ended December 31, 2016, same-center sales decreased 1.6% to \$376 per square foot as compared to \$382 per square foot in the prior-year period. Occupancy for our total portfolio increased 120 basis points to 94.8% as of December 31, 2016 as compared to 93.6% in the prior-year period.

The disposition program we announced in April 2014 is almost complete and we are pleased with the transformation of our portfolio. As a result of this program, we have reduced the amount of our Total Mall NOI generated from Tier 3 Malls, which have sales under \$300 per square foot, to 6.1% of Total Mall NOI at December 31, 2016 from 11% of Total Mall NOI at December 31, 2015. We anticipate adding a number of transformational projects to our development pipeline as we finalize plans for and undertake several anchor redevelopments related to the five Sears department stores and four Macy's stores that we acquired in January 2017. Anchor redevelopments provide us with an opportunity to bring new uses and in-demand tenants to our centers, which many times increases overall traffic and sales at the center.

Same-center NOI and FFO are non-GAAP measures. For a description of same-center NOI, a reconciliation from net income to same-center NOI, and an explanation of why we believe this is a useful performance measure, see **Non-GAAP Measure - Same-center Net Operating Income** in "Results of Operations." For a description of FFO and FFO, as adjusted, a reconciliation from net income attributable to common shareholders to FFO allocable to Operating Partnership common unitholders, and an explanation of why we believe this is a useful performance measure, see **Non-GAAP Measure - Funds from Operations** within the "Liquidity and Capital Resources" section.

Results of Operations

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

Properties that were in operation for the entire year during both 2016 and 2015 are referred to as the “2016 Comparable Properties.” Since January 1, 2015, we have opened two community center developments and acquired one mall as follows:

Property	Location	Date Opened/Acquired
New Developments:		
Parkway Plaza	Fort Oglethorpe, GA	March 2015
Ambassador Town Center ⁽¹⁾	Lafayette, LA	April 2016
Acquisition:		
Mayfaire Town Center	Wilmington, NC	June 2015

(1) Ambassador Town Center is a 65/35 joint venture that is accounted for using the equity method of accounting and is included in equity in earnings of unconsolidated affiliates in the accompanying consolidated statements of operations.

The Properties listed above, with the exception of Ambassador Town Center, are included in our operations on a consolidated basis and are collectively referred to as the “2016 New Properties.” The transactions related to the 2016 New Properties impact the comparison of the results of operations for the year ended December 31, 2016 to the results of operations for the year ended December 31, 2015.

Revenues

Total revenues decreased by \$26.8 million for 2016 compared to the prior year. Rental revenues and tenant reimbursements decreased \$20.7 million due to a decrease of \$31.8 million from dispositions, which was partially offset by increases of \$5.6 million related to the 2016 Comparable Properties and \$5.5 million attributable to the 2016 New Properties. The \$5.6 million increase in revenues of the 2016 Comparable Properties consists of a \$9.0 million increase related to our core Properties partially offset by a \$3.4 million decrease attributable to non-core Properties. Positive leasing spreads and increases in base rents from occupancy gains led to increases in minimum and percentage rents. Additionally, revenue from specialty leasing drove the growth in other rents. These increases were partially offset by a decline in tenant reimbursements.

Our cost recovery ratio was 99.6% for 2016 compared to 101.7% for 2015. The 2016 cost recovery ratio was lower due to higher seasonal expenses and a decline in tenant reimbursements.

The increase in management, development and leasing fees of \$4.0 million was primarily attributable to increases in management fees from new contracts to manage six malls and one community center for third parties, development fees related to the construction of an outlet center and several projects at unconsolidated affiliates and financing fees related to new loans, which closed in June 2016, secured by Ambassador Town Center, Fremaux Town Center and Hamilton Place.

In the fourth quarter of 2016, the Company's interest in the subsidiary that provided security and maintenance services to third parties was purchased by its joint venture partner. The Company's exit from this joint venture drove the majority of the decrease in other revenues of \$10.1 million. See Note 8 to the consolidated financial statements for more information.

Operating Expenses

Total operating expenses decreased \$2.8 million for 2016 compared to the prior year. Property operating expenses, including real estate taxes and maintenance and repairs, decreased \$1.9 million primarily due to a decrease of \$7.6 million from dispositions, which was partially offset by increases of \$4.3 million related to the 2016 Comparable Properties and \$1.4 million related to the 2016 New Properties. The increase attributable to the 2016 Comparable Properties includes increases of \$3.2 million related to core Properties and \$1.1 million attributable to non-core Properties. The \$3.2 million increase at our core Properties was primarily due to increases in bad debt expense, maintenance and repairs expense and snow removal, as well as an increase in real estate taxes from higher tax assessments. These increases were partially offset by decreases in payroll and related costs and utilities expense.

The decrease in depreciation and amortization expense of \$6.4 million resulted from decreases of \$7.5 million related to dispositions and \$1.8 million related to the 2016 Comparable Properties, which were partially offset by an increase of \$2.9 million attributable to the 2016 New Properties. The \$1.8 million decrease attributable to the 2016 Comparable Properties includes a decrease of \$3.4 million attributable to non-core Properties, partially offset by an increase of \$1.6 million related to our core Properties. The \$1.6 million increase at our core Properties is a result of an increase of \$7.6 million in depreciation expense related to capital expenditures for renovations, redevelopments and deferred maintenance, which was partially offset by a decrease of \$6.0 million in amortization of in-place leases and tenant improvements. The decrease related to in-place leases primarily resulted from in-place lease assets of Properties acquired in past years becoming fully amortized.

General and administrative expenses increased \$1.2 million as compared to the prior-year period. General and administrative expenses for 2016 include \$2.3 million of non-recurring professional fees expense (which represent one-time expenses that are not part of our normal operations) related to the recently completed SEC investigation and \$2.6 million of expense related to litigation settlements. Excluding the impact of these items, general and administrative expenses decreased approximately \$3.6 million as compared to the prior year. The \$3.6 million decrease was primarily due to decreases in consulting and information technology expenses related to process and technology improvements completed in the prior-year period, as well as a decrease in payroll and related expenses attributable to a company-wide bonus paid to employees in 2015 for exceeding NOI budgets in 2014.

During 2016, we recognized impairments of real estate of \$116.8 million to write down the book value of nine malls, an associated center, a community center, three office buildings and three outparcels. During 2015, we recorded impairments of real estate of \$105.9 million primarily attributable to two malls, an associated center and a community center. See Note 15 to the consolidated financial statements for additional information on these impairments.

Other expenses decreased \$6.6 million due to a decrease of \$4.3 million related to the divestiture of our interest, in the fourth quarter of 2016, in our subsidiary that provides security and maintenance services to third parties and \$2.3 million of abandoned projects that were expensed in the prior-year period.

Other Income and Expenses

Interest and other income decreased \$4.9 million in 2016 primarily due to \$4.9 million received in the prior year as a partial settlement of a lawsuit.

Interest expense decreased \$13.0 million in 2016 compared to the prior-year period. The \$13.0 million decrease consists of decreases of \$11.8 million attributable to the 2016 Comparable Properties and \$1.2 million related to dispositions. The \$11.8 million decrease related to the 2016 Comparable Properties primarily consists of a decrease of \$14.6 million attributable to our core Properties, partially offset by an increase of \$2.8 million in accrued default interest related to three malls that are in foreclosure proceedings. Interest expense related to property-level debt declined \$19.1 million from the retirement of secured debt with borrowings from our lines of credit and net proceeds from dispositions. We also recognized a \$1.8 million decrease in expense related to our interest rate swaps, which matured in April 2016. These decreases were partially offset by an increase in interest expense related to our corporate-level debt resulting from increased intra-year balances on our lines of credit related to the retirement of secured debt as well as interest expense from the issuance of the 2026 Notes in December 2016.

During 2015, we recorded a gain on extinguishment of debt of \$0.3 million due to the early retirement of a mortgage loan.

In 2016, we recognized a gain on investments of \$7.5 million which consisted of a \$10.1 million gain from the redemption of our remaining investment in a Chinese real estate company, which was partially offset by a \$2.6 million loss attributable to the divestiture of our subsidiary that provided maintenance and security services to third parties. We recorded a gain on investment of \$16.6 million in 2015 related to the sale of all of our marketable securities.

The income tax benefit of \$2.1 million in 2016 relates to the Management Company, which is a taxable REIT subsidiary, and consists of a current and deferred tax benefit of \$1.2 million and \$0.9 million, respectively. The income tax provision of \$2.9 million in 2015 consists of a current tax provision of \$3.1 million and a deferred tax benefit of \$0.2 million.

Equity in earnings of unconsolidated affiliates increased by \$99.3 million during 2016. The increase is primarily attributable to gains on sales of real estate assets of \$97.4 million primarily related to the disposal of interests in two malls, two community centers and four office buildings.

In 2016, we recognized a \$29.6 million gain on sales of real estate assets, which consisted primarily of \$27.4 million related to the sale of a community center, an outparcel project at an outlet center and 18 outparcels and \$2.2 million attributable to a parking deck project. In 2015, we recognized a \$32.2 million gain on sales of real estate assets of \$21.3 million from the sale of three Properties in our portfolio and \$10.9 million primarily attributable to the sale of interests in two apartment complexes and ten outparcels.

Comparison of the Year Ended December 31, 2015 to the Year Ended December 31, 2014

Properties that were in operation for the entire year during both 2015 and 2014 are referred to as the “2015 Comparable Properties.” From January 1, 2014 to December 31, 2015, we opened one open-air center, one outlet center and one community center development and acquired one mall as follows:

Property	Location	Date Opened/Acquired
New Developments:		
Fremaux Town Center ⁽¹⁾	Slidell, LA	March 2014
The Outlet Shoppes of the Bluegrass ⁽²⁾	Simpsonville, KY	July 2014
Parkway Plaza	Fort Oglethorpe, GA	March 2015
Acquisition:		
Mayfaire Town Center	Wilmington, NC	June 2015

(1) Fremaux Town Center is a 65/35 joint venture that is accounted for using the equity method of accounting and is included in equity in earnings of unconsolidated affiliates in the accompanying consolidated statements of operations.

(2) The Outlet Shoppes of the Bluegrass is a 65/35 joint venture, which is included in the accompanying consolidated statements of operations on a consolidated basis.

The Properties listed above, with the exception of Fremaux Town Center, are included in our operations on a consolidated basis and are collectively referred to as the "2015 New Properties." The transactions related to the 2015 New Properties impact the comparison of the results of operations for the year ended December 31, 2015 to the results of operations for the year ended December 31, 2014.

Revenues

Total revenues decreased by \$5.7 million for 2015 compared to the prior year. Rental revenues and tenant reimbursements increased \$0.2 million due to increases of \$16.1 million from the 2015 New Properties and \$1.8 million attributable to the 2015 Comparable Properties, partially offset by a decrease of \$17.7 million related to dispositions. The \$1.8 million increase in revenues of the 2015 Comparable Properties was primarily due to increases in percentage rents and tenant reimbursements.

Our cost recovery ratio increased to 101.7% for 2015 compared to 98.9% for 2014. The 2015 cost recovery ratio was higher due to our continued focus on controlling expenses as well as a decrease in snow removal costs and janitorial contract expense as compared to the prior year.

The decrease in management, development and leasing fees of \$2.0 million was primarily attributable to a decrease in management fees related to properties that the Company no longer manages and a decrease in development fees, as there was a higher level of development projects at unconsolidated affiliates in 2014. These decreases were partially offset by an increase in leasing commissions.

Other revenues decreased \$3.9 million primarily related to our subsidiary that provides security and maintenance services to third parties.

Operating Expenses

Total operating expenses increased \$91.8 million for 2015 compared to the prior year. The increase was primarily due to impairment of real estate assets as described below. Property operating expenses, including real estate taxes and maintenance and repairs, decreased \$10.6 million primarily due to decreases of \$10.6 million from dispositions and \$4.0 million related to the 2015 Comparable Properties, partially offset by an increase of \$4.0 million related to the 2015 New Properties. The decrease attributable to the Comparable Properties was primarily due to lower operating costs, including snow removal, electricity, payroll and marketing, as we continue to focus on controlling operating expenses. These decreases were partially offset by increases in real estate taxes that were primarily attributable to Properties where we have opened redevelopments and expansions.

The increase in depreciation and amortization expense of \$7.8 million resulted from increases of \$8.6 million related to the 2015 New Properties and \$1.6 million attributable to the 2015 Comparable Properties, partially offset by \$2.4 million related to dispositions. The \$1.6 million increase attributable to the 2015 Comparable Properties is primarily attributable to an increase of \$7.1 million in depreciation expense related to capital expenditures for renovations, redevelopments and deferred maintenance and an increase of \$0.6 million in amortization of deferred leasing costs related to expansions. These increases were partially offset by decreases of \$4.1 million for amortization of tenant improvements and \$2.4 million in amortization of in-place leases. The decrease related to amortization of tenant improvements was primarily driven by the significant number of bankruptcies and tenant write-offs in the prior-year period. The decrease related to in-place leases primarily results from in-place lease assets of Properties acquired in past years becoming fully amortized.

General and administrative expenses increased \$11.8 million primarily as a result of increases in payroll and related expenses, which includes a company-wide bonus paid to employees for exceeding NOI budgets in 2014, and in professional fees primarily due to process and technology improvements. These increases were partially offset by a decrease in state taxes and an increase in capitalized overhead related to development projects. As a percentage of revenues, general and administrative expenses were 5.9% in 2015 compared to 4.7% in 2014.

During 2015, we recorded impairments of real estate of \$105.9 million primarily attributable to four Properties. During 2014, we recorded impairments of real estate of \$17.9 million primarily attributable to three Property dispositions. See Note 15 to the consolidated financial statements for additional information on these impairments.

Other expenses decreased \$5.3 million primarily due to a decrease of \$7.5 million in expenses related to our subsidiary that provides security and maintenance services to third parties, which was partially offset by an increase of \$2.2 million from abandoned projects.

Other Income and Expenses

Interest and other income decreased \$7.7 million in 2015 compared to the prior-year period primarily due to a decrease of \$6.8 million received in partial legal settlements and insurance claims proceeds and a decrease of \$0.6 million in dividend income from the sale of all of our marketable securities in the first quarter of 2015.

Interest expense decreased \$10.5 million in 2015 compared to the prior-year period. Interest expense related to property-level debt declined \$27.1 million due to dispositions and retirement of secured debt with borrowings from our lines of credit, partially offset by interest expense on a New Property that is owned in a consolidated joint venture. These declines were partially offset by an increase in interest expense related to the Notes that we issued in October 2014 and a decrease of \$3.3 million in capitalized interest due to a lower level of development projects in 2015 as compared to 2014.

During 2015, we recorded a gain on extinguishment of debt of \$0.3 million due to the early retirement of a mortgage loan. During 2014, we recorded a gain on extinguishment of debt of \$87.9 million which consisted primarily of \$89.4 million related to a gain on extinguishment of debt from the transfer of three malls to their respective lenders in settlement of the non-recourse debt secured by the Properties. This gain was partially offset by \$1.5 million in prepayment fees from the early retirement of two mortgage loans. See Note 4 to the consolidated financial statements for more information on these transactions.

We recorded a gain on investment of \$16.6 million in 2015 related to the sale of all of our marketable securities.

Equity in earnings of unconsolidated affiliates increased by \$3.4 million during 2015. The increase is primarily attributable to gains recognized for the sale of ten outparcels and a full year of equity in earnings of Fremaux Town Center, which was not fully open until later in 2014.

The income tax provision of \$2.9 million in 2015 relates to the Management Company, which is a taxable REIT subsidiary, and consists of a current tax provision of \$3.1 million and a deferred tax benefit of \$0.2 million. The income tax provision of \$4.5 million in 2014 consists of a current and deferred tax provision of \$3.2 million and \$1.3 million, respectively.

In 2015, we recognized a \$32.2 million gain on sales of real estate, which consisted of \$21.3 million from the sale of three Properties in our portfolio and \$10.9 million primarily attributable to the sale of interests in two apartment complexes and ten outparcels. In 2014, we recognized a \$5.3 million gain on sales of real estate assets which consisted of \$4.4 million from the sale of 13 outparcels and \$0.9 million related to the sale of the expansion portion of an associated center.

The operating loss from discontinued operations for 2014 of \$0.2 million includes a \$0.7 million loss on impairment of real estate, to true-up a Property sold at the end of 2013, partially offset by settlements of estimated expenses based on actual results for Properties sold in previous periods. In 2014, we recognized a \$0.3 million gain on discontinued operations for true-ups for Properties sold in previous periods.

Non-GAAP Measure

Same-center Net Operating Income

NOI is a supplemental non-GAAP measure of the operating performance of our shopping centers and other Properties. We define NOI as property operating revenues (rental revenues, tenant reimbursements and other income) less property operating expenses (property operating, real estate taxes and maintenance and repairs).

We compute NOI based on the Operating Partnership's pro rata share of both consolidated and unconsolidated Properties. We believe that presenting NOI and same-center NOI (described below) based on our Operating Partnership's pro rata share of both consolidated and unconsolidated Properties is useful since we conduct substantially all of our business through our Operating Partnership and, therefore, it reflects the performance of the Properties in absolute terms regardless of the ratio of ownership interests of our common shareholders and the noncontrolling interest in the Operating Partnership. Our definition of NOI may be different than that used by other companies, and accordingly, our calculation of NOI may not be comparable to that of other companies.

Since NOI includes only those revenues and expenses related to the operations of our shopping center Properties, we believe that same-center NOI provides a measure that reflects trends in occupancy rates, rental rates, sales at the malls and operating costs and the impact of those trends on our results of operations. Our calculation of same-center NOI excludes lease termination income, straight-line rent adjustments, and amortization of above and below market lease intangibles in order to enhance the comparability of results from one period to another.

We include a Property in our same-center pool when we have owned all or a portion of the Property since January 1 of the preceding calendar year and it has been in operation for both the entire preceding calendar year ended December 31, 2015 and the current year ended December 31, 2016. New Properties are excluded from same-center NOI, until they meet these criteria. Properties excluded from the same-center pool that would otherwise meet this criteria are Properties which are being repositioned or Properties where we are considering alternatives for repositioning, where we intend to renegotiate the terms of the debt secured by the related Property or return the Property to the lender and those in which we own a noncontrolling interest of 25% or less. Chesterfield Mall, Midland Mall and Wausau Center are classified as Lender Malls at December 31, 2016. As of December 31, 2016, Cary Town Center and Hickory Point Mall were classified as Repositioning Malls. Triangle Town Center and River Ridge Mall are classified as Minority Interest Malls as of December 31, 2016.

Due to the exclusions noted above, same-center NOI should only be used as a supplemental measure of our performance and not as an alternative to GAAP operating income (loss) or net income (loss). A reconciliation of our same-center NOI to net income attributable to the Company for the years ended December 31, 2016 and 2015 is as follows (in thousands):

	Year Ended December 31,	
	2016	2015
Net income	\$ 195,531	\$ 119,015
Adjustments: ⁽¹⁾		
Depreciation and amortization	322,539	330,500
Interest expense	235,586	258,047
Abandoned projects expense	56	2,373
Gain on sales of real estate assets	(126,997)	(34,240)
(Gain) loss on extinguishment of debt	197	(256)
Gain on investments	(7,534)	(16,560)
Loss on impairment	116,822	105,945
Income tax provision (benefit)	(2,063)	2,941
Lease termination fees	(2,211)	(4,660)
Straight-line rent and above- and below-market rent	(2,081)	(7,403)
Net income attributable to noncontrolling interests in other consolidated subsidiaries	(1,112)	(5,473)
General and administrative expenses	63,332	62,118
Management fees and non-property level revenues	(17,026)	(24,958)
Operating Partnership's share of property NOI	775,039	787,389
Non-comparable NOI	(58,967)	(87,716)
Total same-center NOI	\$ 716,072	\$ 699,673

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

Same-center NOI increased \$16.4 million for the year ended December 31, 2016 compared to 2015. Our NOI growth of 2.3% for 2016 was driven primarily by an increase of \$14.7 million in minimum and percentage rents as we continued to realize benefits from rent growth and occupancy increases. Positive leasing spreads of 7.6% for our Stabilized Mall portfolio and the increase in same-center Mall occupancy to 94.2% as of December 31, 2016 compared to 93.7% for 2015 contributed to the increase in rents. Additionally, average annual base rents for our same-center Malls increased 2.1% to \$32.82 as of December 31, 2016 compared to \$32.15 in 2015. These increases were partially offset by a decline of \$0.5 million in tenant reimbursements. Our operating expenses declined \$2.5 million on a same-center basis due to lower utility expenses and payroll costs. Maintenance and repair expenses, as compared to the prior-year period, increased \$1.4 million due to higher snow removal expenditures and other maintenance costs.

Operational Review

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

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

	Year Ended December 31,	
	2016	2015
Malls	90.3%	89.5%
Associated centers	3.8%	3.8%
Community centers	1.7%	1.9%
Mortgages, office buildings and other	4.2%	4.8%

Mall Store Sales

Mall store sales include reporting mall tenants of 10,000 square feet or less for Stabilized Malls and exclude license agreements, which are retail contracts that are temporary or short-term in nature and generally last more than three months but less than twelve months. The following is a comparison of our same-center sales per square foot for Mall tenants of 10,000 square feet or less:

	Year Ended December 31,		% Change
	2016	2015	
Stabilized Mall same-center sales per square foot	\$376	\$382	(1.6)%

Occupancy

Our portfolio occupancy is summarized in the following table ⁽¹⁾:

	As of December 31,	
	2016	2015
Total portfolio	94.8%	93.6%
Total Mall portfolio	94.1%	93.1%
Same-center Malls	94.2%	93.7%
Stabilized Malls	94.2%	93.3%
Non-stabilized Malls ⁽²⁾	92.8%	91.3%
Associated centers	96.9%	94.6%
Community centers	98.2%	97.1%

(1) As noted in Item 2. Properties, excluded Properties are not included in occupancy metrics.

(2) Represents occupancy for The Outlet Shoppes of the Bluegrass and The Outlet Shoppes at Atlanta as of December 31, 2016 and occupancy for Fremaux Town Center, The Outlet Shoppes of the Bluegrass, and The Outlet Shoppes at Atlanta as of December 31, 2015.

Leasing

The following is a summary of the total square feet of leases signed in the year ended December 31, 2016 as compared to the prior-year period:

	Year Ended December 31,	
	2016	2015
Operating portfolio:		
New leases	1,412,130	1,728,843
Renewal leases	2,323,516	2,840,544
Development portfolio:		
New leases	563,196	372,063
Total leased	4,298,842	4,941,450

Average annual base rents per square foot are computed based on contractual rents in effect as of December 31, 2016 and 2015, including the impact of any rent concessions. Average annual base rents per square foot for comparable small shop space of less than 10,000 square feet were as follows for each Property type ⁽¹⁾:

	December 31,	
	2016	2015
Same-center Stabilized Malls	\$ 32.82	\$ 32.15
Stabilized Malls	32.96	31.47
Non-stabilized Malls ⁽²⁾	26.60	25.69
Associated centers	13.90	13.95
Community centers	16.10	16.15
Office buildings	18.69	19.51

- (1) As noted in Item 2. Properties, excluded Properties are not included in base rent. Average base rents for associated centers, community centers and office buildings include all leased space, regardless of size.
- (2) Represents average annual base rents for Fremaux Town Center, The Outlet Shoppes of the Bluegrass and The Outlet Shoppes at Atlanta as of December 31, 2016 and average annual base rents for Fremaux Town Center, The Outlet Shoppes of the Bluegrass, and The Outlet Shoppes at Atlanta as of December 31, 2015.

Results from new and renewal leasing of comparable small shop space of less than 10,000 square feet during the year ended December 31, 2016 for spaces that were previously occupied, based on the contractual terms of the related leases inclusive of the impact of any rent concessions, are as follows:

Property Type	Square Feet	Prior Gross Rent PSF	New Initial Gross Rent PSF	% Change Initial	New Average Gross Rent PSF ⁽²⁾	% Change Average
All Property Types ⁽¹⁾	1,852,025	\$ 41.21	\$ 42.93	4.2%	\$ 44.30	7.5%
Stabilized Malls	1,727,723	42.33	44.14	4.3%	45.56	7.6%
New leases	444,841	39.60	47.95	21.1%	50.75	28.2%
Renewal leases	1,282,882	43.27	42.82	(1.0)%	43.77	1.2%

- (1) Includes Stabilized Malls, associated centers, community centers and other.
- (2) Average gross rent does not incorporate allowable future increases for recoverable common area expenses.

New and renewal leasing activity of comparable small shop space of less than 10,000 square feet for the year ended December 31, 2016 based on commencement date is as follows:

	Number of Leases	Square Feet	Term (in years)	Initial Rent PSF	Average Rent PSF	Expiring Rent PSF	Initial Rent Spread		Average Rent Spread	
Commencement 2016:										
New	190	523,318	8.45	\$ 47.25	\$ 49.91	\$ 39.74	\$ 7.51	18.9%	\$ 10.17	25.6%
Renewal	542	1,435,842	3.84	44.02	44.98	43.80	0.22	0.5%	1.18	2.7%
Commencement 2016 Total	732	1,959,160	5.04	\$ 44.89	\$ 46.29	\$ 42.72	\$ 2.17	5.1%	\$ 3.57	8.4%
Commencement 2017:										
New	49	135,628	8.73	\$ 52.86	\$ 55.99	\$ 41.57	\$ 11.29	27.2%	\$ 14.42	34.7%
Renewal	151	409,562	3.81	37.72	38.38	37.85	(0.13)	(0.3)%	0.53	1.4%
Commencement 2017 Total	200	545,190	5.01	\$ 41.49	\$ 42.76	\$ 38.77	\$ 2.72	7.0%	\$ 3.99	10.3%
Total 2016/2017	932	2,504,350	5.03	\$ 44.15	\$ 45.52	\$ 41.86	\$ 2.29	5.5%	\$ 3.66	8.7%

Liquidity and Capital Resources

In December 2016, we closed on a \$400 million offering of senior unsecured notes. The 2026 Notes mature in December 2026 and bear interest at a fixed-rate of 5.95%. Net proceeds were used primarily to reduce amounts outstanding on our unsecured credit facilities. We continue to focus on growing our pool of unencumbered Properties. Our consolidated unencumbered Properties generated approximately 48% of total consolidated NOI for the year ended December 31, 2016 (excluding Lender Properties). We have three malls in the foreclosure process. Midland Mall was returned to the lender in January 2017 and we anticipate the foreclosure process for the other two Properties will be complete in early 2017. We restructured four operating Property loans with an aggregate loan balance of \$162.1 million, reducing the weighted-average interest rate from 6.63% to a weighted-average interest rate of 4.75%. Subsequent to December 31, 2016, we retired four loans with an aggregate balance of \$160.1 million to add to our portfolio of unencumbered Properties. We retired loans securing eight Properties with an aggregate total loan balance, at our share, of \$210.1 million during 2016, adding these Properties to the unencumbered pool.

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

Cash Flows - Operating, Investing and Financing Activities

There was \$19.0 million of unrestricted cash and cash equivalents as of December 31, 2016, a decrease of \$17.9 million from December 31, 2015. Our net cash flows are summarized as follows (in thousands):

	Year Ended December 31,			Year Ended December 31,		
	2016	2015	Change	2015	2014	Change
Net cash provided by operating activities	\$ 468,579	\$ 495,015	\$ (26,436)	\$ 495,015	\$ 468,061	\$ 26,954
Net cash used in investing activities	(1,446)	(259,815)	258,369	(259,815)	(234,855)	(24,960)
Net cash used in financing activities	(485,074)	(236,246)	(248,828)	(236,246)	(260,768)	24,522
Net cash flows	\$ (17,941)	\$ (1,046)	\$ (16,895)	\$ (1,046)	\$ (27,562)	\$ 26,516

Cash Provided by Operating Activities

Cash provided by operating activities during 2016 decreased \$26.4 million to \$468.6 million from \$495.0 million during 2015. The decrease in operating cash flows was primarily attributable to operating cash flows related to Properties sold in 2016 and lower cash paid for interest as we continued our strategy of retiring higher-rate secured debt with availability on our lower-rate unsecured lines of credit and net proceeds from the 2026 Notes. These decreases were partially offset by increases in operating cash flow as a result of the increase in same-center NOI of 2.3% and the 2016 New Properties. Cash provided by operating activities during 2015 increased \$26.9 million to \$495.0 million from \$468.1 million during 2014. The increase in operating cash flows was primarily attributable to a decrease in cash paid for interest as we continued our strategy of retiring higher-rate secured debt with lower-rate unsecured debt as well as a slight increase in same-center NOI and cash flows from the 2015 New Properties. These increases were partially offset by operating cash flows related to Properties sold in 2015 and higher general and administrative expenses due to one-time business and process technology improvements.

Cash Used in Investing Activities

Cash flows used in investing activities during 2016 were \$1.4 million, representing a \$258.4 million difference as compared to cash used in investing activities of \$259.8 million in the prior-year period. Cash used in investing activities in 2016 related to our development, redevelopment, renovation and expansion programs as well as tenant improvements and ongoing deferred maintenance at our Properties, which was offset by a higher amount of proceeds from the sale of several consolidated and unconsolidated Properties and higher distributions from our unconsolidated affiliates related to proceeds from sales of Properties and excess proceeds from the refinancing of certain loans. Cash used in investing activities in 2015 included \$192.0 million related to the acquisition of Mayfaire Town Center and \$218.9 million of expenditures related to our development, redevelopment, renovation and expansion programs as well as tenant improvements and ongoing deferred maintenance at our Properties, which were partially offset by net proceeds of \$20.8 million received from the sale of all our marketable securities and \$132.2 million in net proceeds received primarily from the sale of a mall, five other Properties and interests in two apartment complexes.

Cash Used in Financing Activities

Cash flows used in financing activities during 2016 were \$485.1 million as compared to \$236.2 million in the prior-year period. The \$248.8 million increase was driven primarily by the use of net proceeds from the sales of consolidated and unconsolidated Properties that were used to reduce borrowings on our unsecured lines of credit. Additionally, the prior-year period included borrowings of \$192.0 million to acquire Mayfaire Town Center.

Debt

Debt of the Company

CBL has no indebtedness. Either the Operating Partnership or one of its consolidated subsidiaries, that it has a direct or indirect ownership interest in, is the borrower on all of our debt.

CBL is a limited guarantor of the Notes issued by the Operating Partnership in November 2013, October 2014, and December 2016 respectively, for losses suffered solely by reason of fraud or willful misrepresentation by the Operating Partnership or its affiliates. We also provide a similar limited guarantee of the Operating Partnership's obligations with respect to our unsecured credit facilities and three unsecured term loans as of December 31, 2016.

Debt of the Operating Partnership

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

December 31, 2016:	Consolidated	Noncontrolling Interests	Unconsolidated Affiliates	Total	Weighted-Average Interest Rate ⁽¹⁾
Fixed-rate debt:					
Non-recourse loans on operating Properties	\$ 2,453,628	\$ (109,162)	\$ 530,062	\$ 2,874,528	5.29%
Senior unsecured notes due 2023 ⁽²⁾	446,552	—	—	446,552	5.25%
Senior unsecured notes due 2024 ⁽³⁾	299,939	—	—	299,939	4.60%
Senior unsecured notes due 2026 ⁽⁴⁾	394,260	—	—	394,260	5.95%
Total fixed-rate debt	3,594,379	(109,162)	530,062	4,015,279	5.30%
Variable-rate debt:					
Non-recourse term loans on operating Properties	19,055	(7,504)	2,226	13,777	3.18%
Recourse term loans on operating Properties	24,428	—	71,037	95,465	2.80%
Construction loan ⁽⁵⁾	39,263	—	—	39,263	3.12%
Unsecured lines of credit	6,024	—	—	6,024	1.82%
Unsecured term loans	800,000	—	—	800,000	2.04%
Total variable-rate debt	888,770	(7,504)	73,263	954,529	2.18%
Total fixed-rate and variable-rate debt	4,483,149	(116,666)	603,325	4,969,808	4.70%
Unamortized deferred financing costs	(17,855)	945	(2,806)	(19,716)	
Total mortgage and other indebtedness, net	\$ 4,465,294	\$ (115,721)	\$ 600,519	\$ 4,950,092	

December 31, 2015:	Consolidated	Noncontrolling Interests	Unconsolidated Affiliates	Total	Weighted-Average Interest Rate ⁽¹⁾
Fixed-rate debt:					
Non-recourse loans on operating Properties ⁽⁶⁾	\$ 2,736,538	\$ (110,411)	\$ 664,249	\$ 3,290,376	5.51%
Senior unsecured notes due 2023 ⁽²⁾	446,151	—	—	446,151	5.25%
Senior unsecured notes due 2024 ⁽³⁾	299,933	—	—	299,933	4.60%
Other	2,686	(1,343)	—	1,343	3.50%
Total fixed-rate debt	3,485,308	(111,754)	664,249	4,037,803	5.41%
Variable-rate debt:					
Non-recourse loans on operating Properties	16,840	(6,981)	2,546	12,405	2.55%
Recourse term loans on operating Properties	25,635	—	102,377	128,012	2.51%
Construction loans	—	—	30,047	30,047	2.12%
Unsecured lines of credit	398,904	—	—	398,904	1.54%
Unsecured term loans	800,000	—	—	800,000	1.82%
Total variable-rate debt	1,241,379	(6,981)	134,970	1,369,368	1.81%
Total fixed-rate and variable-rate debt	4,726,687	(118,735)	799,219	5,407,171	4.50%
Unamortized deferred financing costs	(16,059)	855	(1,486)	(16,690)	
Total mortgage and other indebtedness, net	\$ 4,710,628	\$ (117,880)	\$ 797,733	\$ 5,390,481	

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

(2) The balance is net of an unamortized discount of \$3,448 and \$3,849, as of December 31, 2016 and 2015, respectively.

(3) The balance is net of an unamortized discount of \$61 and \$67, as of December 31, 2016 and 2015, respectively.

(4) In December 2016, the Operating Partnership issued \$400,000 of senior unsecured notes in a public offering. The balance is net of an unamortized discount of \$5,740 as of December 31, 2016.

(5) In the second quarter of 2016, a consolidated joint venture closed on a construction loan for the development of The Outlet Shoppes at Laredo.

(6) We had four interest rate swaps on notional amounts outstanding totaling \$101,151 as of December 31, 2015 related to four of our variable-rate loans on operating Properties to effectively fix the interest rates on these loans. Therefore, these amounts were reflected in fixed-rate debt at December 31, 2015.

The following table presents our pro rata share of consolidated and unconsolidated debt as of December 31, 2016, excluding debt premiums and discounts, that is scheduled to mature in 2017 as well as two operating Property loans with 2016 maturity dates (in thousands):

	Balance	
	Original Maturity Date	
2016 Maturities:		
Consolidated Properties:		
Chesterfield Mall	\$ 140,000	(1)
Midland Mall	31,953	(2)
Total 2016 Maturities	\$ 171,953	
2017 Maturities:		
Consolidated Properties:		
Acadiana Mall	\$ 125,829	
Hamilton Corner	14,258	(3)
Layton Hills Mall	89,921	(3)
The Outlet Shoppes at Atlanta - Ridgewalk	2,496	
The Outlet Shoppes at El Paso	62,355	
The Plaza at Fayette Mall	37,146	(3)
The Shoppes at St. Clair Square	18,827	(3)
Statesboro Crossing	10,962	(4)
	<u>361,794</u>	
Unconsolidated Properties:		
Ambassador Town Center Infrastructure Improvements	11,700	(5)
Gulf Coast Town Center - Phase III	2,225	
	<u>13,925</u>	
 \$350,000 Unsecured Term Loan	 350,000	 (6)
Total 2017 Maturities at pro rata share	\$ 725,719	

- (1) The mall is in foreclosure which is expected to be complete in early 2017.
- (2) Subsequent to December 31, 2016, this Property was returned to the lender. See Note 19 to the consolidated financial statements for further information.
- (3) Subsequent to December 31, 2016, the loan on this Property was retired. See Note 19 to the consolidated financial statements for more information.
- (4) The loan has a one-year extension option for an outside maturity date of June 2018.
- (5) The loan has one two-year extension options, at the joint venture's election, for an outside maturity date of December 2019.
- (6) The unsecured term loan has two one-year extension options, at the Company's election, for an outside maturity date of October 2019.

As of December 31, 2016, \$725.7 million of our pro rata share of consolidated and unconsolidated debt, excluding debt premiums and discounts, is scheduled to mature during 2017 in addition to \$172.0 million related to two operating Property loans, which matured in 2016 and are currently in foreclosure. Of the \$725.7 million of 2017 maturities, the \$350.0 million unsecured term loan and two operating Property loans with an aggregate principal balance of \$22.7 million have extension options available leaving a remaining balance of \$353.0 million of 2017 maturities that must be either retired or refinanced. Subsequent to December 31, 2016, we retired four operating Property loans with an aggregate principal balance of \$160.1 million as of December 31, 2016, leaving an aggregate principal balance of \$192.9 million of 2017 maturities related to four operating Property loans. We are evaluating whether to retire or refinance the loans on our consolidated Properties and expect to refinance the loan secured by The Outlet Shoppes at El Paso.

The weighted-average remaining term of our total share of consolidated and unconsolidated debt was 5.4 years and 4.1 years at December 31, 2016 and 2015, respectively. The weighted-average remaining term of our pro rata share of fixed-rate debt was 3.8 years and 4.5 years at December 31, 2016 and 2015, respectively.

As of December 31, 2016 and 2015, our pro rata share of consolidated and unconsolidated variable-rate debt represented 19.3% and 25.3%, respectively, of our total pro rata share of debt. The decrease is primarily due to the use of proceeds from dispositions and the 2026 Notes to reduce balances on our unsecured credit lines as they were used for the retirement of several higher fixed-rate loans during the year. As of December 31, 2016, our share of consolidated and unconsolidated variable-rate debt represented 12.1% of our total market capitalization (see Equity below) as compared to 16.1% as of December 31, 2015.

See Note 6 to the consolidated financial statements for additional information concerning the amount and terms of our outstanding indebtedness and compliance with applicable financial covenants and restrictions as of December 31, 2016.

Mortgages on Operating Properties

2016 Financings

The following table presents loans, secured by the related Properties, that were entered into in 2016 (in thousands):

Date	Property	Consolidated/ Unconsolidated Property	Stated Interest Rate	Maturity Date ⁽¹⁾	Amount Financed or Extended	Company's Pro Rata Share
December	The Shops at Friendly Center ⁽²⁾	Unconsolidated	3.34%	April 2023	\$ 60,000	\$ 30,000
December	Cary Towne Center ⁽³⁾	Consolidated	4.00%	March 2019 ⁽⁴⁾	46,716	46,716
December	Greenbrier Mall ⁽⁵⁾	Consolidated	5.00%	December 2019 ⁽⁶⁾	70,801	70,801
June	Fremaux Town Center ⁽⁷⁾	Unconsolidated	3.70% ⁽⁸⁾	June 2026	73,000	47,450
June	Ambassador Town Center ⁽⁹⁾	Unconsolidated	3.22% ⁽¹⁰⁾	June 2023	47,660	30,979
June	Hamilton Place ⁽¹¹⁾	Consolidated	4.36%	June 2026	107,000	96,300
June	Statesboro Crossing ⁽¹²⁾	Consolidated	LIBOR + 1.80%	June 2017	11,035	5,517
April	Hickory Point Mall ⁽¹³⁾	Consolidated	5.85%	December 2018 ⁽¹⁴⁾	27,446	27,446
February	The Pavilion at Port Orange ⁽¹⁵⁾	Unconsolidated	LIBOR + 2.0%	February 2018 ⁽¹⁶⁾	58,628	34,314
February	Hammock Landing - Phase I ⁽¹⁵⁾	Unconsolidated	LIBOR + 2.0%	February 2018 ⁽¹⁶⁾	43,347 ⁽¹⁷⁾	21,674
February	Hammock Landing - Phase II ⁽¹⁵⁾	Unconsolidated	LIBOR + 2.0%	February 2018 ⁽¹⁶⁾	16,757	8,378
February	Triangle Town Center, Triangle Town Place, Triangle Town Commons ⁽¹⁸⁾	Unconsolidated	4.00% ⁽¹⁹⁾	December 2018 ⁽²⁰⁾	171,092	1,711

(1) Excludes any extension options.

(2) CBL-TRS Joint Venture, LLC closed on a non-recourse loan, secured by The Shops at Friendly Center in Greensboro, NC. The new loan has a maturity date with a term of six years to coincide with the maturity date of the existing loan secured by Friendly Center. A portion of the net proceeds were used to retire a \$37,640 fixed-rate loan that bore interest at 5.90% and was due to mature in January 2017.

(3) The loan was restructured to extend the maturity date and reduce the interest rate from 8.5% to 4.0% interest-only payments. The Company plans to utilize excess cash flows from the mall to fund a proposed redevelopment. The original maturity date is contingent on the Company's redevelopment plans.

(4) The loan has one two-year extension option, which is at our option and contingent on our having met specified redevelopment criteria, for an outside maturity date of March 2021.

(5) The loan was restructured, with an effective date of November 2016, to extend the maturity date and reduce the interest rate from 5.91% to 5.00% interest-only payments through December 2017. The interest rate will increase to 5.4075% on January 1, 2018 and thereafter require monthly principal payments of \$225 and \$300 in 2018 and 2019, respectively, in addition to interest.

(6) The loan has a one-year extension option, at our election, which is contingent on the mall meeting specified debt service and operational metrics. If the loan is extended, monthly principal payments of \$325 will be required in 2020 in addition to interest.

(7) Net proceeds from the non-recourse loan were used to retire the existing construction loans, secured by Phase I and Phase II of Fremaux Town Center, with an aggregate balance of \$71,125.

(8) The joint venture had an interest rate swap on a notional amount of \$73,000, amortizing to \$52,130 over the term of the swap, related to Fremaux Town Center to effectively fix the interest rate on the variable-rate loan. In October 2016, the joint venture made an election under the loan agreement to convert the loan from a variable-rate to a fixed-rate loan which bears interest at 3.70%.

(9) The non-recourse loan was used to retire an existing construction loan with a principal balance of \$41,885 and excess proceeds were utilized to fund remaining construction costs.

(10) The joint venture has an interest rate swap on a notional amount of \$47,660, amortizing to \$38,866 over the term of the swap, related to Ambassador Town Center to effectively fix the interest rate on the variable-rate loan. Therefore, this amount is currently reflected as having a fixed rate.

(11) Proceeds from the non-recourse loan were used to retire an existing \$98,181 loan with an interest rate of 5.86% that was scheduled to mature in August 2016. Our share of excess proceeds was used to reduce outstanding balances on our credit facilities.

(12) The loan was modified to extend the maturity date to June 2017 with a one-year extension option to June 2018.

(13) The loan was modified to extend the maturity date. The interest rate remains at 5.85% but now the loan is interest-only.

(14) The loan has a one-year extension option at our election for an outside maturity date of December 2019.

- (15) The guaranty was reduced from 25% to 20% in conjunction with the refinancing. See Note 14 to the consolidated financial statements for more information.
- (16) The loan was modified and extended to February 2018 with a one-year extension option to February 2019.
- (17) The capacity was increased from \$39,475 to fund an expansion.
- (18) The loan was amended and modified in conjunction with the sale of the Properties to a newly formed joint venture. See Note 5 to the consolidated financial statements for additional information.
- (19) The interest rate was reduced from 5.74% to 4.00% interest-only payments through the initial maturity date.
- (20) The loan was extended to December 2018 with two one-year extension options to December 2020. Under the terms of the loan agreement, the joint venture must pay the lender \$5,000 to reduce the principal balance of the loan and an extension fee of 0.50% of the remaining outstanding loan balance if it exercises the first extension. If the joint venture elects to exercise the second extension, it must pay the lender \$8,000 to reduce the principal balance of the loan and an extension fee of 0.75% of the remaining outstanding principal loan balance. Additionally, the interest rate would increase to 5.74% during the extension period.

2015 Financings

The following table presents loans, secured by the related Properties, that were entered into in 2015 (in thousands):

Date	Property	Consolidated/ Unconsolidated Property	Stated Interest Rate	Maturity Date ⁽¹⁾	Amount Financed or Extended
December	Hammock Landing - Phase I ⁽²⁾	Unconsolidated	LIBOR + 2.0%	February 2016 ⁽³⁾	\$ 39,475
December	Hammock Landing - Phase II ⁽²⁾	Unconsolidated	LIBOR + 2.0%	February 2016 ⁽³⁾	16,757
December	The Pavilion at Port Orange ⁽²⁾	Unconsolidated	LIBOR + 2.0%	February 2016 ⁽³⁾	58,820
October	Oak Park Mall ⁽⁴⁾	Unconsolidated	3.97%	October 2025	276,000
September	The Outlet Shoppes at Gettysburg ⁽⁵⁾	Consolidated	4.80%	October 2025	38,450
July	Gulf Coast Town Center - Phase III ⁽⁶⁾	Unconsolidated	LIBOR + 2.0%	July 2017	5,352

- (1) Excludes any extension options.
- (2) The loan was amended and modified to extend its initial maturity date and interest rate.
- (3) The loan was modified and extended to February 2018 with a one-year extension option to February 2019.
- (4) CBL/T-C closed on a non-recourse loan, secured by Oak Park Mall in Overland Park, KS. Net proceeds were used to retire the outstanding borrowings of \$275,700 under the previous loan which bore interest at 5.85% and had a December 2015 maturity date.
- (5) Proceeds from the non-recourse loan were used to retire a \$38,112 fixed-rate loan that was due to mature in February 2016.
- (6) The loan was amended and modified to extend its maturity date. As part of the refinancing agreement, the loan is no longer guaranteed by the Operating Partnership.

2016 Loan Repayments

We repaid the following loans, secured by the related Properties, in 2016 (in thousands):

Date	Property	Consolidated/ Unconsolidated Property	Interest Rate at Repayment Date	Scheduled Maturity Date	Principal Balance Repaid ⁽¹⁾
December	The Shops at Friendly Center ⁽²⁾	Unconsolidated	5.90%	January 2017	\$ 37,640
December	Triangle Town Place ⁽³⁾	Unconsolidated	4.00%	December 2018	29,342
October	Southaven Towne Center	Consolidated	5.50%	January 2017	38,314
September	Governor's Square Mall ⁽⁴⁾	Unconsolidated	8.23%	September 2016	14,089
September	High Pointe Commons - Phase I ⁽⁵⁾	Unconsolidated	5.74%	May 2017	12,401
September	High Pointe Commons - PetCo ⁽⁵⁾	Unconsolidated	3.20%	July 2017	19
September	High Pointe Commons - Phase II ⁽⁵⁾	Unconsolidated	6.10%	July 2017	4,968
August	Dakota Square Mall	Consolidated	6.23%	November 2016	55,103
July	Kentucky Oaks Mall ⁽⁶⁾	Unconsolidated	5.27%	January 2017	19,912
June	Hamilton Place ⁽⁷⁾	Consolidated	5.86%	August 2016	98,181
April	CoolSprings Crossing	Consolidated	4.54%	April 2016	11,313
April	Gunbarrel Pointe	Consolidated	4.64%	April 2016	10,083
April	Stroud Mall	Consolidated	4.59%	April 2016	30,276
April	York Galleria	Consolidated	4.55%	April 2016	48,337

Date	Property	Consolidated/ Unconsolidated Property	Interest Rate at Repayment Date	Scheduled Maturity Date	Principal Balance Repaid ⁽¹⁾
April	Renaissance Center - Phase I	Unconsolidated	5.61%	July 2016	31,484

- (1) We retired the loans with borrowings from our credit facilities unless otherwise noted.
- (2) The loan secured by the Property was retired using a portion of the net proceeds from a \$60,000 fixed-rate loan. See above for more information.
- (3) Upon the sale of Triangle Town Place, a portion of the net proceeds was used to pay down the balance of a loan for the portion secured by Triangle Town Place. After the debt reduction associated with the sale of Triangle Town Center, the principal balance of the loan secured by Triangle Town Center and Triangle Town Commons as of December 31, 2016 is \$141,126, of which our share is \$14,113.
- (4) Our share of the loan was \$6,692.
- (5) The loan secured by the Property was paid off using proceeds from the sale of the Property in September 2016. See Note 5 to the consolidated financial statements for more information. Our share of the loan was 50%.
- (6) Our share of the loan was \$9,956.
- (7) The joint venture retired the loan with proceeds from a \$107,000 fixed-rate non-recourse loan. See above for more information.

Additionally, the \$38,150 loan secured by Fashion Square was assumed by the buyer in conjunction with the sale of the mall in July 2016. The fixed-rate loan bore interest at 4.95% and had a maturity date of June 2022.

2015 Loan Repayments

We repaid the following loans, secured by the related Properties, in 2015 (in thousands):

Date	Property	Consolidated/ Unconsolidated Property	Interest Rate at Repayment Date	Scheduled Maturity Date	Principal Balance Repaid ⁽¹⁾
October	Oak Park Mall ⁽²⁾	Unconsolidated	5.85%	December 2015	\$ 275,700
September	The Outlet Shoppes at Gettysburg ⁽³⁾	Consolidated	5.87%	February 2016	38,112
September	Eastland Mall	Consolidated	5.85%	December 2015	59,400
July	Brookfield Square	Consolidated	5.08%	November 2015	86,621
July	CherryVale Mall	Consolidated	5.00%	October 2015	77,198
July	East Towne Mall	Consolidated	5.00%	November 2015	65,856
July	West Towne Mall	Consolidated	5.00%	November 2015	93,021
May	Imperial Valley Mall	Consolidated	4.99%	September 2015	49,486

- (1) We retired the loans with borrowings from our credit facilities unless otherwise noted.
- (2) The joint venture retired the loan with proceeds from a \$276,000 fixed-rate non-recourse loan.
- (3) The joint venture retired the loan with proceeds from a \$38,450 fixed-rate non-recourse loan.

Construction Loans

2016 Financing

The following table presents the construction loan, secured by the related Property, that was entered into in 2016 (in thousands):

Date	Property	Consolidated/ Unconsolidated Property	Stated Interest Rate	Maturity Date	Amount Financed or Extended
May	The Outlet Shoppes at Laredo ⁽¹⁾	Consolidated	LIBOR + 2.5% ⁽²⁾	May 2019 ⁽³⁾	\$ 91,300

- (1) The consolidated 65/35 joint venture closed on a construction loan for the development of The Outlet Shoppes at Laredo, an outlet center located in Laredo, TX. The Operating Partnership has guaranteed 100% of the loan.
- (2) The interest rate will be reduced to LIBOR plus 2.25% once the development is complete and certain debt and operational metrics are met.
- (3) The loan has one 24-month extension option, which is at the joint venture's election, subject to continued compliance with the terms of the loan agreement, for an outside maturity date of May 2021.

2015 Financings

The following table presents construction loans, secured by the related Properties, that were entered into in 2015 (in thousands):

Date	Property	Consolidated/ Unconsolidated Property	Stated Interest Rate	Maturity Date	Amount Financed or Extended
July	The Outlet Shoppes of the Bluegrass - Phase II ⁽¹⁾	Consolidated	LIBOR + 2.50%	July 2020	\$ 11,320
May	The Outlet Shoppes at Atlanta - Phase II ⁽²⁾	Consolidated	LIBOR + 2.50%	December 2019	6,200

- (1) The Operating Partnership has guaranteed 100% of the loan, of this 65/35 joint venture. The guaranty will terminate once construction is complete and certain debt and operational metrics are met on this expansion. The interest rate will be reduced to a spread of LIBOR plus 2.35% once certain debt service and operational metrics are met.
- (2) The Operating Partnership has guaranteed 100% of the loan, of this 75/25 joint venture. The guaranty will terminate once construction is complete and certain debt and operational metrics are met on this expansion. The interest rate will be reduced to a spread of LIBOR plus 2.35% once certain debt service and operational metrics are met.

2016 Loan Repayments

We repaid the following construction loans, secured by the related Properties, in 2016 (in thousands):

Date	Property	Consolidated/ Unconsolidated Property	Interest Rate at Repayment Date	Scheduled Maturity Date	Principal Balance Repaid
December	The Outlet Shoppes at Atlanta - Parcel Development ⁽¹⁾	Consolidated	3.02%	December 2019	\$ 2,124
June	Fremaux Town Center - Phase I ⁽²⁾	Unconsolidated	2.44%	August 2016	40,530
June	Fremaux Town Center - Phase II ⁽²⁾	Unconsolidated	2.44%	August 2016	30,595
June	Ambassador Town Center ⁽³⁾	Unconsolidated	2.24%	December 2017	41,885

- (1) In conjunction with its sale in December 2016, a portion of the net proceeds was used to retire the loan secured by the Property.
- (2) The construction loan was retired using a portion of the net proceeds from a \$73,000 fixed-rate non-recourse mortgage loan. See *Financings* above for more information.
- (3) The construction loan was retired using a portion of the net proceeds from a \$47,660 fixed-rate non-recourse mortgage loan. Excess proceeds were utilized to fund remaining construction costs. See *Financings* above for more information.

Other

The non-recourse loans secured by Chesterfield Mall, Midland Mall and Wausau Center are in default and in receivership at December 31, 2016. The malls generate insufficient income levels to cover the debt service on the mortgages, which had an aggregate balance of \$189.6 million at December 31, 2016. Subsequent to December 31, 2016, the foreclosure process was complete and Midland Mall was returned to the lender in satisfaction of the non-recourse debt secured by the Property. See Note 19 to the consolidated financial statements for further details. The Company expects the foreclosure process will be complete in early 2017 on the remaining malls.

Unencumbered Portfolio Statistics

	Sales Per Square Foot for the Year Ended ^{(1) (2)}		Occupancy ⁽²⁾		% of Consolidated Unencumbered NOI for the Year Ended 12/31/16 ⁽³⁾
	12/31/16	12/31/15	12/31/16	12/31/15	
Unencumbered consolidated Properties:					
Tier 1 Malls	\$ 433	\$ 440	93.1 %	92.0 %	26.8 %
Tier 2 Malls	332	344	94.8 %	94.0 %	55.8 %
Tier 3 Malls	268	266	90.8 %	89.3 %	8.4 %
Total Malls	349	358	93.9 %	92.9 %	91.0 %
Total Associated Centers	N/A	N/A	96.7 %	95.1 %	4.7 %
Total Community Centers	N/A	N/A	98.7 %	98.9 %	3.2 %
Total Office Buildings and Other	N/A	N/A	89.1 %	88.1 %	1.1 %
Total Unencumbered Consolidated Portfolio	\$ 349	\$ 358	94.5 %	93.5 %	100.0 %

(1) Represents same-center sales per square foot for mall tenants 10,000 square feet or less for stabilized malls.

(2) Operating metrics are included for unencumbered operating Properties and do not include sales or occupancy of unencumbered parcels.

(3) Our consolidated unencumbered Properties generated approximately 48% of total consolidated NOI of \$334,933 (which excludes NOI related to dispositions) for the year ended December 31, 2016.

Interest Rate Hedging Instruments

Our interest rate derivatives matured in April 2016. The following table provides further information related to each of our interest rate derivatives that were designated as cash flow hedges of interest rate risk as of December 31, 2015 (dollars in thousands):

Instrument Type	Location in Consolidated Balance Sheet	Outstanding Notional Amount	Designated Benchmark Interest Rate	Strike Rate	Fair Value at 12/31/15	Maturity Date
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	\$ 48,337 (amortizing to \$48,337)	1-month LIBOR	2.149%	\$ (208)	April 2016
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	\$ 30,276 (amortizing to \$30,276)	1-month LIBOR	2.187%	(133)	April 2016
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	\$ 11,313 (amortizing to \$11,313)	1-month LIBOR	2.142%	(48)	April 2016
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	\$ 10,083 (amortizing to \$10,083)	1-month LIBOR	2.236%	(45)	April 2016
					<u>\$ (434)</u>	

Equity

At-The-Market Equity Program

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

Since inception, we have sold \$211.5 million shares of common stock through the ATM program, at a weighted-average sales price of \$25.12, generating net proceeds of \$209.6 million, which were used to reduce the balances on our credit facilities. Since the commencement of the ATM program, we have issued 8,419,298 shares of common stock and approximately \$88.5 million remains available that may be sold under this program. We did not sell any shares under the ATM program during 2016 or 2015. Actual future sales under this program, if any, will depend on a variety of factors including but not limited to market conditions, the trading price of CBL's common stock and our capital needs. We have no obligation to sell the remaining shares available under the ATM program.

Common Stock Repurchase Program

In the third quarter of 2015, CBL's Board of Directors authorized a common stock repurchase program, which expired on August 31, 2016. Under the program, we could purchase up to \$200.0 million of CBL's common stock from time to time, in the open market, in privately negotiated transactions or otherwise, depending on market prices and other conditions. We were not obligated to repurchase any shares of stock under the program. No shares were repurchased under the program prior to its expiration.

Preferred Stock / Preferred Units

Our authorized preferred stock consists of 15,000,000 shares at \$0.01 par value per share. The Operating Partnership issues an equivalent number of preferred units to CBL in exchange for the contribution of the proceeds from CBL to the Operating Partnership when CBL issues preferred stock. The preferred units generally have the same terms and economic characteristics as the corresponding series of preferred stock. See Note 7 to the consolidated financial statements for a description of our cumulative redeemable preferred stock.

Dividends - CBL

CBL paid first, second and third quarter 2016 cash dividends on its common stock of \$0.265 per share on April 15th, July 15th and October 14, 2016, respectively. On November 3, 2016, CBL's Board of Directors declared a fourth quarter cash dividend of \$0.265 per share that was paid on January 16, 2017, to shareholders of record as of December 30, 2016. Future dividends payable will be determined by CBL's Board of Directors based upon circumstances at the time of declaration.

During the year ended December 31, 2016, we paid dividends of \$225.9 million to holders of our common stock and our preferred stock, as well as \$47.2 million in distributions to the noncontrolling interest investors in our Operating Partnership and other consolidated subsidiaries.

Distributions - The Operating Partnership

The Operating Partnership paid first, second and third quarter 2016 cash distributions on its redeemable common units and common units of \$0.7322 and \$0.2692 per share, respectively, on April 15th, July 15th and October 14, 2016, respectively. On November 3, 2016, the Operating Partnership declared a fourth quarter cash distribution on its redeemable common units and common units of \$0.7322 and \$0.2692 per share, respectively, that was paid on January 16, 2017. The distribution declared in the fourth quarter of 2016, totaling \$9.1 million, is included in accounts payable and accrued liabilities at December 31, 2016. The total dividend included in accounts payable and accrued liabilities at December 31, 2015 was \$9.3 million.

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

Our strategy is to maintain a conservative debt-to-total-market capitalization ratio in order to enhance our access to the broadest range of capital markets, both public and private. Based on our share of total consolidated and unconsolidated debt and the market value of equity, our debt-to-total-market capitalization (debt plus market value of equity) ratio was 63.0% at December 31, 2016, compared to 63.6% at December 31, 2015. The decrease in the ratio was driven by the decrease in our share of total debt to \$5.0 billion at December 31, 2016 from \$5.4 billion at December 31, 2015.

Our debt-to-market capitalization ratio at December 31, 2016 was computed as follows (in thousands, except stock prices):

	Shares Outstanding	Stock Price ⁽¹⁾	Value
Common stock and operating partnership units	199,085	\$ 11.50	\$ 2,289,478
7.375% Series D Cumulative Redeemable Preferred Stock	1,815	250.00	453,750
6.625% Series E Cumulative Redeemable Preferred Stock	690	250.00	172,500
Total market equity			2,915,728
Company's share of total debt			4,969,808
Total market capitalization			\$ 7,885,536
Debt-to-total-market capitalization ratio			63.0%

- (1) Stock price for common stock and Operating Partnership units equals the closing price of our common stock on December 30, 2016. The stock prices for the preferred stock represent the liquidation preference of each respective series of preferred stock.

Contractual Obligations

The following table summarizes our significant contractual obligations as of December 31, 2016 (in thousands):

	Payments Due By Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
<i>Long-term debt:</i>					
Total consolidated debt service ⁽¹⁾	\$ 5,494,122	\$ 1,143,706	\$ 1,303,744	\$ 905,267	\$ 2,141,405
Noncontrolling interests' share in other consolidated subsidiaries	(147,679)	(30,354)	(13,678)	(13,623)	(90,024)
Our share of unconsolidated affiliates debt service ⁽²⁾	739,804	47,044	178,245	53,782	460,733
Our share of total debt service obligations	6,086,247	1,160,396	1,468,311	945,426	2,512,114
<i>Operating leases:</i> ⁽³⁾					
Ground leases on consolidated Properties	15,640	588	1,195	1,221	12,636
<i>Purchase obligations:</i> ⁽⁴⁾					
Construction contracts on consolidated Properties	18,403	18,403	—	—	—
Our share of construction contracts on unconsolidated Properties	762	762	—	—	—
Our share of total purchase obligations	19,165	19,165	—	—	—
<i>Other Contractual Obligations:</i> ⁽⁵⁾					
Master Services Agreements	155,496	32,736	65,472	57,288	—
Total contractual obligations	\$ 6,276,548	\$ 1,212,885	\$ 1,534,978	\$ 1,003,935	\$ 2,524,750

- (1) Represents principal and interest payments due under the terms of mortgage and other indebtedness, net and includes \$925,821 of variable-rate debt service on seven operating Properties, one construction loan, two unsecured credit facilities and three unsecured term loans. The credit facilities and term loans do not require scheduled principal payments. The future interest payments are projected based on the interest rates that were in effect at December 31, 2016. See Note 6 to the consolidated financial statements for additional information regarding the terms of long-term debt. The total consolidated debt service includes the three loans, with an aggregate principal balance of \$189,642 as of December 31, 2016, secured by Chesterfield Mall, Midland Mall, and Wausau Center, which are in receivership. Subsequent to December 31, 2016, foreclosure was complete and Midland Mall was returned to the lender. We expect the foreclosure process to be complete on the other two malls in early 2017. See Note 6 and Note 19 to the consolidated financial statements for more information.
- (2) Includes \$296,003 of variable-rate debt service. Future contractual obligations have been projected using the same assumptions as used in (1) above.
- (3) Obligations where we own the buildings and improvements, but lease the underlying land under long-term ground leases. The maturities of these leases range from 2019 to 2089 and generally provide for renewal options.
- (4) Represents the remaining balance to be incurred under construction contracts that had been entered into as of December 31, 2016, but were not complete. The contracts are primarily for development of Properties.
- (5) In conjunction with the redemption of our interest in the consolidated joint venture that provided security and maintenance services to third parties, we entered into a five year agreement for maintenance, security, and janitorial services at our Properties for a fixed monthly fee. We have the right to cancel the contract after October 1, 2019. See Note 8 to the consolidated financial statements for additional information on the redemption.

Capital Expenditures

Deferred maintenance expenditures are generally billed to tenants as common area maintenance expense, and most are recovered over a 5 to 15-year period. Renovation expenditures are primarily for remodeling and upgrades of Malls, of which a portion is recovered from tenants over a 5 to 15-year period. We recover these costs through fixed amounts with annual increases or pro rata cost reimbursements based on the tenant's occupied space. The following table, which excludes expenditures for developments and expansions, summarizes these capital expenditures, including our share of unconsolidated affiliates' capital expenditures, for the year ended December 31, 2016 compared to 2015 (in thousands):

	Year Ended December 31,	
	2016	2015
Tenant allowances ⁽¹⁾	\$ 55,098	\$ 51,625
Renovations	11,942	30,836
Deferred maintenance:		
Parking lot and parking lot lighting	17,168	30,918
Roof repairs and replacements	5,008	5,483
Other capital expenditures	16,837	13,303
Total deferred maintenance	39,013	49,704
Capitalized overhead	5,116	5,544
Capitalized interest	2,302	4,168
Total capital expenditures	\$ 113,471	\$ 141,877

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

We continue to make it a priority to reinvest in our Properties in order to enhance their dominant positions in their markets. Renovations usually include remodeling and upgrading existing facades, uniform signage, new entrances and floor coverings, updating interior décor, resurfacing parking lots and improving the lighting of interiors and parking lots. Renovations can result in attracting new retailers, increased rental rates, sales and occupancy levels and maintaining the Property's market dominance. Our total investment in 2016 renovations was \$11.9 million, which included approximately \$7.0 million, at our share, of a \$13.8 million renovation at CoolSprings Galleria in Nashville, TN as well as other eco-friendly green renovations. The total investment in the renovations that are scheduled for 2017 is projected to be \$11.1 million, which includes floor renovations at East Towne Mall in Madison, WI and Asheville Mall in Asheville, NC.

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

Developments and Expansions

The following tables summarize our development and expansion projects as of December 31, 2016:

Properties Opened During the Year Ended December 31, 2016

(Dollars in thousands)

Property	Location	CBL Ownership Interest	Total Project Square Feet	CBL's Share of		Opening Date	Initial Unleveraged Yield
				Total Cost ⁽¹⁾	Cost to Date ⁽²⁾		
Community Center:							
Ambassador Town Center	Lafayette, LA	65%	431,139	\$ 40,295	\$ 34,906	Apr-16	8.5%
Mall Expansions:							
Dakota Square Mall - Expansion	Minot, ND	100%	23,922	7,284	6,083	Nov-16	7.5%
Friendly Center - Cheesecake Factory	Greensboro, NC	50%	9,156	2,365	1,727	Oct-16	10.4%
Friendly Center - Shops	Greensboro, NC	50%	12,765	2,540	1,960	Nov-16	8.4%
Hamilton Place - Theatre	Chattanooga, TN	90%	30,169	4,868	3,511	Sep-16	9.1%
Kirkwood Mall - Self Development (Panera Bread, Verizon, Caribou Coffee)	Bismarck, ND	100%	12,570	3,702	4,210	Mar-16	10.5%
			88,582	20,759	17,491		
Community Center Expansions:							
The Forum at Grandview - Expansion	Madison, MS	75%	24,516	5,598	4,135	Dec-16	8.5%
Hammock Landing - Expansion	West Melbourne, FL	50%	23,717	2,431	1,659	Nov-16	10.7%
High Pointe Commons (Petco) ⁽³⁾	Harrisburg, PA	50%	12,885	1,012	820	Sep-16	10.5%
			61,118	9,041	6,614		
Total Properties Opened			580,839	\$ 70,095	\$ 59,011		

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

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

(3) This community center was sold in September 2016.

Redevelopments Completed During the Year Ended December 31, 2016

(Dollars in thousands)

Property	Location	CBL Ownership Interest	Total Project Square Feet	CBL's Share of		Opening Date	Initial Unleveraged Yield
				Total Cost ⁽¹⁾	Cost to Date ⁽²⁾		
Mall Redevelopments:							
College Square - JCP Redevelopment (Dick's/ ULTA)	Morristown, TN	100%	84,842	\$ 14,881	\$ 9,334	Oct-16	7.6%
CoolSprings Galleria - Sears Redevelopment (American Girl, Cheesecake Factory)	Nashville, TN	50%	208,976	32,307	36,505	May-16	7.2%
East Towne Mall (Planet Fitness /Shops)	Madison, WI	100%	27,692	2,142	2,560	Nov-16	12.1%
Northpark Mall (Dunham's Sports)	Joplin, MO	100%	80,524	4,007	4,274	Nov-16	9.5%
Oak Park Mall - Self Development	Overland Park, KS	50%	6,735	1,230	1,216	Jul/Aug-16	8.2%
Randolph Mall - JCP Redevelopment (Ross/ULTA) ⁽³⁾	Asheboro, NC	100%	33,796	4,513	4,257	May/Jul-16	7.8%
Total Redevelopment Completed			442,565	\$ 59,080	\$ 58,146		

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

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

(3) This mall was sold in December 2016.

We completed several redevelopment projects during 2016. Many of these projects involved the redevelopment of underperforming Anchor locations, which affords us opportunities to revitalize our Properties and appeal to consumer preferences.

Properties Under Development at December 31, 2016

(Dollars in thousands)

Property	Location	CBL Ownership Interest	Total Project Square Feet	CBL's Share of		Expected Opening Date	Initial Unleveraged Yield
				Total Cost ⁽¹⁾	Cost to Date ⁽²⁾		
Outlet Center:							
The Outlets Shoppes at Laredo	Laredo, TX	65%	357,756	\$ 69,926	\$ 57,056	Spring-17	9.6%
Mall Expansions:							
Kirkwood Mall - Lucky 13	Bismarck, ND	100%	6,500	3,200	751	Summer-17	7.6%
Mayfaire Town Center - Phase I	Wilmington, NC	100%	67,766	19,395	9,108	Spring-17	8.4%
Parkdale Mall - Restaurant Addition	Beaumont, TX	100%	4,700	1,277	5	Winter-17	10.7%
			78,966	23,872	9,864		
Mall Redevelopments:							
College Square - Partial Belk Redevelopment (Planet Fitness)	Morristown, TN	100%	20,000	1,549	21	Spring-17	9.9%
Hickory Point Mall (T.J. Maxx/Shops)	Forsyth, IL	100%	50,030	3,581	110	Fall-17	10.0%
York Galleria - Partial JCP Redevelopment - (H&M/Shops)	York, PA	100%	42,672	5,597	2,157	Spring-17	7.8%
York Galleria - Partial JCP Redevelopment (Gold's Gym/Shops)	York, PA	100%	40,832	5,658	2,118	Spring-17	12.8%
			153,534	16,385	4,406		
Total Properties Under Development			590,256	\$ 110,183	\$ 71,326		

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

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

The Outlet Shoppes at Laredo is on schedule to open this spring and features tenants including Michael Kors, Brooks Brothers, Nike and Puma. It is approximately 80% leased or committed.

Shadow Development Pipeline

We are continually pursuing new development opportunities and have projects in various stages of pre-development. Our shadow pipeline consists of projects for Properties on which we have completed initial project analysis and design but which have not commenced construction as of December 31, 2016. Subsequent to December 31, 2016, we acquired five Sears' locations, which were then leased back to Sears, and four Macy's locations. These Properties will be redeveloped in the future. See Note 19 to the consolidated financial statements for more information.

We hold options to acquire certain development properties owned by third parties. Except for the projects presented above, we did not have any other material capital commitments as of December 31, 2016.

New Developments

In the second quarter of 2016, we formed a 65/35 joint venture, Laredo Outlet JV, LLC, to develop The Outlet Shoppes at Laredo in Laredo, TX. We initially contributed \$7.7 million, which consisted of a cash contribution of \$2.4 million and our interest in a note receivable of \$5.3 million, and the third party partner contributed \$10.7 million, which included land and construction costs to date. We contributed 100% of the capital to fund the project until the pro rata 65% contribution of \$19.8 million was reached in the third quarter of 2016. All subsequent future contributions will be funded on a 65/35 pro rata basis.

Dispositions

We completed the disposition of interests in seven malls, two associated centers, four community centers and five office buildings in 2016 for an aggregate gross sales price of \$414.0 million. After loan repayment or assumption by buyer, commissions and closing costs, the sales generated an aggregate \$340.0 million of net proceeds (\$252.9 million at our share). Additionally, we sold our 50% interest in an unconsolidated affiliate to a new unconsolidated joint venture, in which we have a 10% ownership interest, as described in Note 5 to the consolidated financial statements. We also returned one mall to the lender in satisfaction of the non-recourse debt secured by the Property and recognized a gain on sale of real estate assets of approximately \$26.1 million, at our share, from outparcel sales. As of December 31, 2016, we have classified two office buildings as held for sale that were sold subsequent to December 31, 2016. See Note 4, Note 5, Note 6 and Note 19 to the consolidated financial statements for additional information on these dispositions.

Gain on Investments

In the fourth quarter of 2016, we received \$15.5 million upon the redemption of our 6.2% noncontrolling interest in Jinsheng, an established mall operating and real estate development company located in Nanjing, China and recorded a gain on investment of \$10.1 million. We had previously recorded an other-than-temporary impairment of \$5.3 million related to this investment in 2009 upon the decline of China's real estate market. This gain was partially offset by a loss of \$2.6 million related to the redemption of our ownership interest in a consolidated joint venture that was redeemed in the fourth quarter of 2016 for \$3.8 million. See Note 5 and Note 8 to the consolidated financial statements for more information.

Off-Balance Sheet Arrangements

Unconsolidated Affiliates

We have ownership interests in 17 unconsolidated affiliates as of December 31, 2016, that are described in Note 5 to the consolidated financial statements. The unconsolidated affiliates are accounted for using the equity method of accounting and are reflected in the accompanying consolidated balance sheets as investments in unconsolidated affiliates. The following are circumstances when we may consider entering into a joint venture with a third party:

- Third parties may approach us with opportunities in which they have obtained land and performed some pre-development activities, but they may not have sufficient access to the capital resources or the development and leasing expertise to bring the project to fruition. We enter into such arrangements when we determine such a project is viable and we can achieve a satisfactory return on our investment. We typically earn development fees from the joint venture and provide management and leasing services to the property for a fee once the property is placed in operation.
- We determine that we may have the opportunity to capitalize on the value we have created in a Property by selling an interest in the Property to a third party. This provides us with an additional source of capital that can be used to develop or acquire additional real estate assets that we believe will provide greater potential for growth. When we retain an interest in an asset rather than selling a 100% interest, it is typically because this allows us to continue to manage the Property, which provides us the ability to earn fees for management, leasing, development and financing services provided to the joint venture.

Guarantees

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

The following table represents the Operating Partnership's guarantees of unconsolidated affiliates' debt as reflected in the accompanying consolidated balance sheets as of December 31, 2016 and 2015 (in thousands):

Unconsolidated Affiliate	As of December 31, 2016						Obligation recorded to reflect guaranty	
	Company's Ownership Interest	Outstanding Balance	Percentage Guaranteed by the Company		Maximum Guaranteed Amount	Debt Maturity Date ⁽¹⁾	12/31/16	12/31/15
West Melbourne I, LLC - Phase I ⁽²⁾	50%	\$ 42,847	20% ⁽³⁾		\$ 8,569	Feb-2018 ⁽⁴⁾	\$ 86	\$ 99
West Melbourne I, LLC - Phase II ⁽²⁾	50%	16,557	20% ⁽³⁾		3,311	Feb-2018 ⁽⁴⁾	33	87
Port Orange I, LLC	50%	57,927	20% ⁽³⁾		11,586	Feb-2018 ⁽⁴⁾	116	148
Fremaux Town Center JV, LLC - Phase I	65%	—	—% ⁽⁵⁾		—	Aug-2016	—	62
Fremaux Town Center JV, LLC - Phase II	65%	—	—% ⁽⁵⁾		—	Aug-2016	—	161
Ambassador Town Center JV, LLC	65%	—	—% ⁽⁵⁾		—	Dec-2017	—	462
Ambassador Infrastructure, LLC	65%	11,700	100% ⁽⁶⁾		11,700	Dec-2017 ⁽⁷⁾	177	177
Total guaranty liability							\$ 412	\$ 1,196

(1) Excludes any extension options.

(2) The loan is secured by Hammock Landing - Phase I and Hammock Landing - Phase II, respectively.

(3) The guaranty was reduced from 25% to 20%, when the loan was modified and extended in the first quarter of 2016. See Note 5 to the consolidated financial statements for more information.

(4) The loan has a one-year extension option, which is at the unconsolidated affiliate's election, for an outside maturity date of February 2019.

(5) The guaranty was removed in the second quarter of 2016 when the construction loan was retired using proceeds from a non-recourse mortgage loan. See Note 5 to the consolidated financial statements for additional information.

(6) We received a 1% fee for this guaranty when the loan was issued in December 2014. The guaranty will be reduced to 50% on March 1st of such year as PILOT payments received and attributed to the prior calendar year by Ambassador Infrastructure and delivered to the lender are \$1,200 or more, provided no event of default exists. The guaranty will be reduced to 20% when the PILOT payments are \$1,400 or more, provided no event of default exists.

(7) The loan has two one-year extension options, which are the joint venture's election, for an outside maturity date of December 2019.

We have guaranteed the lease performance of York Town Center, LP ("YTC"), an unconsolidated affiliate in which we own a 50% interest, under the terms of an agreement with a third party that owns property as part of York Town Center. Under the terms of that agreement, YTC is obligated to cause performance of the third party's obligations as landlord under its lease with its sole tenant, including, but not limited to, provisions such as co-tenancy and exclusivity requirements. Should YTC fail to cause performance, then the tenant under the third party landlord's lease may pursue certain remedies ranging from rights to terminate its lease to receiving reductions in rent. We have guaranteed YTC's performance under this agreement up to a maximum of \$22.0 million, which decreases by \$0.8 million annually until the guaranteed amount is reduced to \$10.0 million. The guaranty expires on December 31, 2020. The maximum guaranteed obligation was \$14.0 million as of December 31, 2016. We entered into an agreement with our joint venture partner under which the joint venture partner has agreed to reimburse us 50% of any amounts we are obligated to fund under the guaranty. We did not include an obligation for this guaranty because we determined that the fair value of the guaranty was not material as of December 31, 2016 and 2015.

Critical Accounting Policies and Estimates

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

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made and if different estimates that are reasonably likely to occur could materially impact the financial statements. Management believes that the following critical accounting policies discussed in this

section reflect its more significant estimates and assumptions used in preparation of the consolidated financial statements. We have reviewed these critical accounting estimates and related disclosures with the Audit Committee of our Board of Directors. For a discussion of our significant accounting policies, see Note 2 of the Notes to Consolidated Financial Statements, included in Item 8 of this Annual Report on Form 10-K.

Revenue Recognition

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

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

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

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

Real Estate Assets

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

All acquired real estate assets are accounted for using the acquisition method of accounting and accordingly, the results of operations are included in the consolidated statements of operations from the respective dates of acquisition. The purchase price is allocated to (i) tangible assets, consisting of land, buildings and improvements, as if vacant, and tenant improvements and (ii) identifiable intangible assets and liabilities generally consisting of above- and below-market leases and in-place leases. We use estimates of fair value based on estimated cash flows, using appropriate discount rates, and other valuation methods to allocate the purchase price to the acquired tangible and intangible assets. Liabilities assumed generally consist of mortgage debt on the real estate assets acquired. Assumed debt with a stated interest rate that is significantly different from market interest rates is recorded at its fair value based on estimated market interest rates at the date of acquisition.

Depreciation is computed on a straight-line basis over estimated lives of 40 years for buildings, 10 to 20 years for certain improvements and 7 to 10 years for equipment and fixtures. Tenant improvements are capitalized and depreciated on a straight-line basis over the term of the related lease. Lease-related intangibles from acquisitions of real estate assets are amortized over the remaining terms of the related leases. The amortization of above- and below-market leases is recorded as an adjustment to minimum rental revenue, while the amortization of all other lease-related intangibles is recorded as amortization expense. Any difference between the face value of the debt assumed and its fair value is amortized to interest expense over the remaining term of the debt using the effective interest method.

Carrying Value of Long-Lived Assets

We monitor events or changes in circumstances that could indicate the carrying value of a long-lived asset may not be recoverable. When indicators of potential impairment are present that suggest that the carrying amounts of a long-lived asset may not be recoverable, we assess the recoverability of the asset by determining whether the asset's carrying value will be recovered through the estimated undiscounted future cash flows expected from our probability weighted use of the asset and its eventual

disposition. In the event that such undiscounted future cash flows do not exceed the carrying value, we adjust the carrying value of the long-lived asset to its estimated fair value and recognize an impairment loss. The estimated fair value is calculated based on the following information, in order of preference, depending upon availability: (Level 1) recently quoted market prices, (Level 2) market prices for comparable properties, or (Level 3) the present value of future cash flows, including estimated salvage value. Certain of our long-lived assets may be carried at more than an amount that could be realized in a current disposition transaction. Projections of expected future operating cash flows require that we estimate future market rental income amounts subsequent to expiration of current lease agreements, property operating expenses, the number of months it takes to re-lease the Property, and the number of years the Property is held for investment, among other factors. As these assumptions are subject to economic and market uncertainties, they are difficult to predict and are subject to future events that may alter the assumptions used or management's estimates of future possible outcomes. Therefore, the future cash flows estimated in our impairment analyses may not be achieved.

During the year ended December 31, 2016, we recorded a loss on impairment totaling \$116.8 million, which primarily consisted of \$96.7 million related to 2016 Property dispositions, \$15.4 million attributable to two malls that are in foreclosure and \$3.8 million related to two office buildings that were classified as held for sale as of December 31, 2016. The office buildings were sold subsequent to December 31, 2016. During the year ended December 31, 2015, we recorded a loss on impairment totaling \$105.9 million. Of this total, \$100.0 million related to a Non-Core mall, \$2.6 million was attributable to one mall disposition, \$1.9 million related to the disposition of an associated center and \$1.4 million was from the sale of two outparcels and a building at a formerly owned mall. See Note 4, Note 15 and Note 19 to the consolidated financial statements for additional information about these impairment losses.

Allowance for Doubtful Accounts

We periodically perform a detailed review of amounts due from tenants and others to determine if accounts receivable balances are impaired based on factors affecting the collectability of those balances. Our estimate of the allowance for doubtful accounts requires significant judgment about the timing, frequency and severity of collection losses, which affects the allowance and net income. We recorded a provision for doubtful accounts of \$4.1 million, \$2.3 million and \$2.6 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Investments in Unconsolidated Affiliates

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

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

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

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

On a periodic basis, we assess whether there are any indicators that the fair value of our investments in unconsolidated affiliates may be impaired. An investment is impaired only if our estimate of the fair value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss is measured as the excess of the carrying amount of the investment over the fair value of the investment. Our estimates of fair value for each investment are based on a number of assumptions such as future leasing expectations, operating

forecasts, discount rates and capitalization rates, among others. These assumptions are subject to economic and market uncertainties including, but not limited to, demand for space, competition for tenants, changes in market rental rates, and operating costs. As these factors are difficult to predict and are subject to future events that may alter our assumptions, the fair values estimated in the impairment analyses may not be realized.

No impairments of investments in unconsolidated affiliates were incurred during 2016, 2015 and 2014.

Recent Accounting Pronouncements

See Note 2 to the consolidated financial statements for information on recently issued accounting pronouncements.

Impact of Inflation and Deflation

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

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

Non-GAAP Measure

Funds From Operations

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

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

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

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

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

The Company believes that it is important to identify the impact of certain significant items on its FFO measures for a reader to have a complete understanding of the Company's results of operations. Therefore, the Company has also presented adjusted FFO measures excluding these significant items from the applicable periods. Please refer to the reconciliation of net income attributable to common shareholders to FFO allocable to Operating Partnership common unitholders below for a description of these adjustments.

FFO of the Operating Partnership increased 11.6% to \$538.2 million for the year ended December 31, 2016 compared to \$481.1 million for the prior year. Excluding the adjustments noted below, FFO of the Operating Partnership, as adjusted, increased 3.9% for the year ending December 31, 2016 to \$480.8 million compared to \$462.9 million in 2015. FFO benefited from growth in minimum rents and percentage rents as a result of increased rental rates and new openings. We also realized savings in interest expense as we continued to refinance loans at lower interest rates and retire loans utilizing availability on our credit lines. The growth in FFO from existing and new Properties was partially diluted from asset sales during the year.

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

	Year Ended December 31,		
	2016	2015	2014
Net income attributable to common shareholders	\$ 127,990	\$ 58,479	\$ 174,258
Noncontrolling interest in income of Operating Partnership	21,537	10,171	30,106
Depreciation and amortization expense of:			
Consolidated Properties	292,693	299,069	291,273
Unconsolidated affiliates	38,606	40,476	41,806
Non-real estate assets	(3,154)	(3,083)	(2,311)
Noncontrolling interests' share of depreciation and amortization	(8,760)	(9,045)	(6,842)
Loss on impairment, net of tax	115,027	105,945	18,434
Gain on depreciable Property, net of taxes	(45,741)	(20,944)	(937)
Gain on discontinued operations, net of taxes	—	—	(273)
FFO allocable to Operating Partnership common unitholders	538,198	481,068	545,514
Litigation settlements, net of related expenses ⁽¹⁾	2,567	(1,329)	(7,763)
Nonrecurring professional fees expense ⁽¹⁾	2,258	—	—
Gain on investments, net of tax ⁽²⁾	(7,034)	(16,560)	—
Equity in earnings from disposals of unconsolidated affiliates ⁽³⁾	(58,243)	—	—
Non cash default interest expense	2,840	—	4,695
(Gain) loss on extinguishment of debt	197	(256)	(87,893)
FFO allocable to Operating Partnership common unitholders, as adjusted	\$ 480,783	\$ 462,923	\$ 454,553
FFO per diluted share	\$ 2.69	\$ 2.41	\$ 2.73
FFO, as adjusted, per diluted share	\$ 2.41	\$ 2.32	\$ 2.28

- (1) Litigation settlement is included in interest and other income in the accompanying consolidated statements of operations. Litigation expense, including settlements paid, is included in General and Administrative Expense in the accompanying consolidated statements of operations. Nonrecurring professional fees expense, which relates to expenses associated with an SEC investigation, is included in General and Administrative expense in the accompanying consolidated statements of operations.
- (2) For the year ended December 31, 2016, includes a gain of \$10,136 related to the redemption of our 2007 investment in a Chinese real estate company, less related taxes of \$500, partially offset by a \$2,602 loss related to our exit from its consolidated joint venture that provided security and maintenance services to third parties. For the year ended December 31, 2015, includes a \$16,560 gain related to the sale of marketable securities. These amounts are included in Gain on Investments in the accompanying consolidated statements of operations.
- (3) For the year ended December 31, 2016, includes \$3,758 related to the sale of four office buildings, \$28,146 related to the foreclosure of the loan secured by Gulf Coast Town Center and \$26,373 related to the sale of our 50% interest in Triangle Town Center. These amounts are included in Equity in Earnings of Unconsolidated Affiliates in the accompanying consolidated statements of operations.

The reconciliation of diluted EPS attributable to common shareholders to FFO per diluted share is as follows (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Diluted EPS attributable to common shareholders	\$ 0.75	\$ 0.34	\$ 1.02
Eliminate amounts per share excluded from FFO:			
Depreciation and amortization expense, including amounts from consolidated Properties, unconsolidated affiliates, non-real estate assets and excluding amounts allocated to noncontrolling interests	1.60	1.64	1.62
Loss on impairment, net of tax	0.57	0.53	0.09
Gain on depreciable Property, net of tax	(0.23)	(0.10)	—
FFO per diluted share	\$ 2.69	\$ 2.41	\$ 2.73

The reconciliations of FFO allocable to Operating Partnership common unitholders to FFO allocable to common shareholders, including and excluding the litigation settlements, gain on investments, non-cash default interest and the gain (loss) on extinguishment of debt are as follows (in thousands):

	Year Ended December 31,		
	2016	2015	2014
FFO of the Operating Partnership	\$ 538,198	\$ 481,068	\$ 545,514
Percentage allocable to common shareholders ⁽¹⁾	85.48%	85.35%	85.27%
FFO allocable to common shareholders	\$ 460,052	\$ 410,592	\$ 465,160
FFO allocable to Operating Partnership common unitholders, as adjusted	\$ 480,783	\$ 462,923	\$ 454,553
Percentage allocable to common shareholders ⁽¹⁾	85.48%	85.35%	85.27%
FFO allocable to common shareholders, as adjusted	\$ 410,973	\$ 395,105	\$ 387,597

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Interest Rate Risk

Based on our proportionate share of consolidated and unconsolidated variable-rate debt at December 31, 2016, a 0.5% increase or decrease in interest rates on variable rate debt would decrease or increase annual cash flows by approximately \$4.8 million and \$1.5 million, respectively and increase or decrease annual interest expense, after the effect of capitalized interest, by approximately \$4.7 million and \$1.3 million, respectively.

Based on our proportionate share of total consolidated and unconsolidated debt at December 31, 2016, a 0.5% increase in interest rates would decrease the fair value of debt by approximately \$91.5 million, while a 0.5% decrease in interest rates would increase the fair value of debt by approximately \$94.8 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to the Index to Financial Statements and Schedules contained in Item 15 on page 85.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Controls and Procedures with Respect to the Company

Conclusion Regarding Effectiveness of Disclosure Controls and Procedures

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

Under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of its disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on that evaluation, these officers concluded that the Company's disclosure controls and procedures were effective to ensure that the information required to be disclosed by the Company in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and is accumulated and communicated to our management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Company assessed the effectiveness of its internal control over financial reporting, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and concluded that, as of December 31, 2016, the Company maintained effective internal control over financial reporting, as stated in its report which is included herein.

Report of Management On Internal Control Over Financial Reporting

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

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

Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the framework established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that, as of December 31, 2016, the Company maintained effective internal control over financial reporting.

Deloitte & Touche LLP, the Company's independent registered public accounting firm, has audited the Company's internal control over financial reporting as of December 31, 2016 as stated in their report which is included herein in Item 15.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Controls and Procedures with Respect to the Operating Partnership

Conclusion Regarding Effectiveness of Disclosure Controls and Procedures

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

Under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, whose subsidiary CBL Holdings I is the sole general partner of the Operating Partnership, the Operating Partnership has evaluated the effectiveness of its disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on that evaluation, these officers concluded that the Operating Partnership's disclosure controls and procedures were effective to ensure that the information required to be disclosed by the Operating Partnership in the reports that the Operating Partnership files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and is accumulated and communicated to management of the Company, acting on behalf of the Operating Partnership in its capacity as the general partner of the Operating Partnership, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Management of the Company, acting on behalf of the Operating Partnership in its capacity as the general partner of the Operating Partnership, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Operating Partnership assessed the effectiveness of its internal control over financial reporting, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and concluded that, as of December 31, 2016, the Operating Partnership maintained effective internal control over financial reporting, as stated in its report which is included herein.

Report of Management On Internal Control Over Financial Reporting

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

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

The Company's management, whose subsidiary CBL Holdings I is the sole general partner of the Operating Partnership, conducted an assessment of the effectiveness of the Operating Partnership's internal control over financial reporting based on the framework established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that, as of December 31, 2016, the Operating Partnership maintained effective internal control over financial reporting.

Deloitte & Touche LLP, the Company's independent registered public accounting firm, has audited the Operating Partnership's internal control over financial reporting as of December 31, 2016 as stated in their report which is included herein in Item 15.

Changes in Internal Control over Financial Reporting

There were no changes in the Operating Partnership's internal control over financial reporting during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated herein by reference to the sections entitled “ELECTION OF DIRECTORS,” “Board Nominees,” “Additional Executive Officers,” “Corporate Governance Matters - Code of Business Conduct and Ethics,” “Board of Directors’ Meetings and Committees – The Audit Committee,” and “Section 16(a) Beneficial Ownership Reporting Compliance” in our definitive proxy statement filed with the SEC with respect to our Annual Meeting of Stockholders to be held on May 8, 2017.

Our Board of Directors has determined that each of A. Larry Chapman, an independent director and chairman of the audit committee, and Matthew S. Dominski and Richard J. Lieb, each, an independent director and member of the audit committee, qualifies as an “audit committee financial expert” as such term is defined by the rules of the Commission.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated herein by reference to the sections entitled “DIRECTOR COMPENSATION,” “EXECUTIVE COMPENSATION,” “REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS” and “Compensation Committee Interlocks and Insider Participation” in our definitive proxy statement filed with the Commission with respect to our Annual Meeting of Stockholders to be held on May 8, 2017.

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

Incorporated herein by reference to the sections entitled “SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT” and “Equity Compensation Plan Information as of December 31, 2016”, in our definitive proxy statement filed with the Commission with respect to our Annual Meeting of Stockholders to be held on May 8, 2017.

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

Incorporated herein by reference to the sections entitled “Corporate Governance Matters – Director Independence” and “CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS”, in our definitive proxy statement filed with the Commission with respect to our Annual Meeting of Stockholders to be held on May 8, 2017.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Incorporated herein by reference to the section entitled “Independent Registered Public Accountants’ Fees and Services” under “RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS” in our definitive proxy statement filed with the Commission with respect to our Annual Meeting of Stockholders to be held on May 8, 2017.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

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 (2) <i>Consolidated Financial Statement Schedules</i>	
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<p>Financial statement schedules not listed herein are either not required or are not present in amounts sufficient to require submission of the schedule or the information required to be included therein is included in our consolidated financial statements in Item 15 or are reported elsewhere.</p>	
 (3) <i>Exhibits</i>	
<p>The Exhibit Index attached to this report is incorporated by reference into this Item 15(a)(3).</p>	

SIGNATURES

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

CBL & ASSOCIATES PROPERTIES, INC.
(Registrant)

By: /s/ Farzana Khaleel
Farzana Khaleel
Executive Vice President -
Chief Financial Officer and Treasurer

Dated: March 1, 2017

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

Signature	Title	Date
<u>/s/ Charles B. Lebovitz</u> Charles B. Lebovitz	Chairman of the Board	March 1, 2017
<u>/s/ Stephen D. Lebovitz</u> Stephen D. Lebovitz	Director, President and Chief Executive Officer (Principal Executive Officer)	March 1, 2017
<u>/s/ Farzana Khaleel</u> Farzana Khaleel	Executive Vice President - Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	March 1, 2017
<u>/s/ Gary L. Bryenton*</u> Gary L. Bryenton	Director	March 1, 2017
<u>/s/ A. Larry Chapman*</u> A. Larry Chapman	Director	March 1, 2017
<u>/s/ Matthew S. Dominski*</u> Matthew S. Dominski	Director	March 1, 2017
<u>/s/ John D. Griffith*</u> John D. Griffith	Director	March 1, 2017
<u>/s/ Richard J. Lieb*</u> Richard J. Lieb	Director	March 1, 2017
<u>/s/ Gary J. Nay*</u> Gary J. Nay	Director	March 1, 2017
<u>/s/ Kathleen M. Nelson*</u> Kathleen M. Nelson	Director	March 1, 2017
<u>*By: /s/ Farzana Khaleel</u> Farzana Khaleel	Attorney-in-Fact	March 1, 2017

SIGNATURES

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

CBL & ASSOCIATES LIMITED PARTNERSHIP

(Registrant)

By: CBL HOLDINGS I, INC., its general partner

By: /s/ Farzana Khaleel

Farzana Khaleel

Executive Vice President -
Chief Financial Officer and Treasurer

Dated: March 1, 2017

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

Signature	Title	Date
<u> /s/ Charles B. Lebovitz </u> Charles B. Lebovitz	Chairman of the Board of CBL Holdings I, Inc., general partner of the Registrant	March 1, 2017
<u> /s/ Stephen D. Lebovitz </u> Stephen D. Lebovitz	Director, President and Chief Executive Officer of CBL Holdings I, Inc., general partner of the Registrant (Principal Executive Officer)	March 1, 2017
<u> /s/ Farzana Khaleel </u> Farzana Khaleel	Executive Vice President - Chief Financial Officer and Treasurer of CBL Holdings, I, Inc., general partner of the Registrant (Principal Financial Officer and Principal Accounting Officer)	March 1, 2017

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of CBL & Associates Properties, Inc. and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedules listed in the Index at Item 15. We also have audited the Company's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management On Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and financial statement schedules and an opinion on the Company's internal control over financial reporting based on our audits.

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

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CBL & Associates Properties, Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
March 1, 2017

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

	December 31,	
	2016	2015
ASSETS ⁽¹⁾		
Real estate assets:		
Land	\$ 820,979	\$ 876,668
Buildings and improvements	6,942,452	7,287,862
	<u>7,763,431</u>	<u>8,164,530</u>
Accumulated depreciation	(2,427,108)	(2,382,568)
	<u>5,336,323</u>	<u>5,781,962</u>
Held for sale	5,861	—
Developments in progress	178,355	75,991
Net investment in real estate assets	<u>5,520,539</u>	<u>5,857,953</u>
Cash and cash equivalents	18,951	36,892
Receivables:		
Tenant, net of allowance for doubtful accounts of \$1,910 and \$1,923 in 2016 and 2015, respectively	94,676	87,286
Other, net of allowance for doubtful accounts of \$838 and \$1,276 in 2016 and 2015, respectively	6,227	17,958
Mortgage and other notes receivable	16,803	18,238
Investments in unconsolidated affiliates	266,872	276,383
Intangible lease assets and other assets	180,572	185,281
	<u><u>\$ 6,104,640</u></u>	<u><u>\$ 6,479,991</u></u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Mortgage and other indebtedness, net	\$ 4,465,294	\$ 4,710,628
Accounts payable and accrued liabilities	280,498	344,434
Total liabilities ⁽¹⁾	<u>4,745,792</u>	<u>5,055,062</u>
Commitments and contingencies (Note 6 and Note 14)		
Redeemable noncontrolling interests	17,996	25,330
Shareholders' equity:		
Preferred Stock, \$.01 par value, 15,000,000 shares authorized:		
7.375% Series D Cumulative Redeemable Preferred Stock, 1,815,000 shares outstanding	18	18
6.625% Series E Cumulative Redeemable Preferred Stock, 690,000 shares outstanding	7	7
Common stock, \$.01 par value, 350,000,000 shares authorized, 170,792,645 and 170,490,948 issued and outstanding in 2016 and 2015, respectively	1,708	1,705
Additional paid-in capital	1,969,059	1,970,333
Accumulated other comprehensive income	—	1,935
Dividends in excess of cumulative earnings	(742,078)	(689,028)
Total shareholders' equity	<u>1,228,714</u>	<u>1,284,970</u>
Noncontrolling interests	112,138	114,629
Total equity	<u>1,340,852</u>	<u>1,399,599</u>
	<u><u>\$ 6,104,640</u></u>	<u><u>\$ 6,479,991</u></u>

- (1) As of December 31, 2016, includes \$659,494 of assets related to consolidated variable interest entities that can be used only to settle obligations of the consolidated variable interest entities and \$463,362 of liabilities of consolidated variable interest entities for which creditors do not have recourse to the general credit of the Company. See Note 8.

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

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

	Year Ended December 31,		
	2016	2015	2014
REVENUES:			
Minimum rents	\$ 670,565	\$ 684,309	\$ 682,584
Percentage rents	17,803	18,063	16,876
Other rents	23,110	21,934	22,314
Tenant reimbursements	280,438	288,279	290,561
Management, development and leasing fees	14,925	10,953	12,986
Other	21,416	31,480	35,418
Total revenues	<u>1,028,257</u>	<u>1,055,018</u>	<u>1,060,739</u>
OPERATING EXPENSES:			
Property operating	137,760	141,030	149,774
Depreciation and amortization	292,693	299,069	291,273
Real estate taxes	90,110	90,799	89,281
Maintenance and repairs	53,586	51,516	54,842
General and administrative	63,332	62,118	50,271
Loss on impairment	116,822	105,945	17,858
Other	20,326	26,957	32,297
Total operating expenses	<u>774,629</u>	<u>777,434</u>	<u>685,596</u>
Income from operations	<u>253,628</u>	<u>277,584</u>	<u>375,143</u>
Interest and other income	1,524	6,467	14,121
Interest expense	(216,318)	(229,343)	(239,824)
Gain on extinguishment of debt	—	256	87,893
Gain on investments	7,534	16,560	—
Income tax benefit (provision)	2,063	(2,941)	(4,499)
Equity in earnings of unconsolidated affiliates	117,533	18,200	14,803
Income from continuing operations before gain on sales of real estate assets	<u>165,964</u>	<u>86,783</u>	<u>247,637</u>
Gain on sales of real estate assets	29,567	32,232	5,342
Income from continuing operations	<u>195,531</u>	<u>119,015</u>	<u>252,979</u>
Operating loss of discontinued operations	—	—	(222)
Gain on discontinued operations	—	—	276
Net income	<u>195,531</u>	<u>119,015</u>	<u>253,033</u>
Net income attributable to noncontrolling interests in:			
Operating Partnership	(21,537)	(10,171)	(30,106)
Other consolidated subsidiaries	(1,112)	(5,473)	(3,777)
Net income attributable to the Company	<u>172,882</u>	<u>103,371</u>	<u>219,150</u>
Preferred dividends	(44,892)	(44,892)	(44,892)
Net income attributable to common shareholders	<u>\$ 127,990</u>	<u>\$ 58,479</u>	<u>\$ 174,258</u>
Basic per share data attributable to common shareholders:			
Income from continuing operations, net of preferred dividends	\$ 0.75	\$ 0.34	\$ 1.02
Discontinued operations	0.00	0.00	0.00
Net income attributable to common shareholders	<u>\$ 0.75</u>	<u>\$ 0.34</u>	<u>\$ 1.02</u>
Weighted-average common shares outstanding	<u>170,762</u>	<u>170,476</u>	<u>170,247</u>
Diluted per share data attributable to common shareholders:			
Income from continuing operations, net of preferred dividends	\$ 0.75	\$ 0.34	\$ 1.02
Discontinued operations	0.00	0.00	0.00
Net income attributable to common shareholders	<u>\$ 0.75</u>	<u>\$ 0.34</u>	<u>\$ 1.02</u>
Weighted-average common and potential dilutive common shares outstanding	<u>170,836</u>	<u>170,499</u>	<u>170,247</u>
Amounts attributable to common shareholders:			
Income from continuing operations, net of preferred dividends	\$ 127,990	\$ 58,479	\$ 174,212
Discontinued operations	—	—	46
Net income attributable to common shareholders	<u>\$ 127,990</u>	<u>\$ 58,479</u>	<u>\$ 174,258</u>

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

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

	Year Ended December 31,		
	2016	2015	2014
Net income	\$ 195,531	\$ 119,015	\$ 253,033
Other comprehensive income (loss):			
Unrealized holding gain on available-for-sale securities	—	242	6,543
Reclassification to net income of realized gain on available-for-sale securities	—	(16,560)	—
Unrealized gain on hedging instruments	877	4,111	3,977
Reclassification of hedging effect on earnings	(443)	(2,196)	(2,195)
Total other comprehensive income (loss)	434	(14,403)	8,325
Comprehensive income	195,965	104,612	261,358
Comprehensive income attributable to noncontrolling interests in:			
Operating Partnership	(21,600)	(7,244)	(31,345)
Other consolidated subsidiaries	(1,112)	(5,473)	(3,777)
Comprehensive income attributable to the Company	\$ 173,253	\$ 91,895	\$ 226,236

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

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

	Equity								
	Shareholders' Equity								Total Equity
	Redeemable Noncontrolling Interests	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Dividends in Excess of Cumulative Earnings	Total Shareholders' Equity	Noncontrolling Interests	
Balance, December 31, 2013	\$ 34,639	\$ 25	\$ 1,700	\$ 1,967,644	\$ 6,325	\$ (570,781)	\$ 1,404,913	\$ 155,021	\$ 1,559,934
Net income	3,425	—	—	—	—	219,150	219,150	30,389	249,539
Other comprehensive income	65	—	—	—	7,086	—	7,086	1,174	8,260
Purchase of noncontrolling interests in Operating Partnership	—	—	—	—	—	—	—	(4,861)	(4,861)
Dividends declared - common stock	—	—	—	—	—	(170,262)	(170,262)	—	(170,262)
Dividends declared - preferred stock	—	—	—	—	—	(44,892)	(44,892)	—	(44,892)
Issuance of 246,168 shares of common stock and restricted common stock	—	—	3	680	—	—	683	—	683
Cancellation of 34,039 shares of restricted common stock	—	—	—	(389)	—	—	(389)	—	(389)
Amortization of deferred compensation	—	—	—	3,508	—	—	3,508	—	3,508
Adjustment for noncontrolling interests	2,937	—	—	(8,231)	—	—	(8,231)	5,294	(2,937)
Adjustment to record redeemable noncontrolling interests at redemption value	5,337	—	—	(5,014)	—	—	(5,014)	(322)	(5,336)
Distributions to noncontrolling interests	(8,844)	—	—	—	—	—	—	(44,257)	(44,257)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	938	938
Balance, December 31, 2014	\$ 37,559	\$ 25	\$ 1,703	\$ 1,958,198	\$ 13,411	\$ (566,785)	\$ 1,406,552	\$ 143,376	\$ 1,549,928
Net income	3,902	—	—	—	—	103,371	103,371	11,742	115,113
Other comprehensive loss	(352)	—	—	—	(11,476)	—	(11,476)	(2,575)	(14,051)
Purchase of noncontrolling interests in Operating Partnership	—	—	—	—	—	—	—	(286)	(286)
Dividends declared - common stock	—	—	—	—	—	(180,722)	(180,722)	—	(180,722)
Dividends declared - preferred stock	—	—	—	—	—	(44,892)	(44,892)	—	(44,892)
Issuance of 278,093 shares of common stock and restricted common stock	—	—	3	676	—	—	679	—	679
Cancellation of 47,418 shares of restricted common stock	—	—	(1)	(769)	—	—	(770)	—	(770)
Performance stock units	—	—	—	624	—	—	624	—	624
Amortization of deferred compensation	—	—	—	4,152	—	—	4,152	—	4,152
Adjustment for noncontrolling interests	2,981	—	—	(2,773)	—	—	(2,773)	(207)	(2,980)
Adjustment to record redeemable noncontrolling interests at redemption value	(11,617)	—	—	10,225	—	—	10,225	1,392	11,617
Distributions to noncontrolling interests	(7,143)	—	—	—	—	—	—	(40,534)	(40,534)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	1,721	1,721
Balance, December 31, 2015	\$ 25,330	\$ 25	\$ 1,705	\$ 1,970,333	\$ 1,935	\$ (689,028)	\$ 1,284,970	\$ 114,629	\$ 1,399,599

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

	Equity								
	Shareholders' Equity								Total Equity
	Redeemable Noncontrolling Interests	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Dividends in Excess of Cumulative Earnings	Total Shareholders' Equity	Noncontrolling Interests	
Balance, December 31, 2015	\$ 25,330	\$ 25	\$ 1,705	\$ 1,970,333	\$ 1,935	\$ (689,028)	\$ 1,284,970	\$ 114,629	\$ 1,399,599
Net income (loss)	(1,603)	—	—	—	—	172,882	172,882	24,252	197,134
Other comprehensive income	3	—	—	—	371	—	371	60	431
Purchase of noncontrolling interests in Operating Partnership	—	—	—	—	—	—	—	(11,754)	(11,754)
Redemption of redeemable noncontrolling interest	(3,206)	—	—	9,636	—	—	9,636	—	9,636
Dividends declared - common stock	—	—	—	—	—	(181,040)	(181,040)	—	(181,040)
Dividends declared - preferred stock	—	—	—	—	—	(44,892)	(44,892)	—	(44,892)
Issuance of 335,417 shares of common stock and restricted common stock	—	—	3	478	—	—	481	—	481
Cancellation of 33,720 shares of restricted common stock	—	—	—	(267)	—	—	(267)	—	(267)
Performance stock units	—	—	—	1,033	—	—	1,033	—	1,033
Amortization of deferred compensation	—	—	—	3,680	—	—	3,680	—	3,680
Adjustment for noncontrolling interests	2,454	—	—	(13,773)	(2,306)	—	(16,079)	13,625	(2,454)
Adjustment to record redeemable noncontrolling interests at redemption value	1,937	—	—	(2,061)	—	—	(2,061)	124	(1,937)
Distributions to noncontrolling interests	(6,919)	—	—	—	—	—	—	(40,039)	(40,039)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	11,241	11,241
Balance, December 31, 2016	<u>\$ 17,996</u>	<u>\$ 25</u>	<u>\$ 1,708</u>	<u>\$ 1,969,059</u>	<u>\$ —</u>	<u>\$ (742,078)</u>	<u>\$ 1,228,714</u>	<u>\$ 112,138</u>	<u>\$ 1,340,852</u>

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

CBL & Associates Properties, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 195,531	\$ 119,015	\$ 253,033
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	292,693	299,069	291,273
Net amortization of deferred financing costs, debt premiums and discounts	2,952	4,948	4,405
Net amortization of intangible lease assets and liabilities	113	(1,487)	368
Gain on sales of real estate assets	(29,567)	(32,232)	(5,342)
Gain on discontinued operations	—	—	(276)
Write-off of development projects	56	2,373	136
Share-based compensation expense	5,027	5,218	3,979
Gain on investments	(7,534)	(16,560)	—
Loss on impairment	116,822	105,945	17,858
Loss on impairment from discontinued operations	—	—	681
Gain on extinguishment of debt	—	(256)	(87,893)
Equity in earnings of unconsolidated affiliates	(117,533)	(18,200)	(14,803)
Distributions of earnings from unconsolidated affiliates	16,603	21,095	21,866
Provision for doubtful accounts	4,058	2,254	2,643
Change in deferred tax accounts	(907)	(153)	1,329
Changes in:			
Tenant and other receivables	(7,979)	(5,455)	(4,053)
Other assets	(4,386)	1,803	1,101
Accounts payable and accrued liabilities	2,630	7,638	(18,244)
Net cash provided by operating activities	468,579	495,015	468,061
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to real estate assets	(248,004)	(218,891)	(277,624)
Acquisitions of real estate assets	—	(191,988)	—
(Additions) reductions to restricted cash	(11,434)	5,491	4,880
Proceeds from sales of real estate assets	189,489	132,231	16,513
Net proceeds from disposal of investments	10,299	—	—
Additions to mortgage and other notes receivable	(3,259)	(3,096)	—
Payments received on mortgage and other notes receivable	1,069	1,610	20,973
Proceeds from sale of available-for-sale securities	—	20,755	—
Additional investments in and advances to unconsolidated affiliates	(28,510)	(15,200)	(30,404)
Distributions in excess of equity in earnings of unconsolidated affiliates	95,958	20,807	39,229
Changes in other assets	(7,054)	(11,534)	(8,422)
Net cash used in investing activities	(1,446)	(259,815)	(234,855)

CBL & Associates Properties, Inc.
Consolidated Statements of Cash Flows
(Continued)
(In thousands)

	Year Ended December 31,		
	2016	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from mortgage and other indebtedness	\$ 1,174,409	\$ 1,358,296	\$ 1,061,928
Principal payments on mortgage and other indebtedness	(1,377,739)	(1,315,094)	(1,050,647)
Additions to deferred financing costs	(8,345)	(6,796)	(2,386)
Prepayment fees on extinguishment of debt	—	—	(1,506)
Proceeds from issuances of common stock	179	188	175
Purchases of noncontrolling interests in the Operating Partnership	(11,754)	(286)	(4,861)
Contributions from noncontrolling interests	11,241	682	938
Distributions to noncontrolling interests	(47,213)	(47,682)	(52,712)
Dividends paid to holders of preferred stock	(44,892)	(44,892)	(44,892)
Dividends paid to common shareholders	(180,960)	(180,662)	(166,805)
Net cash used in financing activities	(485,074)	(236,246)	(260,768)
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 (17,941)	 (1,046)	 (27,562)
CASH AND CASH EQUIVALENTS, beginning of period	36,892	37,938	65,500
CASH AND CASH EQUIVALENTS, end of period	\$ 18,951	\$ 36,892	\$ 37,938

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of CBL & Associates Limited Partnership
Chattanooga, TN:

We have audited the accompanying consolidated balance sheets of CBL & Associates Limited Partnership and subsidiaries (the "Partnership") as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, capital, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedules listed in the Index at Item 15. We also have audited the Partnership's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Partnership's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management On Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and financial statement schedules and an opinion on the Partnership's internal control over financial reporting based on our audits.

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

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CBL & Associates Limited Partnership and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein. Also, in our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
March 1, 2017

CBL & Associates Limited Partnership
Consolidated Balance Sheets
(In thousands)

	December 31,	
	2016	2015
ASSETS ⁽¹⁾		
Real estate assets:		
Land	\$ 820,979	\$ 876,668
Buildings and improvements	6,942,452	7,287,862
	7,763,431	8,164,530
Accumulated depreciation	(2,427,108)	(2,382,568)
	5,336,323	5,781,962
Held for sale	5,861	—
Developments in progress	178,355	75,991
Net investment in real estate assets	5,520,539	5,857,953
Cash and cash equivalents	18,943	36,887
Receivables:		
Tenant, net of allowance for doubtful accounts of \$1,910 and \$1,923 in 2016 and 2015, respectively	94,676	87,286
Other, net of allowance for doubtful accounts of \$838 and \$1,276 in 2016 and 2015, respectively	6,179	17,958
Mortgage and other notes receivable	16,803	18,238
Investments in unconsolidated affiliates	267,405	276,946
Intangible lease assets and other assets	180,452	185,162
	<u>\$ 6,104,997</u>	<u>\$ 6,480,430</u>
 LIABILITIES, REDEEMABLE INTERESTS AND CAPITAL		
Mortgage and other indebtedness, net	\$ 4,465,294	\$ 4,710,628
Accounts payable and accrued liabilities	280,528	344,434
Total liabilities ⁽¹⁾	4,745,822	5,055,062
Commitments and contingencies (Note 6 and Note 14)		
Redeemable interests:		
Redeemable noncontrolling interests	—	5,586
Redeemable common units	17,996	19,744
Total redeemable interests	17,996	25,330
Partners' capital:		
Preferred units	565,212	565,212
Common units:		
General partner	7,781	8,435
Limited partners	756,083	822,383
Accumulated other comprehensive loss	—	(868)
Total partners' capital	1,329,076	1,395,162
Noncontrolling interests	12,103	4,876
Total capital	<u>1,341,179</u>	<u>1,400,038</u>
	<u>\$ 6,104,997</u>	<u>\$ 6,480,430</u>

(1) As of December 31, 2016, includes \$659,494 of assets related to consolidated variable interest entities that can be used only to settle obligations of the consolidated variable interest entities and \$463,362 of liabilities of consolidated variable interest entities for which creditors do not have recourse to the general credit of the Operating Partnership. See Note 8.

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

CBL & Associates Limited Partnership
Consolidated Statements of Operations
(In thousands, except per unit data)

	Year Ended December 31,		
	2016	2015	2014
REVENUES:			
Minimum rents	\$ 670,565	\$ 684,309	\$ 682,584
Percentage rents	17,803	18,063	16,876
Other rents	23,110	21,934	22,314
Tenant reimbursements	280,438	288,279	290,561
Management, development and leasing fees	14,925	10,953	12,986
Other	21,416	31,480	35,418
Total revenues	<u>1,028,257</u>	<u>1,055,018</u>	<u>1,060,739</u>
OPERATING EXPENSES:			
Property operating	137,760	141,030	149,774
Depreciation and amortization	292,693	299,069	291,273
Real estate taxes	90,110	90,799	89,281
Maintenance and repairs	53,586	51,516	54,842
General and administrative	63,332	62,118	50,271
Loss on impairment	116,822	105,945	17,858
Other	20,326	26,957	32,297
Total operating expenses	<u>774,629</u>	<u>777,434</u>	<u>685,596</u>
Income from operations	<u>253,628</u>	<u>277,584</u>	<u>375,143</u>
Interest and other income	1,524	6,467	14,121
Interest expense	(216,318)	(229,343)	(239,824)
Gain on extinguishment of debt	—	256	87,893
Gain on investments	7,534	16,560	—
Income tax benefit (provision)	2,063	(2,941)	(4,499)
Equity in earnings of unconsolidated affiliates	117,533	18,200	14,803
Income from continuing operations before gain on sales of real estate assets	<u>165,964</u>	<u>86,783</u>	<u>247,637</u>
Gain on sales of real estate assets	29,567	32,232	5,342
Income from continuing operations	<u>195,531</u>	<u>119,015</u>	<u>252,979</u>
Operating loss of discontinued operations	—	—	(222)
Gain on discontinued operations	—	—	276
Net income	<u>195,531</u>	<u>119,015</u>	<u>253,033</u>
Net income attributable to noncontrolling interests	(1,112)	(5,473)	(3,777)
Net income attributable to the Operating Partnership	<u>194,419</u>	<u>113,542</u>	<u>249,256</u>
Distributions to preferred unitholders	(44,892)	(44,892)	(44,892)
Net income attributable to common unitholders	<u>\$ 149,527</u>	<u>\$ 68,650</u>	<u>\$ 204,364</u>
Basic per unit data attributable to common unitholders:			
Income from continuing operations, net of preferred distributions	\$ 0.75	\$ 0.34	\$ 1.02
Discontinued operations	0.00	0.00	0.00
Net income attributable to common unitholders	<u>\$ 0.75</u>	<u>\$ 0.34</u>	<u>\$ 1.02</u>
Weighted-average common units outstanding	<u>199,764</u>	<u>199,734</u>	<u>199,660</u>
Diluted per unit data attributable to common unitholders:			
Income from continuing operations, net of preferred distributions	\$ 0.75	\$ 0.34	\$ 1.02
Discontinued operations	0.00	0.00	0.00
Net income attributable to common unitholders	<u>\$ 0.75</u>	<u>\$ 0.34</u>	<u>\$ 1.02</u>
Weighted-average common and potential dilutive common units outstanding	<u>199,838</u>	<u>199,757</u>	<u>199,660</u>
Amounts attributable to common unitholders:			
Income from continuing operations, net of preferred distributions	\$ 149,527	\$ 68,650	\$ 204,318
Discontinued operations	—	—	46
Net income attributable to common unitholders	<u>\$ 149,527</u>	<u>\$ 68,650</u>	<u>\$ 204,364</u>

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

CBL & Associates Limited Partnership
Consolidated Statements of Comprehensive Income
(In thousands)

	Year Ended December 31,		
	2016	2015	2014
Net income	\$ 195,531	\$ 119,015	\$ 253,033
Other comprehensive income (loss):			
Unrealized holding gain on available-for-sale securities	—	242	6,543
Reclassification to net income of realized gain on available-for-sale securities	—	(16,560)	—
Unrealized gain on hedging instruments	877	4,111	3,977
Reclassification of hedging effect on earnings	(443)	(2,196)	(2,195)
Total other comprehensive income (loss)	434	(14,403)	8,325
Comprehensive income	195,965	104,612	261,358
Comprehensive income attributable to noncontrolling interests	(1,112)	(5,473)	(3,777)
Comprehensive income attributable to the Operating Partnership	\$ 194,853	\$ 99,139	\$ 257,581

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

CBL & Associates Limited Partnership
Consolidated Statements of Capital
(in thousands)

	Redeemable Interests			Number of		Common Units			Accumulated Other Comprehensive Income (Loss)	Total Partner's Capital	Noncontrolling Interests	Total Capital
	Redeemable Noncontrolling Interests	Redeemable Common Units	Total Redeemable Interests	Preferred Units	Common Units	Preferred Units	General Partner	Limited Partners				
Balance, December 31, 2013	\$ 5,883	\$ 28,756	\$ 34,639	25,050	199,593	\$ 565,212	\$ 9,866	\$ 961,175	\$ 4,923	\$ 1,541,176	\$ 19,179	\$ 1,560,355
Net income	1,827	1,598	3,425	—	—	44,892	2,081	200,686	—	247,659	1,880	249,539
Other comprehensive income	—	65	65	—	—	—	—	—	8,260	8,260	—	8,260
Redemption of common units	—	—	—	—	(273)	—	—	(4,861)	—	(4,861)	—	(4,861)
Issuance of common units	—	—	—	—	246	—	—	683	—	683	—	683
Distributions declared - common units	—	(4,571)	(4,571)	—	—	—	(1,479)	(200,004)	—	(201,483)	—	(201,483)
Distributions declared - preferred units	—	—	—	—	—	(44,892)	—	—	—	(44,892)	—	(44,892)
Cancellation of restricted common stock	—	—	—	—	(34)	—	—	(389)	—	(389)	—	(389)
Amortization of deferred compensation	—	—	—	—	—	—	36	3,472	—	3,508	—	3,508
Allocation of partners' capital	—	2,937	2,937	—	—	—	(660)	(2,132)	—	(2,792)	—	(2,792)
Adjustment to record redeemable interests at redemption value	3,017	2,319	5,336	—	—	—	(55)	(5,281)	—	(5,336)	—	(5,336)
Distributions to noncontrolling interests	(4,272)	—	(4,272)	—	—	—	—	—	—	—	(13,089)	(13,089)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	—	938	938
Balance, December 31, 2014	\$ 6,455	\$ 31,104	\$ 37,559	25,050	199,532	\$ 565,212	\$ 9,789	\$ 953,349	\$ 13,183	\$ 1,541,533	\$ 8,908	\$ 1,550,441
Net income	3,360	542	3,902	—	—	44,892	699	67,409	—	113,000	2,113	115,113
Other comprehensive loss	—	(352)	(352)	—	—	—	—	—	(14,051)	(14,051)	—	(14,051)
Redemptions of common units	—	—	—	—	(15)	—	—	(286)	—	(286)	—	(286)
Issuance of common units	—	—	—	—	278	—	—	679	—	679	—	679
Distributions declared - common units	—	(4,572)	(4,572)	—	—	—	(2,133)	(211,258)	—	(213,391)	—	(213,391)
Distributions declared - preferred units	—	—	—	—	—	(44,892)	—	—	—	(44,892)	—	(44,892)
Cancellation of restricted common stock	—	—	—	—	(47)	—	—	(770)	—	(770)	—	(770)
Performance stock units	—	—	—	—	—	—	6	618	—	624	—	624
Amortization of deferred compensation	—	—	—	—	—	—	43	4,109	—	4,152	—	4,152
Allocation of partners' capital	—	2,981	2,981	—	—	—	(88)	(2,965)	—	(3,053)	—	(3,053)
Adjustment to record redeemable interests at redemption value	(1,658)	(9,959)	(11,617)	—	—	—	119	11,498	—	11,617	—	11,617
Distributions to noncontrolling interests	(2,571)	—	(2,571)	—	—	—	—	—	—	—	(7,866)	(7,866)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	—	1,721	1,721
Balance, December 31, 2015	\$ 5,586	\$ 19,744	\$ 25,330	25,050	199,748	\$ 565,212	\$ 8,435	\$ 822,383	\$ (868)	\$ 1,395,162	\$ 4,876	\$ 1,400,038

CBL & Associates Limited Partnership
Consolidated Statements of Capital
(Continued)
(in thousands)

	Redeemable Interests			Number of		Common Units			Accumulated Other Comprehensive Income (Loss)	Total Partner's Capital	Noncontrolling Interests	Total Capital
	Redeemable Noncontrolling Interests	Redeemable Common Units	Total Redeemable Interests	Preferred Units	Common Units	Preferred Units	General Partner	Limited Partners				
Balance, December 31, 2015	\$ 5,586	\$ 19,744	\$ 25,330	25,050	199,748	\$ 565,212	\$ 8,435	\$ 822,383	\$ (868)	\$ 1,395,162	\$ 4,876	\$ 1,400,038
Net income (loss)	(2,762)	1,159	(1,603)	—	—	44,892	1,523	146,845	—	193,260	3,874	197,134
Other comprehensive income	—	3	3	—	—	—	—	—	431	431	—	431
Distributions declared - common units	—	(4,572)	(4,572)	—	—	—	(2,133)	(211,058)	—	(213,191)	—	(213,191)
Distributions declared - preferred units	—	—	—	—	—	(44,892)	—	—	—	(44,892)	—	(44,892)
Issuances of common units	—	—	—	—	336	—	—	481	—	481	—	481
Redemptions of common units	—	—	—	—	(965)	—	—	(11,754)	—	(11,754)	—	(11,754)
Redemption of redeemable noncontrolling interest	(3,206)	—	(3,206)	—	—	—	99	9,537	—	9,636	—	9,636
Cancellation of restricted common stock	—	—	—	—	(34)	—	—	(267)	—	(267)	—	(267)
Performance stock units	—	—	—	—	—	—	11	1,022	—	1,033	—	1,033
Amortization of deferred compensation	—	—	—	—	—	—	38	3,642	—	3,680	—	3,680
Allocation of partners' capital	—	2,454	2,454	—	—	—	(172)	(2,831)	437	(2,566)	—	(2,566)
Adjustment to record redeemable interests at redemption value	2,729	(792)	1,937	—	—	—	(20)	(1,917)	—	(1,937)	—	(1,937)
Distributions to noncontrolling interests	(2,347)	—	(2,347)	—	—	—	—	—	—	—	(7,888)	(7,888)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	—	—	11,241	11,241
Balance, December 31, 2016	<u>\$ —</u>	<u>\$ 17,996</u>	<u>\$ 17,996</u>	<u>25,050</u>	<u>199,085</u>	<u>\$ 565,212</u>	<u>\$ 7,781</u>	<u>\$ 756,083</u>	<u>\$ —</u>	<u>\$ 1,329,076</u>	<u>\$ 12,103</u>	<u>\$ 1,341,179</u>

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

CBL & Associates Limited Partnership
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 195,531	\$ 119,015	\$ 253,033
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	292,693	299,069	291,273
Amortization of deferred financing costs, debt premiums and discounts	2,952	4,948	4,405
Net amortization of intangible lease assets and liabilities	113	(1,487)	368
Gain on sales of real estate assets	(29,567)	(32,232)	(5,342)
Gain on discontinued operations	—	—	(276)
Write-off of development projects	56	2,373	136
Share-based compensation expense	5,027	5,218	3,979
Gain on investments	(7,534)	(16,560)	—
Loss on impairment	116,822	105,945	17,858
Loss on impairment from discontinued operations	—	—	681
Gain on extinguishment of debt	—	(256)	(87,893)
Equity in earnings of unconsolidated affiliates	(117,533)	(18,200)	(14,803)
Distributions of earnings from unconsolidated affiliates	16,633	21,092	21,866
Provision for doubtful accounts	4,058	2,254	2,643
Change in deferred tax accounts	(907)	(153)	1,329
Changes in:			
Tenant and other receivables	(7,931)	(5,455)	(4,053)
Other assets	(4,386)	1,803	1,101
Accounts payable and accrued liabilities	2,550	7,648	(18,242)
Net cash provided by operating activities	468,577	495,022	468,063
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to real estate assets	(248,004)	(218,891)	(277,624)
Acquisitions of real estate assets	—	(191,988)	—
(Additions) reductions to restricted cash	(11,434)	5,491	4,880
Proceeds from sales of real estate assets	189,489	132,231	16,513
Net proceeds from disposal of investments	10,299	—	—
Additions to mortgage and other notes receivable	(3,259)	(3,096)	—
Payments received on mortgage and other notes receivable	1,069	1,610	20,973
Proceeds from sale of available-for-sale securities	—	20,755	—
Additional investments in and advances to unconsolidated affiliates	(28,510)	(15,200)	(30,404)
Distributions in excess of equity in earnings of unconsolidated affiliates	95,958	20,807	39,229
Changes in other assets	(7,054)	(11,534)	(8,422)
Net cash used in investing activities	(1,446)	(259,815)	(234,855)

CBL & Associates Limited Partnership
Consolidated Statements of Cash Flows
(Continued)
(In thousands)

	Year Ended December 31,		
	2016	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from mortgage and other indebtedness	\$ 1,174,409	\$ 1,358,296	\$ 1,061,928
Principal payments on mortgage and other indebtedness	(1,377,739)	(1,315,094)	(1,050,647)
Additions to deferred financing costs	(8,345)	(6,796)	(2,386)
Prepayment fees on extinguishment of debt	—	—	(1,506)
Proceeds from issuances of common units	179	188	175
Redemption of common units	(11,754)	(286)	(4,861)
Contributions from noncontrolling interests	11,240	682	938
Distributions to noncontrolling interests	(14,807)	(17,084)	(52,712)
Distributions to preferred unitholders	(44,892)	(44,892)	(44,892)
Distributions to common unitholders	(213,366)	(211,260)	(166,805)
Net cash used in financing activities	(485,075)	(236,246)	(260,768)
 NET CHANGE IN CASH AND CASH EQUIVALENTS	(17,944)	(1,039)	(27,560)
CASH AND CASH EQUIVALENTS, beginning of period	36,887	37,926	65,486
CASH AND CASH EQUIVALENTS, end of period	\$ 18,943	\$ 36,887	\$ 37,926

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and unit data)

NOTE 1. ORGANIZATION

CBL, a Delaware corporation, is a self-managed, self-administered, fully-integrated REIT that is engaged in the ownership, development, acquisition, leasing, management and operation of regional shopping malls, open-air and mixed-use centers, outlet centers, associated centers, community centers and office properties. Its Properties are located in 27 states, but are primarily in the southeastern and midwestern United States.

CBL conducts substantially all of its business through the Operating Partnership, which is a VIE. In accordance with the guidance in Accounting Standards Codification ("ASC") 810, *Consolidations*, the Company is exempt from providing further disclosures related to the Operating Partnership's VIE classification. The Operating Partnership consolidates the financial statements of all entities in which it has a controlling financial interest or where it is the primary beneficiary of a VIE. As of December 31, 2016, the Operating Partnership owned interests in the following Properties:

	Malls ⁽¹⁾	Associated Centers	Community Centers	Office Buildings	Total
Consolidated Properties	65	20	4	7 ⁽²⁾	96
Unconsolidated Properties ⁽³⁾	9	3	5	—	17
Total	74	23	9	7	113

(1) Category consists of regional malls, open-air centers and outlet centers (including one mixed-use center).

(2) Includes CBL's two corporate office buildings and two office buildings classified as held for sale as of December 31, 2016. See Note 4 and Note 19 for more information.

(3) The Operating Partnership accounts for these investments using the equity method because one or more of the other partners have substantive participating rights.

At December 31, 2016, the Operating Partnership had interests in the following Construction Properties:

	Malls
Development	1
Expansions	3
Redevelopments	3

The Operating Partnership also holds options to acquire certain development properties owned by third parties.

CBL is the 100% owner of two qualified REIT subsidiaries, CBL Holdings I, Inc. and CBL Holdings II, Inc. At December 31, 2016, CBL Holdings I, Inc., the sole general partner of the Operating Partnership, owned a 1.0% general partner interest in the Operating Partnership and CBL Holdings II, Inc. owned an 84.8% limited partner interest for a combined interest held by CBL of 85.8%.

As used herein, the term "Company" includes CBL & Associates Properties, Inc. and its subsidiaries, including CBL & Associates Limited Partnership and its subsidiaries, unless the context indicates otherwise. The term "Operating Partnership" refers to CBL & Associates Limited Partnership and its subsidiaries.

The noncontrolling interest in the Operating Partnership is held by CBL's Predecessor, all of which contributed their interests in certain real estate properties and joint ventures to the Operating Partnership in exchange for a limited partner interest when the Operating Partnership was formed in November 1993, and by various third parties. At December 31, 2016, CBL's Predecessor owned a 9.1% limited partner interest and third parties owned a 5.1% limited partner interest in the Operating Partnership. CBL's Predecessor also owned 3.7 million shares of the Company's common stock at December 31, 2016, for a total combined effective interest of 11.0% in the Operating Partnership.

The Operating Partnership conducts the Company's property management and development activities through its wholly-owned subsidiary, the Management Company, to comply with certain requirements of the Internal Revenue Code.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

This Form 10-K provides separate consolidated financial statements for the Company and the Operating Partnership. Due to the Company's ability as general partner to control the Operating Partnership, the Company consolidates the Operating Partnership within its consolidated financial statements for financial reporting purposes. The notes to consolidated financial statements apply to both the Company and the Operating Partnership, unless specifically noted otherwise.

The accompanying consolidated financial statements include the consolidated accounts of the Company, the Operating Partnership and their wholly owned subsidiaries, as well as entities in which the Company has a controlling financial interest or entities where the Company is deemed to be the primary beneficiary of a VIE. For entities in which the Company has less than a controlling financial interest or entities where the Company is not deemed to be the primary beneficiary of a VIE, the entities are accounted for using the equity method of accounting. Accordingly, the Company's share of the net earnings or losses of these entities is included in consolidated net income. The accompanying consolidated financial statements have been prepared in accordance with GAAP. All intercompany transactions have been eliminated.

Accounting Guidance Adopted

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* ("ASU 2014-15"). ASU 2014-15 requires management to perform an analysis regarding an entity's ability to continue as a going concern and to provide related footnote disclosures in certain circumstances. ASU 2014-15 was effective for annual periods ending after December 15, 2016 and for annual and interim periods thereafter. The Company adopted ASU 2014-15 as of December 31, 2016. The adoption of ASU 2014-15 did not have an impact on the Company's consolidated financial statements or disclosures.

In February 2015, the FASB issued ASU 2015-02, *Amendments to the Consolidation Analysis* ("ASU 2015-02"). The guidance modified the evaluation of whether limited partnerships and similar legal entities are VIEs or voting interest entities, eliminated the presumption that a general partner should consolidate a limited partnership and affected the evaluation of fee arrangements and related party relationships in the primary beneficiary determination. For public companies, ASU 2015-02 was effective for annual periods beginning after December 15, 2015 and interim periods within those years using either a retrospective or a modified retrospective approach. The Company adopted ASU 2015-02 as of January 1, 2016 using a modified retrospective approach. The adoption of ASU 2015-02 resulted in the identification of several VIEs as discussed in Note 8 but did not alter any of the Company's consolidation conclusions. The adoption of the guidance did not have an impact on the Company's consolidated financial statements other than the additional disclosures. See ASU 2016-17, *Interests Held Through Related Parties That Are under Common Control* ("ASU 2016-17") below which amends ASU 2015-02.

Accounting Guidance Not Yet Effective

In May 2014, the FASB and the International Accounting Standards Board jointly issued ASU 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"). The objective of this converged standard is to enable financial statement users to better understand and analyze revenue by replacing current transaction and industry-specific guidance with a more principles-based approach to revenue recognition. The core principle of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that the entity expects to be entitled to receive in exchange for those goods or services. The guidance also requires additional disclosure about the nature, timing and uncertainty of revenue and cash flows arising from customer contracts. ASU 2014-09 applies to all contracts with customers except those that are within the scope of other guidance such as lease and insurance contracts. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers - Deferral of the Effective Date*, ("ASU 2015-14") which allows an additional one year deferral of ASU 2014-09. As a result, ASU 2014-09 is effective for annual periods beginning after December 15, 2017 and interim periods within those years using one of two retrospective application methods. Early adoption would be permitted only for annual reporting periods beginning after December 15, 2016 and interim periods within those years. In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers - Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* ("ASU 2016-08"). The guidance in ASU 2016-08 clarifies the implementation of ASU 2014-09 on principal versus agent consideration and has the same effective date as ASU 2014-09, as deferred by ASU 2015-14. During the quarter ended June 30, 2016, the FASB issued ASU 2016-10, *Revenue from Contracts with Customers - Identifying Performance Obligations and Licensing*, ASU 2016-11, *Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting*, and ASU 2016-12, *Revenue from Contracts with Customers - Narrow Scope Improvements and Practical Expedients*. In December 2016, the FASB issued ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*. These amendments are intended to improve and clarify the implementation guidance of ASU 2014-09 and have the same effective date as ASU 2014-09, as deferred by ASU 2015-14. As the majority of the Company's revenue is derived from real estate lease contracts, the Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements and expects to adopt the guidance as of January 1, 2018. It is in the process of determining which method to use for the application of this guidance.

In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02"). The objective of ASU 2016-02 is to increase transparency and comparability by recognizing lease assets and liabilities on the balance sheet and disclosing key information about leasing arrangements. Under ASU 2016-02, lessees will be required to recognize a right-of-use asset and corresponding lease liability on the balance sheet for all leases with terms greater than 12 months. The guidance applied by a lessor under ASU 2016-02 is substantially similar to existing GAAP. For public companies, ASU 2016-02 is effective for annual periods beginning after December 15, 2018 and interim periods within those years. Early adoption is permitted. Lessees and lessors are required to use a modified retrospective transition method for all leases existing at, or entered into after, the date of initial application. Accordingly, they would apply the new accounting model for the earliest year presented in the financial statements. A number of practical expedients may also be elected. Under the new guidance, common area maintenance recoveries must be accounted for as a non-lease component. The Company will be evaluating whether the bifurcation of common area maintenance will affect the timing or recognition of certain lease revenues. Also, only direct leasing costs may be capitalized under ASU 2016-02. Current guidance also allows the capitalization of indirect leasing costs. Additionally, the Company will be analyzing its current ground lease obligations under ASU 2016-02. The Company has done a preliminary assessment and continues to evaluate the potential impact the guidance may have on its consolidated financial statements and related disclosures. It is considering the practicality of adopting ASU 2016-02 concurrently with the adoption of ASU 2014-09 as the standards overlap and concurrent adoption would align them if ASU 2016-02 was adopted as of January 1, 2018. If early adoption is not practicable, the Company would adopt ASU 2016-02 as of January 1, 2019.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). ASU 2016-09 identifies areas for simplification of accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross stock compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. For public companies, ASU 2016-09 is effective for fiscal years beginning after December 15, 2016 including interim periods within that reporting period and may be applied on a modified retrospective basis as a cumulative-effect adjustment to retained earnings as of the date of adoption. Early adoption is permitted. The Company adopted ASU 2016-09 as of January 1, 2017 and it did not have a material impact on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). The objective of ASU 2016-13 is to provide financial statement users with information about expected credit losses on financial assets and other commitments to extend credit by a reporting entity. The guidance replaces the current incurred loss impairment model, which reflects credit events, with a current expected credit loss model, which recognizes an allowance for credit losses based on an entity's estimate of contractual cash flows not expected to be collected. For public companies that are SEC filers, ASU 2016-13 is effective for fiscal years beginning after December 15, 2019 including interim periods within those fiscal years. Early adoption is permitted. The guidance is to be applied on a modified retrospective basis. The Company expects to adopt ASU 2016-13 as of January 1, 2020 and is evaluating the impact that this update may have on its consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). The objective of ASU 2016-15 is to reduce diversity in practice in the classification of certain items in the statement of cash flows, including the classification of distributions received from equity method investees. For public companies, ASU 2016-15 is effective for fiscal years beginning after December 15, 2017 including interim periods within those fiscal years. Early adoption is permitted. The guidance is to be applied on a retrospective basis. The Company expects to adopt ASU 2016-15 as of January 1, 2018 and does not expect the guidance to have a material impact on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-17 which amends the consolidation guidance in ASU 2015-02 to change how a reporting entity that is a single decision maker of a VIE should consider indirect interests in a VIE held through related parties that are under common control with the entity when determining whether it is the primary beneficiary of the VIE. ASU 2016-17 simplifies the analysis to require consideration of only an entity's proportionate indirect interest in a VIE held through a party under common control. For public companies, ASU 2016-17 is effective for fiscal years beginning after December 15, 2016 including interim periods therein. Early adoption is permitted. The guidance is to be applied retrospectively to all periods in fiscal year 2016, which is the period in which ASU 2015-02 was adopted by the Company. The Company adopted ASU 2016-17 as of January 1, 2017 and it did not have a material impact on its consolidated financial statements and related disclosures.

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, ("ASU 2016-18") to address diversity in practice related to the classification and presentation of changes in restricted cash. The update requires a reporting entity to explain the change in the total of cash, cash equivalents and amounts generally described as restricted cash and restricted cash equivalents in reconciling the beginning-of-period and end-of-period total amounts on the statement of cash flows. For public companies, ASU 2016-18 is effective on a retrospective basis for fiscal years beginning after December 15, 2017, including interim periods therein. Early adoption is permitted. The Company expects to adopt the update as of January 1, 2018 and does not expect ASU 2016-18 to have a material impact on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, *Clarifying the Definition of a Business*, ("ASU 2017-01"), which provides a more narrow definition of a business to be used in determining the accounting treatment of an acquisition. Under ASC 805, *Business Combinations*, the Company generally accounts for acquisitions of shopping center properties as acquisitions of a business. Under ASU 2017-01, more acquisitions are expected to be accounted for as acquisitions of assets. Transaction costs for asset acquisitions are capitalized while those related to business acquisitions are expensed. For public companies, ASU 2017-01 is effective for fiscal years beginning after December 15, 2017, including interim periods therein and is to be applied prospectively to any transactions occurring within the period of adoption. Early adoption is permitted. The Company adopted ASU 2017-01 as of January 1, 2017. The Company expects most of its future acquisitions of shopping center properties would be accounted for as acquisitions of assets in accordance with the guidance in ASU 2017-01.

Real Estate Assets

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

All acquired real estate assets have been accounted for using the acquisition method of accounting and accordingly, the results of operations are included in the consolidated statements of operations from the respective dates of acquisition. The Company allocates the purchase price to (i) tangible assets, consisting of land, buildings and improvements, as if vacant, and tenant improvements, and (ii) identifiable intangible assets and liabilities, generally consisting of above-market leases, in-place leases and tenant relationships, which are included in other assets, and below-market leases, which are included in accounts payable and accrued liabilities. The Company uses estimates of fair value based on estimated cash flows, using appropriate discount rates, and other valuation techniques to allocate the purchase price to the acquired tangible and intangible assets. Liabilities assumed generally consist of mortgage debt on the real estate assets acquired. Assumed debt is recorded at its fair value based on estimated market interest rates at the date of acquisition.

Depreciation is computed on a straight-line basis over estimated lives of 40 years for buildings, 10 to 20 years for certain improvements and 7 to 10 years for equipment and fixtures. Tenant improvements are capitalized and depreciated on a straight-line basis over the term of the related lease. Lease-related intangibles from acquisitions of real estate assets are generally amortized over the remaining terms of the related leases. The amortization of above- and below-market leases is recorded as an adjustment to minimum rental revenue, while the amortization of all other lease-related intangibles is recorded as amortization expense. Any difference between the face value of the debt assumed and its fair value is amortized to interest expense over the remaining term of the debt using the effective interest method.

The Company's intangibles and their balance sheet classifications as of December 31, 2016 and 2015, are summarized as follows:

	December 31, 2016		December 31, 2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Intangible lease assets and other assets:				
Above-market leases	\$ 49,310	\$ (38,197)	\$ 54,080	\$ (39,228)
In-place leases	110,968	(80,256)	113,335	(71,460)
Tenant relationships	29,494	(6,610)	29,742	(5,868)
Accounts payable and accrued liabilities:				
Below-market leases	87,266	(60,286)	89,182	(54,999)

These intangibles are related to specific tenant leases. Should a termination occur earlier than the date indicated in the lease, the related unamortized intangible assets or liabilities, if any, related to the lease are recorded as expense or income, as applicable. The total net amortization expense of the above intangibles was \$8,687, \$12,939 and \$13,973 in 2016, 2015 and 2014, respectively. The estimated total net amortization expense for the next five succeeding years is \$6,378 in 2017, \$3,589 in 2018, \$2,502 in 2019, \$1,923 in 2020 and \$1,882 in 2021.

Total interest expense capitalized was \$2,182, \$3,697 and \$7,122 in 2016, 2015 and 2014, respectively.

Carrying Value of Long-Lived Assets

The Company monitors events or changes in circumstances that could indicate the carrying value of a long-lived asset may not be recoverable. When indicators of potential impairment are present that suggest that the carrying amounts of a long-lived asset may not be recoverable, the Company assesses the recoverability of the asset by determining whether the asset's carrying value will be recovered through the estimated undiscounted future cash flows expected from the Company's probability weighted use of the asset and its eventual disposition. In the event that such undiscounted future cash flows do not exceed the carrying value, the Company adjusts the carrying value of the long-lived asset to its estimated fair value and recognizes an impairment loss. The estimated fair value is calculated based on the following information, in order of preference, depending upon availability: (Level 1) recently quoted market prices, (Level 2) market prices for comparable properties, or (Level 3) the present value of future cash flows, including estimated salvage value. Certain of the Company's long-lived assets may be carried at more than an amount that could be realized in a current disposition transaction. Projections of expected future operating cash flows require that the Company estimates future market rental income amounts subsequent to expiration of current lease agreements, property operating expenses, the number of months it takes to re-lease the Property, and the number of years the Property is held for investment, among other factors. As these assumptions are subject to economic and market uncertainties, they are difficult to predict and are subject to future events that may alter the assumptions used or management's estimates of future possible outcomes. Therefore, the future cash flows estimated in the Company's impairment analyses may not be achieved. See Note 4 and Note 15 for information related to the impairment of long-lived assets for 2016, 2015 and 2014.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less as cash equivalents.

Restricted Cash

Restricted cash of \$46,119 and \$34,684 was included in intangible lease assets and other assets at December 31, 2016 and 2015, respectively. Restricted cash consists primarily of cash held in escrow accounts for debt service, insurance, real estate taxes, capital improvements and deferred maintenance as required by the terms of certain mortgage notes payable.

Allowance for Doubtful Accounts

The Company periodically performs a detailed review of amounts due from tenants to determine if accounts receivable balances are realizable based on factors affecting the collectability of those balances. The Company's estimate of the allowance for doubtful accounts requires management to exercise significant judgment about the timing, frequency and severity of collection losses, which affects the allowance and net income. The Company recorded a provision for doubtful accounts of \$4,058, \$2,254 and \$2,643 for 2016, 2015 and 2014, respectively.

Investments in Unconsolidated Affiliates

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

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

The Company accounts for its investment in joint ventures where it owns a noncontrolling interest or where it is not the primary beneficiary of a VIE using the equity method of accounting. Under the equity method, the Company's cost of investment is adjusted for additional contributions to and distributions from the unconsolidated affiliate, as well as its share of equity in the earnings of the unconsolidated affiliate and reduced by distributions received. Generally, distributions of cash flows from operations and capital events are first made to partners to pay cumulative unpaid preferences on unreturned capital balances and then to the partners in accordance with the terms of the joint venture agreements.

Any differences between the cost of the Company's investment in an unconsolidated affiliate and its underlying equity as reflected in the unconsolidated affiliate's financial statements generally result from costs of the Company's investment that are not reflected on the unconsolidated affiliate's financial statements, capitalized interest on its investment and the Company's share of development and leasing fees that are paid by the unconsolidated affiliate to the Company for development and leasing services provided to the unconsolidated affiliate during any development periods. At December 31, 2016 and 2015, the net difference between the Company's investment in unconsolidated affiliates and the underlying equity of unconsolidated affiliates, which are amortized over a period equal to the useful life of the unconsolidated affiliates' asset/liability that is related to the basis difference, was \$(6,966) and \$13,334, respectively.

On a periodic basis, the Company assesses whether there are any indicators that the fair value of the Company's investments in unconsolidated affiliates may be impaired. An investment is impaired only if the Company's estimate of the fair value of the investment is less than the carrying value of the investment and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss is measured as the excess of the carrying amount of the investment over the estimated fair value of the investment. The Company's estimates of fair value for each investment are based on a number of assumptions that are subject to economic and market uncertainties including, but not limited to, demand for space, competition for tenants, changes in market rental rates, and operating costs. As these factors are difficult to predict and are subject to future events that may alter the Company's assumptions, the fair values estimated in the impairment analyses may not be realized. No impairments of investments in unconsolidated affiliates were recorded in 2016, 2015 and 2014.

Deferred Financing Costs

Net deferred financing costs related to the Company's lines of credit of \$4,890 and \$6,431 were included in intangible lease assets and other assets at December 31, 2016 and 2015, respectively. Net deferred financing costs related to the Company's other indebtedness of \$17,855 and \$16,059 were included in net mortgage and other indebtedness at December 31, 2016 and 2015, respectively. Deferred financing costs include fees and costs incurred to obtain financing and are amortized on a straight-line basis to interest expense over the terms of the related indebtedness. Amortization expense related to deferred financing costs was \$5,010, \$7,116 and \$6,910 in 2016, 2015 and 2014, respectively. Accumulated amortization of deferred financing costs was \$13,370 and \$12,413 as of December 31, 2016 and 2015, respectively.

Marketable Securities

The Company recognized a realized gain of \$16,560, for the difference between the net proceeds of \$20,755 less the adjusted cost of \$4,195 related to the sale of all its marketable securities in 2015. The Company did not recognize any realized gains or losses related to sales of marketable securities in 2014. Unrealized gains and losses on available-for-sale securities that are deemed to be temporary in nature are recorded as a component of accumulated other comprehensive income (loss) ("AOCI/L") in redeemable noncontrolling interests, shareholders' equity and partners' capital, and noncontrolling interests. Realized gains are recorded in gain on investments. Gains or losses on securities sold were based on the specific identification method.

If a decline in the value of an investment is deemed to be other than temporary, the investment is written down to fair value and an impairment loss is recognized in the current period to the extent of the decline in value. In determining when a decline in fair value below cost of an investment in marketable securities is other-than-temporary, the following factors, among others, are evaluated:

- the probability of recovery;
- the Company's ability and intent to retain the security for a sufficient period of time for it to recover;
- the significance of the decline in value;
- the time period during which there has been a significant decline in value;
- current and future business prospects and trends of earnings;
- relevant industry conditions and trends relative to their historical cycles; and
- market conditions.

There were no other-than-temporary impairments of marketable securities incurred during 2016, 2015 and 2014.

Interest Rate Hedging Instruments

The Company recognizes its derivative financial instruments in either accounts payable and accrued liabilities or intangible lease assets and other assets, as applicable, in the consolidated balance sheets and measures those instruments at fair value. The accounting for changes in the fair value (i.e., gain or loss) of a derivative depends on whether it has been designated and qualifies as part of a hedging relationship, and further, on the type of hedging relationship. To qualify as a hedging instrument, a derivative must pass prescribed effectiveness tests, performed quarterly using both qualitative and quantitative methods. The Company had entered into derivative agreements as of December 31, 2015 that qualified as hedging instruments and were designated, based upon the exposure being hedged, as cash flow hedges. The fair value of these cash flow hedges as of December 31, 2015 was \$434 and is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets. To the extent they are effective, changes in the fair values of cash flow hedges are reported in other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged item affects earnings. The ineffective portion of the hedge, if any, is recognized in current earnings during the period of change in fair value. The gain or loss on the termination of an effective cash flow hedge is reported in other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged item affects earnings. The Company also assesses the credit risk that the counterparty will not perform according to the terms of the contract.

See Notes 6 and 15 for additional information regarding the Company's interest rate hedging instruments.

Revenue Recognition

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

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

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

Gain on Sales of Real Estate Assets

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

Income Taxes

The Company is qualified as a REIT under the provisions of the Internal Revenue Code. To maintain qualification as a REIT, the Company is required to distribute at least 90% of its taxable income to shareholders and meet certain other requirements.

As a REIT, the Company is generally not liable for federal corporate income taxes. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to federal and state income taxes on its taxable income at regular corporate tax rates. Even if the Company maintains its qualification as a REIT, the Company may be subject to certain state and local taxes on its income and property, and to federal income and excise taxes on its undistributed income. State tax expense was \$3,458, \$3,460 and \$4,079 during 2016, 2015 and 2014, respectively.

The Company has also elected taxable REIT subsidiary status for some of its subsidiaries. This enables the Company to receive income and provide services that would otherwise be impermissible for REITs. For these entities, deferred tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of assets and liabilities at the enacted tax rates expected to be in effect when the temporary differences reverse. A valuation allowance for deferred tax assets is provided if the Company believes all or some portion of the deferred tax asset may not be realized. An increase or decrease in the valuation allowance that results from the change in circumstances that causes a change in our judgment about the realizability of the related deferred tax asset is included in income or expense, as applicable.

The Company recorded an income tax benefit (provision) as follows for the years ended December 31, 2016, 2015 and 2014:

	Year Ended December 31,		
	2016	2015	2014
Current tax benefit (provision)	\$ 1,156	\$ (3,093)	\$ (3,170)
Deferred tax benefit (provision)	907	152	(1,329)
Income tax benefit (provision)	<u>\$ 2,063</u>	<u>\$ (2,941)</u>	<u>\$ (4,499)</u>

The Company had a net deferred tax asset of \$5,841 at December 31, 2016 and a net deferred tax liability of \$672 at December 31, 2015. The net deferred tax asset at December 31, 2016 is included in intangible lease assets and other assets. The net deferred tax liability at December 31, 2015 is included in accounts payable and accrued liabilities. These balances primarily consisted of operating expense accruals and differences between book and tax depreciation. As of December 31, 2016, tax years that generally remain subject to examination by the Company's major tax jurisdictions include 2013, 2014, 2015 and 2016.

The Company reports any income tax penalties attributable to its Properties as property operating expenses and any corporate-related income tax penalties as general and administrative expenses in its consolidated statement of operations. In addition, any interest incurred on tax assessments is reported as interest expense. The Company incurred nominal interest and penalty amounts in 2016, 2015 and 2014.

Concentration of Credit Risk

The Company's tenants include national, regional and local retailers. Financial instruments that subject the Company to concentrations of credit risk consist primarily of tenant receivables. The Company generally does not obtain collateral or other security to support financial instruments subject to credit risk, but monitors the credit standing of tenants.

The Company derives a substantial portion of its rental income from various national and regional retail companies; however, no single tenant collectively accounted for more than 3.6% of the Company's total revenues in 2016.

Earnings per Share and Earnings per Unit

See Note 7 for information regarding significant CBL equity offerings that affected per share and per unit amounts for each period presented.

Earnings per Share of the Company

Basic EPS is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period. Diluted EPS assumes the issuance of common stock for all potential dilutive common shares outstanding. The limited partners' rights to convert their noncontrolling interests in the Operating Partnership into shares of common stock are not dilutive. There were no anti-dilutive shares for the years ended December 31, 2016 and 2015. There were no potential dilutive common shares and there were no anti-dilutive shares for the year ended December 31, 2014.

The following summarizes the impact of potential dilutive common shares on the denominator used to compute EPS for the years ended December 31, 2016 and 2015:

	Year Ended December 31,	
	2016	2015
Denominator – basic	170,762	170,476
Effect of performance stock units ⁽¹⁾	74	23
Denominator – diluted	<u>170,836</u>	<u>170,499</u>

(1) Performance stock units are contingently issuable common shares and are included in earnings per share if the effect is dilutive.

See Note 16 for a description of the long-term incentive program, which was adopted in 2015, that these units relate to.

Earnings per Unit of the Operating Partnership

Basic earnings per unit ("EPU") is computed by dividing net income attributable to common unitholders by the weighted-average number of common units outstanding for the period. Diluted EPU assumes the issuance of common units for all potential dilutive common units outstanding. There were no anti-dilutive units for the years ended December 31, 2016 and 2015. There were no potential dilutive common units and there were no anti-dilutive units for the year ended December 31, 2014.

The following summarizes the impact of potential dilutive common units on the denominator used to compute EPU for the years ended December 31, 2016 and 2015:

	Year Ended December 31,	
	2016	2015
Denominator – basic	199,764	199,734
Effect of performance stock units ⁽¹⁾	74	23
Denominator – diluted	199,838	199,757

(1) Performance stock units are contingently issuable common shares and are included in earnings per unit if the effect is dilutive.

See Note 16 for a description of the long-term incentive program, which was adopted in 2015, that these units relate to.

Comprehensive Income

Accumulated Other Comprehensive Income (Loss) of the Company

Comprehensive income (loss) of the Company includes all changes in redeemable noncontrolling interests and total equity during the period, except those resulting from investments by shareholders and partners, distributions to shareholders and partners and redemption valuation adjustments. Other comprehensive income (loss) ("OCI/L") includes changes in unrealized gains (losses) on available-for-sale securities and interest rate hedge agreements.

The changes in the components of AOCI for the years ended December 31, 2016, 2015 and 2014 are as follows:

	Redeemable Noncontrolling Interests		The Company		Noncontrolling Interests		
			Unrealized Gains (Losses)				
	Hedging Agreements	Available- for-Sale Securities	Hedging Agreements	Available- for-Sale Securities	Hedging Agreements	Available- for-Sale Securities	Total
Beginning balance, January 1, 2014	\$ 387	\$ 333	\$ (1,214)	\$ 7,539	\$ (3,304)	\$ 1,903	\$ 5,644
OCI before reclassifications	14	51	3,712	5,569	251	923	10,520
Amounts reclassified from AOCI ⁽¹⁾	—	—	(2,195)	—	—	—	(2,195)
Net year-to-date period OCI	14	51	1,517	5,569	251	923	8,325
Ending balance, December 31, 2014	401	384	303	13,108	(3,053)	2,826	13,969
OCI before reclassifications	32	10	3,828	160	251	72	4,353
Amounts reclassified from AOCI ⁽¹⁾	—	(394)	(2,196)	(13,268)	—	(2,898)	(18,756)
Net year-to-date period OCI/L	32	(384)	1,632	(13,108)	251	(2,826)	(14,403)
Ending balance, December 31, 2015	433	—	1,935	—	(2,802)	—	(434)
OCI before reclassifications	3	—	814	—	60	—	877
Amounts reclassified from AOCI ⁽¹⁾	(436)	—	(2,749)	—	2,742	—	(443)
Net year-to-date period OCI/L	(433)	—	(1,935)	—	2,802	—	434
Ending balance, December 31, 2016	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

(1) Reclassified \$443, \$2,196 and \$2,195 of interest on cash flow hedges to Interest Expense in the consolidated statement of operations for the years ended December 31, 2016, 2015 and 2014, respectively. Reclassified \$16,560 realized gain on sale of available-for-sale securities to Gain on Investments in the consolidated statement of operations for the year ended December 31, 2015.

Accumulated Other Comprehensive Income (Loss) of the Operating Partnership

Comprehensive income (loss) of the Operating Partnership includes all changes in redeemable common units and partners' capital during the period, except those resulting from investments by unitholders, distributions to unitholders and redemption valuation adjustments. OCI/L includes changes in unrealized gains (losses) on available-for-sale securities and interest rate hedge agreements.

The changes in the components of AOCI for the years ended December 31, 2016, 2015 and 2014 are as follows:

	<div> <div>Redeemable Common Units</div> <div>Partners' Capital</div> </div>				
	Unrealized Gains (Losses)				
	Hedging Agreements	Available- for-Sale Securities	Hedging Agreements	Available- for-Sale Securities	Total
Beginning balance, January 1, 2014	\$ 387	\$ 333	\$ (4,518)	\$ 9,442	\$ 5,644
OCI before reclassifications	14	51	3,963	6,492	10,520
Amounts reclassified from AOCI ⁽¹⁾	—	—	(2,195)	—	(2,195)
Net year-to-date period OCI	14	51	1,768	6,492	8,325
Ending balance, December 31, 2014	401	384	(2,750)	15,934	13,969
OCI before reclassifications	33	10	4,078	232	4,353
Amounts reclassified from AOCI ⁽¹⁾	—	(394)	(2,196)	(16,166)	(18,756)
Net year-to-date period OCI/L	33	(384)	1,882	(15,934)	(14,403)
Ending balance, December 31, 2015	434	—	(868)	—	(434)
OCI before reclassifications	3	—	874	—	877
Amounts reclassified from AOCI ⁽¹⁾	(437)	—	(6)	—	(443)
Net year-to-date period OCI/L	(434)	—	868	—	434
Ending balance, December 31, 2016	\$ —	\$ —	\$ —	\$ —	\$ —

- (1) Reclassified \$443, \$2,196 and \$2,195 of interest on cash flow hedges to Interest Expense in the consolidated statement of operations for the years ended December 31, 2016, 2015 and 2014, respectively. Reclassified \$16,560 realized gain on sale of available-for-sale securities to Gain on Investments in the consolidated statement of operations for the year ended December 31, 2015.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

NOTE 3. ACQUISITIONS

The Company includes the results of operations of real estate assets acquired in the consolidated statements of operations from the date of the related acquisition. The pro forma effect of these acquisitions was not material. The Company did not acquire any consolidated shopping center properties during the years ended December 31, 2014 and 2016. The following is a summary of the Company's acquisitions during the year ended December 31, 2015:

Purchase Date	Property	Property Type	Location	Ownership Percentage Acquired	Cash	Purchase Price
June 2015	Mayfaire Town Center and Community Center ⁽¹⁾	Mall	Wilmington, NC	100%	\$ 191,988	\$ 191,988

- (1) The Company acquired Mayfaire Town Center and Community Center on June 18, 2015 for \$191,988 utilizing availability on its lines of credit. Since the acquisition date, \$8,982 of revenue and \$410 in income related to Mayfaire Town Center and Community Center is included in the consolidated financial statements for the year ended December 31, 2015. The Company subsequently sold Mayfaire Community Center in December 2015. See Note 4 for more information.

The following table summarizes the final allocation of the estimated fair values of the assets acquired and liabilities assumed as of the June 2015 acquisition date for Mayfaire Town Center and Community Center:

	2015
Land	\$ 39,598
Buildings and improvements	139,818
Tenant improvements	3,331
Above-market leases	393
In-place leases	22,673
Total assets	205,813
Below-market leases	(13,825)
Net assets acquired	\$ 191,988

NOTE 4. DISPOSITIONS AND HELD FOR SALE

The Company evaluates its disposals utilizing the guidance in ASU 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*. Based on its analysis, the Company determined that the dispositions described below do not meet the criteria for classification as discontinued operations and are not considered to be significant disposals based on its quantitative and qualitative evaluation. Thus, the results of operations of the shopping center Properties described below, as well as any related gain or impairment loss, are included in net income for all periods presented, as applicable.

2016 Dispositions

Net proceeds realized from the 2016 dispositions were used to reduce the outstanding balances on the Company's credit facilities. The following is a summary of the Company's 2016 dispositions by sale:

Sales Date	Property	Property Type	Location	Sales Price		Gain
				Gross	Net	
December	Cobblestone Village at Palm Coast ⁽¹⁾	Community Center	Palm Coast, FL	\$ 8,500	\$ 8,106	\$ —
December	Randolph Mall, Regency Mall & Walnut Square ⁽²⁾	Mall	Asheboro, NC Racine, WI Dalton, GA	32,250	31,453	—
September	Oak Branch Business Center ⁽³⁾	Office Building	Greensboro, NC	2,400	2,148	—
July	The Lakes Mall / Fashion Square ⁽⁴⁾	Mall	Muskegon, MI Saginaw, MI	66,500	65,514	273
May	Bonita Lakes Mall and Crossing ⁽⁵⁾	Mall & Associated Center	Meridian, MS	27,910	27,614	208
April	The Crossings at Marshalls Creek	Community Center	Middle Smithfield, PA	23,650	21,791	3,239
March	River Ridge Mall ⁽⁶⁾	Mall	Lynchburg, VA	33,500	32,905	—
				<u>\$ 194,710</u>	<u>\$ 189,531</u>	<u>\$ 3,720</u>

- (1) The Company recorded a loss on impairment of \$6,298 to write down the community center to its estimated fair value in the third quarter of 2016 based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs. An additional loss on impairment of \$150 was recognized in December 2016 for an adjustment to the sales price when the sale closed in December 2016.
- (2) The Company recorded a loss on impairment in the third quarter of 2016 of \$43,294 when it wrote down the book values of the three malls to their estimated fair value based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs. The Company reduced the loss on impairment in the fourth quarter of 2016 by \$150 to reflect actual closing costs.
- (3) The Company recognized a loss on impairment of \$122 in the third quarter of 2016 to adjust the book value of the Property to its estimated fair value based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs. The loss on impairment was reduced by \$22 in the fourth quarter of 2016 to reflect actual closing costs.
- (4) The Company recognized a loss on impairment of \$32,096 in the second quarter of 2016 when it adjusted the book value of the malls to their estimated fair value based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs. A non-recourse loan secured by Fashion Square with a principal balance of \$38,150 was assumed by the buyer in conjunction with the sale. See Note 6.
- (5) The Company recognized a loss on impairment of \$5,323 in the first quarter of 2016 when it adjusted the book value of the Properties to their estimated fair value based upon a signed contract with a third party buyer, adjusted to reflect disposition costs.
- (6) In the first quarter of 2016, the Company sold a 75% interest in River Ridge Mall and recorded a loss on impairment of \$9,510 to adjust the book value of the mall to its estimated net sales price based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs. An additional loss on impairment of \$84 was recognized in December 2016 to reflect actual closing costs. The Company retained a 25% ownership interest in the mall, which is included in Investments in Unconsolidated Affiliates as of December 31, 2016 on the Company's consolidated balance sheet. See Note 5 for more information on this new joint venture.

See Note 15 for additional information related to the impairment losses described above.

The Company also realized a gain of \$21,385 primarily related to the sale of 18 outparcels, \$2,184 related to a parking deck project, \$1,621 from a parcel project at The Outlet Shoppes at Atlanta and \$657 in contingent consideration earned in 2016 related to the sale of EastGate Crossing noted below.

2016 Held for Sale

Two office buildings, One Oyster Point and Two Oyster Point, are classified as held for sale, and the \$5,861 on the Company's consolidated balance sheets at December 31, 2016 represents the net investment in real estate assets at December 31, 2016, which approximates 0.1% of the Company's total assets as of December 31, 2016. There are no other material assets or liabilities associated with these office buildings. The office buildings were sold subsequent to December 31, 2016. See Note 15 and Note 19 for additional information on these Properties.

2015 Dispositions

Net proceeds from the 2015 dispositions were used to reduce the outstanding balances on the Company's credit facilities. The following is a summary of the Company's 2015 dispositions:

Sales Date	Property	Property Type	Location	Sales Price		Gain
				Gross	Net	
December	Mayfaire Community Center ⁽¹⁾	Community Center ⁽²⁾	Wilmington, NC	\$ 56,300	\$ 55,955	\$ —
December	Chapel Hill Crossing ⁽³⁾	Associated Center	Akron, OH	2,300	2,178	—
November	Waynesville Commons	Community Center	Waynesville, NC	14,500	14,289	5,071
July	Madison Plaza	Associated Center	Huntsville, AL	5,700	5,472	2,769
June	EastGate Crossing ⁽⁴⁾	Associated Center	Cincinnati, OH	21,060	20,688	13,491
April	Madison Square ⁽⁵⁾	Mall	Huntsville, AL	5,000	4,955	—
				<u>\$ 104,860</u>	<u>\$ 103,537</u>	<u>\$ 21,331</u>

- (1) The Company recognized a loss on impairment of real estate of \$397 in the fourth quarter of 2015 when it adjusted the book value of Mayfaire Community Center to its estimated fair value based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs.
- (2) This Property was combined with Mayfaire Town Center in the Malls category for segment reporting purposes.
- (3) The Company recognized a loss on impairment of real estate of \$1,914 in the fourth quarter of 2015 when it adjusted the book value of Chapel Hill Crossing to its estimated fair value based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs.
- (4) In the fourth quarter of 2015, the Company earned \$625 of contingent consideration related to the sale of EastGate Crossing and received \$574 of net proceeds for the lease of a tenant space. The Company earned additional consideration in 2016 for the lease of one additional specified tenant space as noted above. Additionally, the buyer assumed the mortgage loan on the Property, which had a balance of \$14,570 at the time of the sale.
- (5) The Company recognized a loss on impairment of real estate of \$2,620 in the second quarter of 2015 when it adjusted the book value of the mall to its estimated fair value based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs.

See Note 15 for additional information related to the impairment losses described above.

2014 Dispositions

Net proceeds from the 2014 dispositions were used to reduce the outstanding balances on the Company's credit facilities, unless otherwise noted.

The following is a summary of the Company's 2014 dispositions by sale:

Sales Date	Property	Property Type	Location	Sales Price		Gain
				Gross	Net	
September	Pemberton Plaza ⁽¹⁾	Community Center	Vicksburg, MS	\$ 1,975	\$ 1,886	\$ —
June	Foothills Plaza Expansion	Associated Center	Maryville, TN	2,640	2,387	937
May	Lakeshore Mall ⁽²⁾	Mall	Sebring, FL	14,000	13,613	—
				<u>\$ 18,615</u>	<u>\$ 17,886</u>	<u>\$ 937</u>

- (1) The Company recognized a loss on impairment of real estate of \$497 in the third quarter of 2014 when it adjusted the book value of Pemberton Plaza to its estimated fair value based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs.
- (2) The gross sales price of \$14,000 consisted of a \$10,000 promissory note and \$4,000 in cash. The note receivable was paid off in the third quarter of 2014. The Company recognized a loss on impairment of real estate of \$5,100 in the first quarter of 2014 when it adjusted the book value of Lakeshore Mall to its estimated fair value of \$13,780 based on a binding purchase agreement signed in April 2014. The sale closed in May 2014 and the Company recognized an impairment loss of \$106 in the second quarter of 2014 as a result of additional closing costs.

The Company recognized a gain on extinguishment of debt for each of the Properties listed below, representing the amount by which the outstanding debt balance exceeded the net book value of the Property as of the transfer date. See Note 6 for additional information. The following is a summary of the Company's other 2014 dispositions:

Disposal Date	Property	Property Type	Location	Balance of Non-recourse Debt	Gain on Extinguishment of Debt
October	Columbia Place ⁽¹⁾	Mall	Columbia, SC	\$ 27,265	\$ 27,171
September	Chapel Hill Mall ⁽²⁾	Mall	Akron, OH	68,563	18,296
January	Citadel Mall ⁽³⁾	Mall	Charleston, SC	68,169	43,932
				<u>\$ 163,997</u>	<u>\$ 89,399</u>

- (1) The Company conveyed the mall to the lender by a deed-in-lieu of foreclosure. A non-cash impairment loss of \$50,683 was recorded in 2011 to write down the book value of the mall to its then estimated fair value. The Company also recorded \$3,181 of non-cash default interest expense.
- (2) The Company conveyed the mall to the lender by a deed-in-lieu of foreclosure. A non-cash impairment loss of \$12,050 was recorded in 2014 to write down the book value of the mall to its then estimated fair value. The Company also recorded \$1,514 of non-cash default interest expense.
- (3) The mortgage lender completed the foreclosure process and received title to the mall in satisfaction of the non-recourse debt. A non-cash impairment loss of \$20,453 was recorded in 2013 to write down the book value of the mall to its then estimated fair value.

NOTE 5. UNCONSOLIDATED AFFILIATES AND COST METHOD INVESTMENT

Unconsolidated Affiliates

At December 31, 2016, the Company had investments in the following 17 entities, which are accounted for using the equity method of accounting:

Joint Venture	Property Name	Company's Interest
Ambassador Infrastructure, LLC	Ambassador Town Center - Infrastructure Improvements	65.0%
Ambassador Town Center JV, LLC	Ambassador Town Center	65.0%
CBL/T-C, LLC	CoolSprings Galleria, Oak Park Mall and West County Center	50.0%
CBL-TRS Joint Venture, LLC	Friendly Center and The Shops at Friendly Center	50.0%
El Paso Outlet Outparcels, LLC	The Outlet Shoppes at El Paso (vacant land)	50.0%
Fremaux Town Center JV, LLC	Fremaux Town Center - Phases I and II	65.0%
G&I VIII CBL Triangle LLC	Triangle Town Center and Triangle Town Commons	10.0%
Governor's Square IB	Governor's Square Plaza	50.0%
Governor's Square Company	Governor's Square	47.5%
JG Gulf Coast Town Center LLC	Gulf Coast Town Center - Phase III	50.0%
Kentucky Oaks Mall Company	Kentucky Oaks Mall	50.0%
Mall of South Carolina L.P.	Coastal Grand	50.0%
Mall of South Carolina Outparcel L.P.	Coastal Grand Crossing and vacant land	50.0%
Port Orange I, LLC	The Pavilion at Port Orange - Phase I	50.0%
River Ridge Mall JV, LLC	River Ridge Mall	25.0%
West Melbourne I, LLC	Hammock Landing - Phases I and II	50.0%
York Town Center, LP	York Town Center	50.0%

Although the Company had majority ownership of certain joint ventures during 2016, 2015 and 2014, it evaluated the investments and concluded that the other partners or owners in these joint ventures had substantive participating rights, such as approvals of:

- the pro forma for the development and construction of the project and any material deviations or modifications thereto;
- the site plan and any material deviations or modifications thereto;
- the conceptual design of the project and the initial plans and specifications for the project and any material deviations or modifications thereto;
- any acquisition/construction loans or any permanent financings/refinancings;
- the annual operating budgets and any material deviations or modifications thereto;
- the initial leasing plan and leasing parameters and any material deviations or modifications thereto; and
- any material acquisitions or dispositions with respect to the project.

As a result of the joint control over these joint ventures, the Company accounts for these investments using the equity method of accounting.

Activity - Unconsolidated Affiliates

CBL-TRS Joint Venture, LLC

In December 2016, CBL-TRS Joint Venture, LLC, sold four office buildings, located in Greensboro, NC, for a gross sales price of \$26,000 and net proceeds of approximately \$25,406, of which \$12,703 represents each partner's share. The unconsolidated affiliate recognized a gain on sale of real estate assets of \$51, of which each partner's share was approximately \$25. The Company's share of the gain is included in Equity in Earnings of Unconsolidated Affiliates in the consolidated statements of operations.

G&I VIII CBL Triangle LLC

In December 2016, G&I VIII CBL Triangle LLC, sold Triangle Town Place, an associated center located in Raleigh, NC, for a gross sales price of \$30,250 and net proceeds of approximately \$29,802. Net proceeds from the sale were used to retire the outstanding principal balance of the \$29,342 loan secured by the Property. See *Loan Repayments* below for additional information on this loan. The unconsolidated affiliate recognized a gain on sale of real estate assets of \$2,820, of which the Company's share was approximately \$282 and the joint venture partner's share was \$2,538. The Company's share of the gain is included in Equity in Earnings of Unconsolidated Affiliates in the consolidated statements of operations.

G&I VIII CBL Triangle LLC is a 10/90 joint venture, formed in the first quarter of 2016, between the Company and DRA Advisors, which acquired Triangle Town Center, Triangle Town Commons and Triangle Town Place from an existing 50/50 joint venture, Triangle Town Member LLC, between the Company and The R.E. Jacobs Group for \$174,000, including the assumption of the \$171,092 loan, of which each selling partner's share was \$85,546 as of the closing date. Triangle Town Member LLC recognized a gain on sale of real estate assets of \$80,979 in connection with the sale of its interests to G&I VIII CBL Triangle LLC. Concurrent with the formation of the new joint venture, the new entity closed on a modification and restructuring of the \$171,092 loan, of which the Company's share is \$17,109. See information on the new loan under *Financings* below. The Company also made an equity contribution of \$3,060 to the joint venture at closing. The Company continues to lease and manage the remaining Properties.

High Pointe Commons

In the third quarter of 2016, High Pointe Commons, LP and High Pointe Commons II-HAP, LP, two 50/50 subsidiaries of the Company, and their joint venture partner closed on the sale of High Pointe Commons, a community center located in Harrisburg, PA, for a gross sales price of \$33,800 and net proceeds of \$14,962, of which \$7,481 represents each partner's share. The existing mortgages secured by the property, which had an aggregate balance of \$17,388 at the time of closing, were paid off in conjunction with the sale. See *Loan Repayments* below for additional information on these loans. The unconsolidated affiliate recognized a gain on sale of real estate assets of \$16,649, of which each partner's share was approximately \$8,324. Additionally, the unconsolidated affiliates recorded a loss on extinguishment of debt of \$393, of which each partner's share was approximately \$197. The Company's share of the gain and share of the loss on extinguishment of debt is included in Equity in Earnings of Unconsolidated Affiliates in the consolidated statements of operations.

CBL-TRS Joint Venture II, LLC

In the second quarter of 2016, CBL-TRS Joint Venture II, LLC, sold Renaissance Center, a community center located in Durham, NC, for a gross sales price of \$129,200 and net proceeds of \$80,324, of which \$40,162 represents each partner's share. In conjunction with the sale, the buyer assumed the \$16,000 loan secured by the Property's second phase. The loan secured by the first phase, which had a principal balance of \$31,484 as of closing, was retired. See *Loan Repayments* below for additional information on this loan. The unconsolidated affiliate recognized a gain on sale of real estate assets of \$59,977, of which each partner's share was approximately \$29,989. The Company's share of the gain is included in Equity in Earnings of Unconsolidated Affiliates in the consolidated statements of operations.

JG Gulf Coast Town Center LLC - Phases I and II

In the second quarter of 2016, the foreclosure process was completed and the mortgage lender received title to the mall in satisfaction of the non-recourse mortgage loan secured by Phases I and II of Gulf Coast Town Center in Ft. Myers, FL. Gulf Coast Town Center generated insufficient cash flow to cover the debt service on the mortgage, which had a balance of \$190,800 (of which the Company's 50% share was \$95,400) and a contractual maturity date of July 2017. In the third quarter of 2015, the lender on the loan began receiving the net operating cash flows of the property each month in lieu of scheduled monthly mortgage payments. The joint venture recognized a gain on extinguishment of debt of \$63,294 upon the disposition of Gulf Coast. The Company recognized a gain on the net investment in Gulf Coast of \$29,267 upon the disposition of the Property, which is included in Equity in Earnings of Unconsolidated Affiliates in the consolidated statements of operations.

River Ridge Mall JV, LLC

In the first quarter of 2016, the Company entered into a 25/75 joint venture, River Ridge Mall JV, LLC, ("River Ridge") with an unaffiliated partner. The Company contributed River Ridge Mall, located in Lynchburg, VA, to River Ridge and the partner contributed \$33,500 of cash and an anchor parcel at River Ridge Mall that it already owned having a value of \$7,000. The \$33,500 of cash was distributed to the Company and, after closing costs, \$32,819 was used to reduce outstanding balances on its lines of credit. Following the initial formation, all required future contributions will be funded on a pro rata basis.

The Company has accounted for the formation of River Ridge as the sale of a partial interest and recorded a loss on impairment of \$9,594 in 2016, which includes a reserve of \$2,100 for future capital expenditures. See Note 4 and Note 15 for more information. The Company continues to manage and lease the mall. The Company has the right to require its 75% partner to purchase its 25% interest in River Ridge if the Company ceases to manage the Property at the partner's election.

Other

An unconsolidated affiliate recognized a gain on sale of real estate assets of \$501 related to the sale of an outparcel, of which each partner's share was approximately \$251. The Company's share of the gain is included in Equity in Earnings of Unconsolidated Affiliates in the consolidated statements of operations.

Condensed Combined Financial Statements - Unconsolidated Affiliates

Condensed combined financial statement information of the unconsolidated affiliates is as follows:

	December 31,	
	2016	2015
ASSETS:		
Investment in real estate assets	\$ 2,137,666	\$ 2,357,902
Accumulated depreciation	(564,612)	(677,448)
	1,573,054	1,680,454
Developments in progress	9,210	59,592
Net investment in real estate assets	1,582,264	1,740,046
Other assets	223,347	168,540
Total assets	\$ 1,805,611	\$ 1,908,586
LIABILITIES:		
Mortgage and other indebtedness	\$ 1,266,046	\$ 1,546,272
Other liabilities	46,160	51,357
Total liabilities	1,312,206	1,597,629
OWNERS' EQUITY:		
The Company	228,313	184,868
Other investors	265,092	126,089
Total owners' equity	493,405	310,957
Total liabilities and owners' equity	\$ 1,805,611	\$ 1,908,586

	Year Ended December 31,		
	2016	2015	2014
Total revenues	\$ 250,361	\$ 253,399	\$ 250,248
Depreciation and amortization	(83,640)	(79,870)	(79,059)
Other operating expenses	(76,328)	(75,875)	(73,218)
Income from operations	90,393	97,654	97,971
Interest and other income	1,352	1,337	1,358
Interest expense	(55,227)	(75,485)	(74,754)
Gain on extinguishment of debt	62,901	—	—
Gain on sales of real estate assets	160,977	2,551	1,697
Net income	\$ 260,396	\$ 26,057	\$ 26,272

Financings - Unconsolidated Affiliates

2016 Financings

The following table presents the loan activity of the Company's unconsolidated affiliates in 2016:

Date	Property	Stated Interest Rate	Maturity Date ⁽¹⁾	Amount Financed or Extended
December	The Shops at Friendly Center ⁽²⁾	3.34%	April 2023	\$ 60,000
June	Fremaux Town Center ⁽³⁾	3.70%	June 2026	73,000
June	Ambassador Town Center ⁽⁵⁾	3.22%	June 2023	47,660
February	The Pavilion at Port Orange ⁽⁷⁾	LIBOR + 2.0%	February 2018 ⁽⁸⁾	58,628
February	Hammock Landing - Phase I ⁽⁷⁾	LIBOR + 2.0%	February 2018 ⁽⁸⁾	43,347 ⁽⁹⁾
February	Hammock Landing - Phase II ⁽⁷⁾	LIBOR + 2.0%	February 2018 ⁽⁸⁾	16,757
February	Triangle Town Center, Triangle Town Place, Triangle Town Commons ⁽¹⁰⁾	4.00%	December 2018 ⁽¹¹⁾	171,092 ⁽¹²⁾

- (1) Excludes any extension options.
- (2) CBL-TRS Joint Venture, LLC closed on a non-recourse loan, secured by The Shops at Friendly Center in Greensboro, NC. The new loan has a maturity date with a term of six years to coincide with the maturity date of the existing loan secured by Friendly Center. A portion of the net proceeds were used to retire a \$37,640 fixed-rate loan that bore interest at 5.90% and was due to mature in January 2017.
- (3) Net proceeds from the non-recourse loan were used to retire the existing construction loans, secured by Phase I and Phase II of Fremaux Town Center, with an aggregate balance of \$71,125.
- (4) The joint venture had an interest rate swap on a notional amount of \$73,000, amortizing to \$52,130 over the term of the swap, related to Fremaux Town Center to effectively fix the interest rate on the variable-rate loan. In October 2016, the joint venture made an election under the loan agreement to convert the loan from a variable-rate to a fixed-rate loan which bears interest at 3.70%.
- (5) The non-recourse loan was used to retire an existing construction loan with a principal balance of \$41,885 and excess proceeds were utilized to fund remaining construction costs.
- (6) The joint venture has an interest rate swap on a notional amount of \$47,660, amortizing to \$38,866 over the term of the swap, related to Ambassador Town Center to effectively fix the interest rate on the variable-rate loan. Therefore, this amount is currently reflected as having a fixed rate.
- (7) The guaranty was reduced from 25% to 20% in conjunction with the refinancing. See Note 14 for more information.
- (8) The loan was modified and extended to February 2018 with a one-year extension option, at the joint venture's election, to February 2019.
- (9) The capacity was increased from \$39,475 to fund an expansion.
- (10) The loan was amended and modified in conjunction with the sale of the Properties to a newly formed joint venture as described above.
- (11) The interest rate was reduced from 5.74% to 4.00% interest-only payments through the initial maturity date.
- (12) The loan was extended to December 2018 with two one-year extension options to December 2020. Under the terms of the loan agreement, the joint venture must pay the lender \$5,000 to reduce the principal balance of the loan and an extension fee of 0.50% of the remaining outstanding loan balance if it exercises the first extension. If the joint venture elects to exercise the second extension, it must pay the lender \$8,000 to reduce the principal balance of the loan and an extension fee of 0.75% of the remaining outstanding principal loan balance. Additionally, the interest rate would increase to 5.74% during the extension period.

2015 Financings

The following table presents the loan activity of the Company's unconsolidated affiliates in 2015:

Date	Property	Stated Interest Rate	Maturity Date ⁽¹⁾	Amount Financed or Extended
December	Hammock Landing - Phase I ⁽²⁾	LIBOR + 2.0%	February 2016 ⁽³⁾	\$ 39,475
December	Hammock Landing - Phase II ⁽²⁾	LIBOR + 2.0%	February 2016 ⁽³⁾	16,757
December	The Pavilion at Port Orange ⁽²⁾	LIBOR + 2.0%	February 2016 ⁽³⁾	58,820
October	Oak Park Mall ⁽⁴⁾	3.97%	October 2025	276,000
July	Gulf Coast Town Center - Phase III ⁽⁵⁾	LIBOR + 2.0%	July 2017	5,352

- (1) Excludes any extension options.
- (2) The loan was amended and modified to extend its initial maturity date and interest rate.
- (3) In the first quarter of 2016, the loan was extended and modified as noted above.
- (4) CBL/T-C closed on a non-recourse loan, secured by Oak Park Mall in Overland Park, KS. Net proceeds were used to retire the outstanding borrowings of \$275,700 under the previous loan which bore interest at 5.85% and had a December 2015 maturity date.
- (5) The loan was amended and modified to extend its maturity date. As part of the refinancing agreement, the loan is no longer guaranteed by the Operating Partnership.

All of the debt on the Properties owned by the unconsolidated affiliates listed above is non-recourse, except for Ambassador Infrastructure, Hammock Landing and The Pavilion at Port Orange. See Note 14 for a description of guarantees the Operating Partnership has issued related to certain unconsolidated affiliates.

2016 Loan Repayments

The Company's unconsolidated affiliates retired the following loans, secured by the related unconsolidated Properties, in 2016:

Date	Property	Interest Rate at Repayment Date	Scheduled Maturity Date	Principal Balance Repaid
December	The Shops at Friendly Center ⁽¹⁾	5.90%	January 2017	\$ 37,640
December	Triangle Town Place ⁽²⁾	4.00%	December 2018	29,342
September	Governor's Square Mall ⁽³⁾	8.23%	September 2016	14,089
September	High Pointe Commons - Phase I ⁽⁴⁾	5.74%	May 2017	12,401
September	High Pointe Commons - PetCo ⁽⁴⁾	3.20%	July 2017	19
September	High Pointe Commons - Phase II ⁽⁴⁾	6.10%	July 2017	4,968
July	Kentucky Oaks Mall ⁽⁵⁾	5.27%	January 2017	19,912
April	Renaissance Center - Phase I	5.61%	July 2016	31,484

(1) The loan secured by the Property was retired using a portion of the net proceeds from a \$60,000 fixed-rate loan. See above for more information.

(2) Upon the sale of Triangle Town Place, a portion of the net proceeds was used to pay down the balance of a loan for the portion secured by Triangle Town Place. After the debt reduction associated with the sale of Triangle Town Center, the principal balance of the loan secured by Triangle Town Center and Triangle Town Commons as of December 31, 2016 is \$141,126, of which the Company's share is \$14,113.

(3) The Company's share of the loan was \$6,692.

(4) The loan secured by the Property was paid off using proceeds from the sale of the Property in September 2016. See above for more information. The Company's share of the loan was 50%.

(5) The Company's share of the loan was \$9,956.

The Company's unconsolidated affiliates retired the following construction loans, secured by the related unconsolidated Properties, in 2016:

Date	Property	Interest Rate at Repayment Date	Scheduled Maturity Date	Principal Balance Repaid
June	Fremaux Town Center - Phase I ⁽¹⁾	2.44%	August 2016	\$ 40,530
June	Fremaux Town Center - Phase II ⁽¹⁾	2.44%	August 2016	30,595
June	Ambassador Town Center ⁽²⁾	2.24%	December 2017	41,885

(1) The construction loan was retired using a portion of the net proceeds from a \$73,000 fixed-rate non-recourse mortgage loan. See *Financings* above for more information.

(2) The construction loan was retired using a portion of the net proceeds from a \$47,660 fixed-rate non-recourse mortgage loan. Excess proceeds were utilized to fund remaining construction costs. See *Financings* above for more information.

Cost Method Investment

The Company owned a 6.2% noncontrolling interest in Jinsheng, an established mall operating and real estate development company located in Nanjing, China, which owned controlling interests in home furnishing shopping malls. In November 2016, the Company received \$15,538 from Jinsheng for the redemption of its interest that had a carrying value of \$5,325 and recorded a gain on investment of \$10,136. The Company had previously recorded an other-than-temporary impairment of \$5,306 related to this investment in 2009 upon the decline of China's real estate market. The Company accounted for its noncontrolling interest in Jinsheng using the cost method because the Company did not exercise significant influence over Jinsheng and there was no readily determinable market value of Jinsheng's shares since they are not publicly traded. The noncontrolling interest was reflected as Investments in Unconsolidated Affiliates in the consolidated balance sheets as of December 31, 2015.

NOTE 6. MORTGAGE AND OTHER INDEBTEDNESS, NET

Debt of the Company

CBL has no indebtedness. Either the Operating Partnership or one of its consolidated subsidiaries, that it has a direct or indirect ownership interest in, is the borrower on all of the Company's debt.

CBL is a limited guarantor of the Notes, issued by the Operating Partnership in November 2013, October 2014 and December 2016, respectively, for losses suffered solely by reason of fraud or willful misrepresentation by the Operating Partnership or its affiliates. The Company also provides a similar limited guarantee of the Operating Partnership's obligations with respect to its unsecured credit facilities and three unsecured term loans as of December 31, 2016.

Debt of the Operating Partnership

Mortgage and other indebtedness consisted of the following:

	December 31, 2016		December 31, 2015	
	Amount	Weighted-Average Interest Rate ⁽¹⁾	Amount	Weighted-Average Interest Rate ⁽¹⁾
Fixed-rate debt:				
Non-recourse loans on operating Properties ⁽²⁾	\$ 2,453,628	5.55%	\$ 2,736,538	5.68%
Senior unsecured notes due 2023 ⁽³⁾	446,552	5.25%	446,151	5.25%
Senior unsecured notes due 2024 ⁽⁴⁾	299,939	4.60%	299,933	4.60%
Senior unsecured notes due 2026 ⁽⁵⁾	394,260	5.95%	—	—%
Other	—	—%	2,686	3.50%
Total fixed-rate debt	3,594,379	5.48%	3,485,308	5.53%
Variable-rate debt:				
Non-recourse term loans on operating Properties	19,055	3.13%	16,840	2.49%
Recourse term loans on operating Properties	24,428	3.29%	25,635	2.97%
Construction loan ⁽⁶⁾	39,263	3.12%	—	—%
Unsecured lines of credit ⁽⁷⁾	6,024	1.82%	398,904	1.54%
Unsecured term loans ⁽⁸⁾	800,000	2.04%	800,000	1.82%
Total variable-rate debt	888,770	2.15%	1,241,379	1.76%
Total fixed-rate and variable-rate debt	4,483,149	4.82%	4,726,687	4.54%
Unamortized deferred financing costs	(17,855)		(16,059)	
Total mortgage and other indebtedness, net	\$ 4,465,294		\$ 4,710,628	

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

(2) The Operating Partnership had four interest rate swaps on notional amounts totaling \$101,151 as of December 31, 2015 related to four variable-rate loans on operating Properties to effectively fix the interest rates on the respective loans. Therefore, these amounts were reflected in fixed-rate debt at December 31, 2015. The swaps matured April 1, 2016.

(3) The balance is net of an unamortized discount of \$3,448 and \$3,849, as of December 31, 2016 and 2015, respectively.

(4) The balance is net of an unamortized discount of \$61 and \$67, as of December 31, 2016 and 2015, respectively.

(5) In December 2016, the Operating Partnership issued \$400,000 of senior unsecured notes in a public offering. The balance is net of an unamortized discount of \$5,740 as of December 31, 2016.

(6) In the second quarter of 2016, a consolidated joint venture closed on a construction loan for the development of The Outlet Shoppes at Laredo. See below for more information.

(7) The Company extended and modified its three unsecured credit facilities in October 2015. See below for additional information.

(8) The Company closed on a new \$350,000 unsecured term loan in October 2015. See below for further information.

Non-recourse and recourse term loans include loans that are secured by Properties owned by the Company that have a net carrying value of \$2,655,928 at December 31, 2016.

Senior Unsecured Notes

Description	Issued ⁽¹⁾	Amount	Interest Rate ⁽²⁾	Maturity Date ⁽³⁾
2026 Notes	December 2016	\$ 400,000	5.95%	December 2026
2024 Notes	October 2014	300,000	4.60%	October 2024
2023 Notes	November 2013	450,000	5.25%	December 2023

- (1) Issued by the Operating Partnership. CBL is a limited guarantor of the Operating Partnership's obligations under the Notes as described above.
- (2) Interest is payable semiannually in arrears. Interest was payable for the 2026 Notes, the 2024 Notes and the 2023 Notes beginning June 15, 2017; April 15, 2015; and June 1, 2014, respectively. The interest rate for the 2024 Note and the 2023 Notes is subject to an increase ranging from 0.25% to 1.00% from time to time if, on or after January 1, 2016 and prior to January 1, 2020, the ratio of secured debt to total assets of the Company, as defined, is greater than 40% but less than 45% for the 2023 and 2024 Notes. The required ratio of secured debt to total assets for the 2026 Notes is 40% or less. As of December 31, 2016, this ratio was 30% as shown below.
- (3) The Notes are redeemable at the Operating Partnership's election, in whole or in part from time to time, on not less than 30 days and not more than 60 days notice to the holders of the Notes to be redeemed. The 2026 Notes, the 2024 Notes and the 2023 Notes may be redeemed prior to September 15, 2026; July 15, 2024; and September 1, 2023, respectively, for cash at a redemption price equal to the aggregate principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date and a make-whole premium calculated in accordance with the indenture. On or after the redemption date, the Notes are redeemable for cash at a redemption price equal to the aggregate principal amount of the Notes to be redeemed plus accrued and unpaid interest. If redeemed prior to the respective dates noted above, each issuance of Notes is redeemable at the treasury rate plus 0.50%, 0.35% and 0.40% for the 2026 Notes, the 2024 Notes and the 2023 Notes, respectively.

After deducting underwriting and other offering expenses of \$3,671 and a discount of \$5,740, the net proceeds from the sale of the 2026 Notes were \$390,589. The Operating Partnership used the net proceeds from the issuance of the 2026 Notes to reduce the outstanding balances on its unsecured credit facilities and for general business purposes.

Unsecured Lines of Credit

The Company has three unsecured credit facilities that are used for retirement of secured loans, repayment of term loans, working capital, construction and acquisition purposes, and issuances of letters of credit. In the fourth quarter of 2015, the Company closed on the extension and modification of its three unsecured credit facilities. The \$1,100,000 of total capacity consists of two \$500,000 credit facilities and a \$100,000 credit facility.

Each facility bears interest at LIBOR plus a spread of 87.5 to 155 basis points based on the Company's credit ratings. The former credit facilities bore interest at LIBOR plus a spread of 100 to 175 basis points based on the Company's credit ratings. Additionally, the annual facility fee for the aggregate \$1,100,000 facility was reduced to a range of 0.125% to 0.300%, based on the Company's credit ratings. The annual facility fee on the former credit facilities ranged from 0.15% to 0.35% of the total capacity of each facility.

As of December 31, 2016, the Company's interest rate, based on its credit ratings of Baa3 from Moody's and BBB- from S&P and Fitch, is LIBOR plus 120 basis points. As of December 31, 2016, the annual facility fee was 0.25%. The three unsecured lines of credit had a weighted-average interest rate of 1.82% at December 31, 2016.

The following summarizes certain information about the Company's unsecured lines of credit as of December 31, 2016:

	Total Capacity	Total Outstanding	Maturity Date	Extended Maturity Date
Wells Fargo - Facility A	\$ 500,000	\$ — ⁽¹⁾	October 2019	October 2020 ⁽²⁾
First Tennessee	100,000	1,400 ⁽³⁾	October 2019	October 2020 ⁽⁴⁾
Wells Fargo - Facility B	500,000	4,624 ⁽⁵⁾	October 2020	
	<u>\$ 1,100,000</u>	<u>\$ 6,024</u>		

- (1) There was \$150 outstanding on this facility as of December 31, 2016 for letters of credit. Up to \$30,000 of the capacity on this facility can be used for letters of credit.
- (2) The extension option on the facility is at the Company's election, subject to continued compliance with the terms of the facility, and has a one-time extension fee of 0.15% of the commitment amount of the credit facility.
- (3) Up to \$20,000 of the capacity on this facility can be used for letters of credit.
- (4) The extension option on the facility is at the Company's election, subject to continued compliance with the terms of the facility, and has a one-time extension fee of 0.20% of the commitment amount of the credit facility.
- (5) There was an additional \$123 outstanding on this facility as of December 31, 2016 for letters of credit. Up to \$30,000 of the capacity on this facility can be used for letters of credit.

Unsecured Term Loans

In October 2015, the Company closed on a \$350,000 unsecured term loan. Net proceeds from the term loan were used to reduce outstanding balances on the Company's credit facilities. The term loan bears interest at LIBOR plus a spread of 90 to 175 basis points based on the Company's credit ratings. Based on the Company's current credit ratings, the term loan bears interest at LIBOR plus 135 basis points. The loan matures in October 2017 and has two one-year extension options for an outside maturity date of October 2019. At December 31, 2016, the outstanding borrowings of \$350,000 had an interest rate of 1.94%.

The Company has a \$400,000 unsecured term loan, that bears interest at a variable-rate of LIBOR plus 150 basis points, based on the Company's current credit ratings, and has a maturity date of July 2018. At December 31, 2016, the outstanding borrowings of \$400,000 had an interest rate of 2.12%.

The Company also has a \$50,000 unsecured term loan that matures in February 2018. In the first quarter of 2015, the Company modified the terms of the term loan to reduce the variable interest rate from LIBOR plus 190 basis points to LIBOR plus 155 basis points. At December 31, 2016, the outstanding borrowings of \$50,000 had a weighted-average interest rate of 2.17%.

Other

In the first quarter of 2016, a consolidated joint venture of the Management Company retired a term loan with a principal balance of \$2,625 that bore interest at a fixed rate of 3.5% and was scheduled to mature in May 2017. Additionally, the subsidiary of the Management Company also retired a \$3,500 revolving line of credit obtained that bore interest at a variable rate of LIBOR plus 249 basis points and was scheduled to mature in June 2017. At the time of retirement, the revolver had no amount outstanding.

Fixed-Rate Debt

As of December 31, 2016, fixed-rate loans on operating Properties bear interest at stated rates ranging from 4.00% to 8.00%. Outstanding borrowings under fixed-rate loans include net unamortized debt premiums of \$2,119 that were recorded when the Company assumed debt to acquire real estate assets that was at a net above-market interest rate compared to similar debt instruments at the date of acquisition. Fixed-rate loans on operating Properties generally provide for monthly payments of principal and/or interest and mature at various dates through June 2026, with a weighted-average maturity of 3.7 years.

Financings

The following table presents the fixed-rate loans, secured by the related consolidated Properties, that were entered into in 2016 and 2015:

Date	Property	Stated Interest Rate	Maturity Date ⁽¹⁾	Amount Financed or Extended
2016:				
December	Cary Towne Center ⁽²⁾	4.00%	March 2019 ⁽³⁾	\$ 46,716
December	Greenbrier Mall ⁽⁴⁾	5.00%	December 2019 ⁽⁵⁾	70,801
June	Hamilton Place ⁽⁶⁾	4.36%	June 2026	107,000
April	Hickory Point Mall ⁽⁷⁾	5.85%	December 2018 ⁽⁸⁾	27,446
2015:				
September	The Outlet Shoppes at Gettysburg ⁽⁹⁾	4.80%	October 2025	\$ 38,450

(1) Excludes any extension options.

(2) The loan was restructured to extend the maturity date and reduce the interest rate from 8.5% to 4.0% interest-only payments. The Company plans to utilize excess cash flows from the mall to fund a proposed redevelopment. The original maturity date is contingent on the Company's redevelopment plans.

(3) The loan has one two-year extension option, which is at the Company's option and contingent on the Company having met specified redevelopment criteria, for an outside maturity date of March 2021.

(4) The loan was restructured, with an effective date of November 2016, to extend the maturity date and reduce the interest rate from 5.91% to 5.00% interest-only payments through December 2017. The interest rate will increase to 5.4075% on January 1, 2018 and thereafter require monthly principal payments of \$225 and \$300 in 2018 and 2019, respectively, in addition to interest.

(5) The loan has a one-year extension option, at the Company's election, which is contingent on the mall meeting specified debt service and operational metrics. If the loan is extended, monthly principal payments of \$325 will be required in 2020 in addition to interest.

(6) Proceeds from the non-recourse loan were used to retire an existing \$98,181 loan with an interest rate of 5.86% that was scheduled to mature in August 2016. The Company's share of excess proceeds was used to reduce outstanding balances on its credit facilities.

(7) The loan was modified to extend the maturity date. The interest rate remains at 5.85% but the loan is now interest-only.

(8) The loan has a one-year extension option at the Company's election for an outside maturity date of December 2019.

(9) Proceeds from the non-recourse loan were used to retire a \$38,112 fixed-rate loan that was due to mature in February 2016.

Loan Repayments

The Company repaid the following fixed-rate loans, secured by the related consolidated Properties, in 2016 and 2015:

Date	Property	Interest Rate at Repayment Date	Scheduled Maturity Date	Principal Balance Repaid ⁽¹⁾
2016:				
October	Southaven Towne Center	5.50%	January 2017	\$ 38,314
August	Dakota Square Mall	6.23%	November 2016	55,103
June	Hamilton Place ⁽²⁾	5.86%	August 2016	98,181
April	CoolSprings Crossing	4.54%	April 2016	11,313
April	Gunbarrel Pointe	4.64%	April 2016	10,083
April	Stroud Mall	4.59%	April 2016	30,276
April	York Galleria	4.55%	April 2016	48,337
2015:				
September	The Outlet Shoppes at Gettysburg ⁽³⁾	5.87%	February 2016	\$ 38,112
September	Eastland Mall	5.85%	December 2015	59,400
July	Brookfield Square	5.08%	November 2015	86,621
July	CherryVale Mall	5.00%	October 2015	77,198
July	East Towne Mall	5.00%	November 2015	65,856
July	West Towne Mall	5.00%	November 2015	93,021
May	Imperial Valley Mall	4.99%	September 2015	49,486

(1) The Company retired the loans with borrowings from its credit facilities unless otherwise noted.

(2) The joint venture retired the loan with proceeds from a \$107,000 fixed-rate non-recourse loan. See above for more information.

(3) The joint venture retired the loan with proceeds from a \$38,450 fixed-rate non-recourse loan.

Additionally, the \$38,150 loan secured by Fashion Square was assumed by the buyer in conjunction with the sale of the mall in July 2016. The fixed-rate loan bore interest at 4.95% and had a maturity date of June 2022.

Subsequent to December 31, 2016, the Company retired several fixed-rate operating Property loans. See Note 19 for more information.

Other

The fixed-rate non-recourse loans secured by Chesterfield Mall, Midland Mall and Wausau Center are in default and in receivership at December 31, 2016. The malls generate insufficient income levels to cover the debt service on the mortgages, which had an aggregate balance of \$189,642 at December 31, 2016. Subsequent to December 31, 2016, the foreclosure process was complete and Midland Mall was conveyed to the lender in satisfaction of the non-recourse debt secured by the mall. See Note 19 for additional information. The Company anticipates foreclosure proceedings will be complete in early 2017 on the remaining malls.

Variable-Rate Debt

Term loans for the Company's operating Properties bear interest at variable interest rates indexed to the LIBOR rate. At December 31, 2016, interest rates on such variable-rate loans varied from 2.57% to 5.03%. These loans mature at various dates from June 2017 to July 2020, with a weighted-average maturity of 1.9 years, and have extension options of up to two years.

Financing

The following table presents the variable-rate loan, secured by the related consolidated Property, that was entered into in 2016:

Date	Property	Stated Interest Rate	Maturity Date	Amount Extended
June	Statesboro Crossing ⁽¹⁾	LIBOR + 1.80%	June 2017 ⁽²⁾	\$ 11,035

(1) The loan was modified to extend the maturity date.

(2) The loan has a one-year extension option at the joint venture's election for an outside maturity date of June 2018.

Construction Loans

Financings

The following table presents the construction loans, secured by the related consolidated Properties, that were entered into in 2016 and 2015:

Date	Property	Stated Interest Rate	Maturity Date	Amount Financed
2016:				
May	The Outlet Shoppes at Laredo ⁽¹⁾	LIBOR + 2.5% ⁽²⁾	May 2019 ⁽³⁾	\$ 91,300
2015:				
July	The Outlet Shoppes of the Bluegrass - Phase II ⁽⁴⁾	LIBOR + 2.50%	July 2020	\$ 11,320
May	The Outlet Shoppes at Atlanta - Phase II ⁽⁵⁾	LIBOR + 2.50%	December 2019	6,200

(1) The consolidated 65/35 joint venture closed on a construction loan for the development of The Outlet Shoppes at Laredo, an outlet center located in Laredo, TX. The Operating Partnership has guaranteed 100% of the loan.

(2) The interest rate will be reduced to LIBOR + 2.25% once the development is complete and certain debt and operational metrics are met.

(3) The loan has one 24-month extension option, which is at the joint venture's election, subject to continued compliance with the terms of the loan agreement, for an outside maturity date of May 2021.

(4) The Operating Partnership has guaranteed 100% of the loan of this 65/35 joint venture. Although construction is complete, certain debt and operational metrics must be met before the guaranty terminates. The interest rate will be reduced to a spread of LIBOR plus 2.35% once certain debt service and operational metrics are met.

(5) The Operating Partnership has guaranteed 100% of the loan of this 75/25 joint venture. Although construction is complete, certain debt and operational metrics must be met before the guaranty terminates. The interest rate will be reduced to a spread of LIBOR plus 2.35% once certain debt service and operational metrics are met.

Loan Repayment

The Company repaid the following construction loan, secured by the related consolidated Property, in 2016:

Date	Property	Interest Rate at Repayment Date	Scheduled Maturity Date	Principal Balance Repaid
December	The Outlet Shoppes at Atlanta - Parcel Development ⁽¹⁾	3.02%	December 2019	\$ 2,124

(1) In conjunction with its sale in December 2016, a portion of the net proceeds was used to retire the loan secured by the Property.

Financial Covenants and Restrictions

The agreements for the unsecured lines of credit, the Notes and unsecured term loans contain, among other restrictions, certain financial covenants including the maintenance of certain financial coverage ratios, minimum unencumbered asset and interest ratios, maximum secured indebtedness ratios, maximum total indebtedness ratios and limitations on cash flow distributions. The Company believes that it was in compliance with all financial covenants and restrictions at December 31, 2016.

Unsecured Lines of Credit and Unsecured Term Loans

The following presents the Company's compliance with key covenant ratios, as defined, of the credit facilities and term loans as of December 31, 2016:

Ratio	Required	Actual
Debt to total asset value	< 60%	48%
Unencumbered asset value to unsecured indebtedness	> 1.60x	2.4x
Unencumbered NOI to unsecured interest expense	> 1.75x	5.2x
EBITDA to fixed charges (debt service)	> 1.50x	2.5x

The agreements for the unsecured credit facilities and unsecured term loans described above contain default provisions customary for transactions of this nature (with applicable customary grace periods). Additionally, any default in the payment of any recourse indebtedness greater than or equal to \$50,000 or any non-recourse indebtedness greater than \$150,000 (for the Company's ownership share) of CBL, the Operating Partnership or any Subsidiary, as defined, will constitute an event of default under the agreements to the credit facilities. The credit facilities also restrict the Company's ability to enter into any transaction that could result in certain changes in its ownership or structure as described under the heading "Change of Control/Change in Management" in the agreements for the credit facilities.

Senior Unsecured Notes

The following presents the Company's compliance with key covenant ratios, as defined, of the Notes as of December 31, 2016:

Ratio	Required	Actual
Total debt to total assets	< 60%	53%
Secured debt to total assets	<45% ⁽¹⁾	30%
Total unencumbered assets to unsecured debt	>150%	221%
Consolidated income available for debt service to annual debt service charge	> 1.50x	3.0x

(1) On January 1, 2020 and thereafter, secured debt to total assets must be less than 40% for the 2023 Notes and the 2024 Notes. The required ratio of secured debt to total assets for the 2026 Notes is 40% or less.

The agreements for the Notes described above contain default provisions customary for transactions of this nature (with applicable customary grace periods). Additionally, any default in the payment of any recourse indebtedness greater than or equal to \$50,000 of the Operating Partnership will constitute an event of default under the Notes.

Other

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

Scheduled Principal Payments

As of December 31, 2016, the scheduled principal amortization and balloon payments of the Company's consolidated debt, excluding extensions available at the Company's option, on all mortgage and other indebtedness, including construction loans and lines of credit, are as follows:

2017	\$	757,314
2018		711,645
2019		275,477
2020		213,608
2021		455,026
Thereafter ⁽¹⁾		1,887,567
		<u>4,300,637</u>
Net unamortized discounts		(7,130)
Unamortized deferred financing costs		(17,855)
Principal balance of loans secured by Lender Malls in foreclosure ⁽²⁾		189,642
Total mortgage and other indebtedness, net	\$	<u>4,465,294</u>

(1) Excludes the \$17,689 loan balance secured by Wausau Center, which is in foreclosure.

(2) Represents principal balances of three non-recourse loans secured by Midland Mall, Chesterfield Mall and Wausau Center, which are in default and receivership at December 31, 2016. The loans secured by Midland Mall and Chesterfield Mall had 2016 maturity dates. Subsequent to December 31, 2016, the foreclosure process on Midland Mall was complete. See Note 19 for additional information.

Of the \$757,314 of scheduled principal payments in 2017, \$361,794 relates to the maturing principal balances of eight operating Property loans, \$350,000 represents the principal balance of an unsecured term loan and \$45,520 relates to scheduled principal amortization. Of the 2017 maturities, an operating Property loan with a principal balance of \$10,962 has a one-year extension option and the \$350,000 unsecured term loan has two one-year extension options, which are at the Company's option, leaving approximately \$350,832 of loan maturities in 2017 that must be retired or refinanced. The Company plans to refinance the \$62,355 loan secured by The Outlet Shoppes at El Paso and is evaluating whether to retire or refinance the remaining loans. Subsequent to December 31, 2016, the Company retired several operating Property loans. See Note 19 for details.

Interest Rate Hedging Instruments

The Company records its derivative instruments in its consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the derivative has been designated as a hedge and, if so, whether the hedge has met the criteria necessary to apply hedge accounting.

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The effective portion of changes in the fair value of derivatives designated as, and that qualify as, cash flow hedges is recorded in AOCI/L and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. Such derivatives were used to hedge the variable cash flows associated with variable-rate debt.

The Company's outstanding interest rate derivatives, that were designated as cash flow hedges of interest rate risk, matured on April 1, 2016. The following tables provide further information relating to the Company's interest rate derivatives that were designated as cash flow hedges of interest rate risk in 2016 and 2015:

Instrument Type	Location in Consolidated Balance Sheet	Notional Amount	Designated Benchmark Interest Rate	Strike Rate	Fair Value at 12/31/15	Maturity Date
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	\$ 48,337 (amortizing to \$48,337)	1-month LIBOR	2.149%	\$ (208)	April 2016
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	\$ 30,276 (amortizing to \$30,276)	1-month LIBOR	2.187%	(133)	April 2016
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	\$ 11,313 (amortizing to \$11,313)	1-month LIBOR	2.142%	(48)	April 2016
Pay fixed/ Receive variable Swap	Accounts payable and accrued liabilities	\$ 10,083 (amortizing to \$10,083)	1-month LIBOR	2.236%	(45)	April 2016
					<u>\$ (434)</u>	

Hedging Instrument	Gain Recognized in OCI/L (Effective Portion)			Location of Losses Reclassified from AOCI/L into Earnings (Effective Portion)	Loss Recognized in Earnings (Effective Portion)			Location of Gains Recognized in Earnings (Ineffective Portion)	Gain Recognized in Earnings (Ineffective Portion)		
	2016	2015	2014		2016	2015	2014		2016	2015	2014
Interest rate contracts	\$ 434	\$ 1,915	\$ 1,782	Interest Expense	\$ (443)	\$ (2,196)	\$ (2,195)	Interest Expense	\$ —	\$ —	\$ —

See Notes 2 and 15 for additional information regarding the Company's interest rate hedging instruments.

NOTE 7. SHAREHOLDERS' EQUITY AND PARTNERS' CAPITAL

Common Stock and Common Units

The Company's authorized common stock consists of 350,000,000 shares at \$0.01 par value per share. The Company had 170,792,645 and 170,490,948 shares of common stock issued and outstanding as of December 31, 2016 and 2015, respectively.

Partners in the Operating Partnership hold their ownership through common and special common units of limited partnership interest, hereinafter referred to as "common units." A common unit and a share of CBL's common stock have essentially the same economic characteristics, as they effectively participate equally in the net income and distributions of the Operating Partnership. For each share of common stock issued by CBL, the Operating Partnership has issued a corresponding number of common units to CBL in exchange for the proceeds from the stock issuance. The Operating Partnership had 199,085,032 and 199,748,131 common units outstanding as of December 31, 2016 and 2015, respectively.

Each limited partner in the Operating Partnership has the right to exchange all or a portion of its common units for shares of CBL's common stock, or at CBL's election, their cash equivalent. When an exchange for common stock occurs, CBL assumes the limited partner's common units in the Operating Partnership. The number of shares of common stock received by a limited partner of the Operating Partnership upon exercise of its exchange rights will be equal, on a one-for-one basis, to the number of common units exchanged by the limited partner. If CBL elects to pay cash, the amount of cash paid by the Operating Partnership to redeem the limited partner's common units will be based on the five-day trailing average of the trading price, at the time of exchange, of the shares of common stock that would otherwise have been received by the limited partner in the exchange. Neither the common units nor the shares of common stock of CBL are subject to any right of mandatory redemption.

At-The-Market Equity Program

On March 1, 2013, the Company entered into the Sales Agreements with a number of sales agents to sell shares of CBL's common stock, having an aggregate offering price of up to \$300,000, from time to time in the ATM program. In accordance with the Sales Agreements, the Company will set the parameters for the sales of shares, including the number of shares to be issued, the time period during which sales are to be made and any minimum price below which sales may not be made. The Sales Agreements provide that the sales agents will be entitled to compensation for their services at a mutually agreed commission rate not to exceed 2.0% of the gross proceeds from the sales of shares sold through the ATM program. For each share of common stock issued by CBL, the Operating Partnership issues a corresponding number of common units of limited partnership interest to CBL in exchange for the contribution of the proceeds from the stock issuance. The Company includes only share issuances that have settled in the calculation of shares outstanding at the end of each period.

Since inception, the Company has sold \$211,493 shares of common stock through the ATM program, at a weighted-average sales price of \$25.12, generating net proceeds of \$209,596, which were used to reduce the balances on the Company's credit facilities. Since the commencement of the ATM program, the Company has issued 8,419,298 shares of common stock and approximately \$88,507 remains available that may be sold under this program as of December 31, 2016. The Company did not sell any shares under the ATM program during 2016 or 2015. Actual future sales under this program, if any, will depend on a variety of factors including but not limited to market conditions, the trading price of CBL's common stock and the Company's capital needs. The Company has no obligation to sell the remaining shares available under the ATM program.

Common Stock Repurchase Program

In the third quarter of 2015, CBL's Board of Directors authorized a common stock repurchase program, which expired on August 31, 2016. Under the program, the Company could purchase up to \$200,000 of CBL's common stock from time to time, in the open market, in privately negotiated transactions or otherwise, depending on market prices and other conditions. The Company was not obligated to repurchase any shares of stock under the program. No shares were repurchased under the program prior to its expiration.

Common Unit Activity

During 2016, the Operating Partnership elected to pay cash of \$11,754 to four holders of 964,796 common units in the Operating Partnership upon the exercise of their conversion rights.

During 2015, no holders of common units exercised their conversion rights.

During 2014, the Operating Partnership elected to pay \$4,861 in cash to four holders of 272,952 common units of limited partnership interest in the Operating Partnership upon the exercise of their conversion rights.

Preferred Stock and Preferred Units

The Company's authorized preferred stock consists of 15,000,000 shares at \$0.01 par value per share. A description of the Company's cumulative redeemable preferred stock is listed below. The Operating Partnership issues an equivalent number of preferred units to CBL in exchange for the contribution of the proceeds from CBL to the Operating Partnership when CBL issues preferred stock. The preferred units generally have the same terms and economic characteristics as the corresponding series of preferred stock.

The Company has 6,900,000 depositary shares, each representing 1/10th of a share of CBL's 6.625% Series E Preferred Stock with a par value of \$0.01 per share, outstanding as of December 31, 2016 and 2015. The Series E Preferred Stock has a liquidation preference of \$250.00 per share (\$25.00 per depositary share). The dividends on the Series E Preferred Stock are cumulative, accrue from the date of issuance and are payable quarterly in arrears at a rate of \$16.5625 per share (\$1.65625 per depositary share) per annum. The Company may not redeem the Series E Preferred Stock before October 12, 2017, except in limited circumstances to preserve CBL's REIT status or in connection with a change of control. On or after October 12, 2017, the Company may, at its option, redeem the Series E Preferred Stock in whole at any time or in part from time to time by paying \$25.00 per depositary share, plus any accrued and unpaid dividends up to, but not including, the date of redemption. The Series E Preferred Stock generally has no stated maturity and will not be subject to any sinking fund or mandatory redemption. The Series E Preferred Stock is not convertible into any of the Company's securities, except under certain circumstances in connection with a change of control. Owners of the depositary shares representing Series E Preferred Stock generally have no voting rights except under dividend default.

The Company has 18,150,000 depositary shares, each representing 1/10th of a share of CBL's 7.375% Series D Preferred Stock with a par value of \$0.01 per share, outstanding as of December 31, 2016 and 2015. The Series D Preferred Stock has a liquidation preference of \$250.00 per share (\$25.00 per depositary share). The dividends on the Series D Preferred Stock are cumulative, accrue from the date of issuance and are payable quarterly in arrears at a rate of \$18.4375 per share (\$1.84375 per depositary share) per annum. The Series D Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption, and is not convertible into any other securities of the Company. The Company may redeem shares, in whole or in part, at any time for a cash redemption price of \$250.00 per share (\$25.00 per depositary share) plus accrued and unpaid dividends.

Dividends - CBL

CBL paid first, second and third quarter 2016 cash dividends on its common stock of \$0.265 per share on April 15th, July 15th and October 14th 2016, respectively. On November 3, 2016, CBL's Board of Directors declared a fourth quarter cash dividend of \$0.265 per share that was paid on January 16, 2017, to shareholders of record as of December 30, 2016. The dividend declared in the fourth quarter of 2016, totaling \$45,259, is included in accounts payable and accrued liabilities at December 31, 2016. The total dividend included in accounts payable and accrued liabilities at December 31, 2015 was \$45,179.

The allocations of dividends declared and paid for income tax purposes are as follows:

	Year Ended December 31,		
	2016	2015	2014
Dividends declared:			
Common stock	\$ 0.88 ⁽¹⁾	\$ 1.06	\$ 1.00
Series D preferred stock	\$ 18.44	\$ 18.44	\$ 18.44
Series E preferred stock	\$ 16.56	\$ 16.56	\$ 16.56
Allocations:			
<u>Common stock</u>			
Ordinary income	100.00%	100.00%	100.00%
Capital gains 25% rate	—%	—%	—%
Return of capital	—%	—%	—%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
<u>Preferred stock</u> ⁽²⁾			
Ordinary income	100.00%	100.00%	100.00%
Capital gains 25% rate	—%	—%	—%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

(1) Of the \$0.265 per share dividend declared on November 3, 2016 and paid January 16, 2017, \$0.081 is taxable in 2016 and \$0.184 per share will be reported and is taxable in 2017.

(2) The allocations for income tax purposes are the same for each series of preferred stock for each period presented.

Distributions - The Operating Partnership

The Operating Partnership paid first, second and third quarter 2016 cash distributions on its redeemable common units and common units of \$0.7322 and \$0.2692 per share, respectively, on April 15th, July 15th and October 14th 2016, respectively. On November 3, 2016, the Operating Partnership declared a fourth quarter cash distribution on its redeemable common units and common units of \$0.7322 and \$0.2692 per share, respectively, that was paid on January 16, 2017. The distribution declared in the fourth quarter of 2016, totaling \$9,054, is included in accounts payable and accrued liabilities at December 31, 2016. The total dividend included in accounts payable and accrued liabilities at December 31, 2015 was \$9,310.

NOTE 8. REDEEMABLE INTERESTS AND NONCONTROLLING INTERESTS

Redeemable Noncontrolling Interests and Noncontrolling Interests of the Company

Partnership Interests in the Operating Partnership that Are Not Owned by the Company

The common units that the Company does not own are reflected in the Company's consolidated balance sheets as redeemable noncontrolling interest and noncontrolling interests in the Operating Partnership.

Series S Special Common Units

Redeemable noncontrolling interest includes a noncontrolling partnership interest in the Operating Partnership for which the partnership agreement includes redemption provisions that may require the Operating Partnership to redeem the partnership interest for real property. In July 2004, the Operating Partnership issued 1,560,940 Series S special common units ("S-SCUs"), all of which are outstanding as of December 31, 2016, in connection with the acquisition of Monroeville Mall. Under the terms of the Operating Partnership's limited partnership agreement, the holder of the S-SCUs has the right to exchange all or a portion of its partnership interest for shares of the Company's common stock or, at the Company's election, their cash equivalent. The holder has the additional right to, at any time after the seventh anniversary of the issuance of the S-SCUs, require the Operating Partnership to acquire a qualifying property and distribute it to the holder in exchange for the S-SCUs. Generally, the acquisition price of the qualifying property cannot be more than the lesser of the consideration that would be received in a normal exchange, as discussed above, or \$20,000, subject to certain limited exceptions. Should the consideration that would be received in a normal exchange exceed the maximum property acquisition price as described in the preceding sentence, the excess portion of its partnership interest could be exchanged for shares of the Company's stock or, at the Company's election, their cash equivalent. The S-SCUs received a minimum distribution of \$2.53825 per unit per year for the first five years, and receive a minimum distribution of \$2.92875 per unit per year thereafter.

Series L Special Common Units

In June 2005, the Operating Partnership issued 571,700 L-SCUs, all of which are outstanding as of December 31, 2016, in connection with the acquisition of Laurel Park Place. The L-SCUs receive a minimum distribution of \$0.7572 per unit per quarter (\$3.0288 per unit per year). Upon the earlier to occur of June 1, 2020, or when the distribution on the common units exceeds \$0.7572 per unit for four consecutive calendar quarters, the L-SCUs will thereafter receive a distribution equal to the amount paid on the common units. In December 2012, the Operating Partnership issued 622,278 common units valued at \$14,000 to acquire the remaining 30% noncontrolling interest in Laurel Park Place.

Series K Special Common Units

In November 2005, the Operating Partnership issued 1,144,924 K-SCUs, all of which are outstanding as of December 31, 2016, in connection with the acquisition of Oak Park Mall, Eastland Mall and Hickory Point Mall. The K-SCUs received a dividend at a rate of 6.0%, or \$2.85 per K-SCU, for the first year following the close of the transaction and receive a dividend at a rate of 6.25%, or \$2.96875 per K-SCU, thereafter. When the quarterly distribution on the Operating Partnership's common units exceeds the quarterly K-SCU distribution for four consecutive quarters, the K-SCUs will receive distributions at the rate equal to that paid on the Operating Partnership's common units. At any time following the first anniversary of the closing date, the holders of the K-SCUs may exchange them, on a one-for-one basis, for shares of the Company's common stock or, at the Company's election, their cash equivalent.

Outstanding rights to convert redeemable noncontrolling interests and noncontrolling interests in the Operating Partnership to common stock were held by the following parties at December 31, 2016 and 2015:

	December 31,	
	2016	2015
CBL's Predecessor	18,172,690	18,172,690
Third parties	10,119,697	11,084,493
	<u>28,292,387</u>	<u>29,257,183</u>

The assets and liabilities allocated to the Operating Partnership's redeemable noncontrolling interest and noncontrolling interests are based on their ownership percentages of the Operating Partnership at December 31, 2016 and 2015. The ownership percentages are determined by dividing the number of common units held by each of the redeemable noncontrolling interest and the noncontrolling interests at December 31, 2016 and 2015 by the total common units outstanding at December 31, 2016 and 2015, respectively. The redeemable noncontrolling interest ownership percentage in assets and liabilities of the Operating Partnership was 0.8% at December 31, 2016 and 2015. The noncontrolling interest ownership percentage in assets and liabilities of the Operating Partnership was 13.4% and 14.3% at December 31, 2016 and 2015, respectively.

Income is allocated to the Operating Partnership's redeemable noncontrolling interest and noncontrolling interests based on their weighted-average ownership during the year. The ownership percentages are determined by dividing the weighted-average number of common units held by each of the redeemable noncontrolling interest and noncontrolling interests by the total weighted-average number of common units outstanding during the year.

A change in the number of shares of common stock or common units changes the percentage ownership of all partners of the Operating Partnership. A common unit is considered to be equivalent to a share of common stock since it generally is exchangeable for shares of the Company's common stock or, at the Company's election, their cash equivalent. As a result, an allocation is made between redeemable noncontrolling interests, shareholders' equity and noncontrolling interests in the Operating Partnership in the Company's accompanying balance sheets to reflect the change in ownership of the Operating Partnership's underlying equity when there is a change in the number of shares and/or common units outstanding. During 2016, 2015 and 2014, the Company allocated \$2,454, \$2,981 and \$2,937, respectively, from shareholders' equity to redeemable noncontrolling interest. During 2016 the Company allocated \$13,625 from shareholders' equity to noncontrolling interest. During 2015 and 2014, the Company allocated \$207 and \$322, respectively, from noncontrolling interest to shareholders' equity.

The total redeemable noncontrolling interest in the Operating Partnership was \$17,996 and \$19,744 at December 31, 2016 and 2015, respectively. The total noncontrolling interest in the Operating Partnership was \$100,035 and \$109,753 at December 31, 2016 and 2015, respectively.

Redeemable Noncontrolling Interests and Noncontrolling Interests in Other Consolidated Subsidiaries

Redeemable noncontrolling interests included the aggregate noncontrolling ownership interest in four of the Company's other consolidated subsidiaries held by third parties which were redeemed in the fourth quarter of 2016 for \$3,800, which was comprised of \$300 in cash and a \$3,500 promissory note. See Note 10 for additional information on the note. The Company recognized a net loss of \$2,602 on the disposal of its interests. The loss is included in Gain on Investments in the consolidated statements of operations. The total redeemable noncontrolling interests in other consolidated subsidiaries was \$5,586 at December 31, 2015. The redeemable noncontrolling interests in other consolidated subsidiaries included the third party interest in the Company's former subsidiary that provides security and maintenance services.

The Company had 25 and 23 other consolidated subsidiaries at December 31, 2016 and 2015, respectively, that had noncontrolling interests held by third parties and for which the related partnership agreements either do not include redemption provisions or are subject to redemption provisions that do not require classification outside of permanent equity. The total noncontrolling interests in other consolidated subsidiaries were \$12,103 and \$4,876 at December 31, 2016 and 2015, respectively.

The assets and liabilities allocated to the redeemable noncontrolling interests and noncontrolling interests in other consolidated subsidiaries are based on the third parties' ownership percentages in each subsidiary at December 31, 2016 and 2015. Income is allocated to the redeemable noncontrolling interests and noncontrolling interests in other consolidated subsidiaries based on the third parties' weighted-average ownership in each subsidiary during the year.

Redeemable Interests and Noncontrolling Interests of the Operating Partnership

The aggregate noncontrolling ownership interest in four of the Company's other consolidated subsidiaries described above that were reflected as redeemable noncontrolling interest in the Company's consolidated balance sheets were also reflected as redeemable noncontrolling interest in the Operating Partnership's consolidated balance sheets.

The S-SCUs described above that are reflected as redeemable noncontrolling interests in the Company's consolidated balance sheets are reflected as redeemable common units in the Operating Partnership's consolidated balance sheets.

The noncontrolling interests in other consolidated subsidiaries that are held by third parties that are reflected as a component of noncontrolling interests in the Company's consolidated balance sheets comprise the entire amount that is reflected as noncontrolling interests in the Operating Partnership's consolidated balance sheets.

Variable Interest Entities

As discussed in Note 2, the Company adopted ASU 2015-02 as of January 1, 2016 using a modified retrospective approach. As a result, the Operating Partnership and certain of its subsidiaries are deemed to have the characteristics of a VIE primarily because the limited partners of these entities do not collectively possess substantive kick-out or participating rights. However, the Company was not required to consolidate any previously unconsolidated entities or deconsolidate any previously consolidated entities as a result of the change in classification. Accordingly, the adoption of ASU 2015-02 affected disclosure only and did not change amounts within the consolidated financial statements.

The Company consolidates the Operating Partnership, which is a VIE, for which the Company is the primary beneficiary. The Company, through the Operating Partnership, consolidates all VIEs for which it is the primary beneficiary. Generally, a VIE, is a legal entity in which the equity investors do not have the characteristics of a controlling financial interest or the equity investors lack sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. A limited partnership is considered a VIE when the majority of the limited partners unrelated to the general partner possess neither the right to remove the general partner without cause, nor certain rights to participate in the decisions that most significantly affect the financial results of the partnership. In determining whether the Company is the primary beneficiary of a VIE, the Company considers qualitative and quantitative factors, including, but not limited to: which activities most significantly impact the VIE's economic performance and which party controls such activities; the amount and characteristics of the Company's investment; the obligation or likelihood for the Company or other investors to provide financial support; and the similarity with and significance to our business activities and the business activities of the other investors.

The table below lists the Company's VIEs as of December 31, 2016 and 2015, which do not reflect the elimination of any internal debt the consolidated VIE has with the Operating Partnership:

	As of December 31,			
	2016		2015	
	Assets	Liabilities	Assets	Liabilities
Consolidated VIEs:				
Atlanta Outlet Outparcels, LLC	\$ 914	\$ 4		(1)
Atlanta Outlet JV, LLC	63,361	81,128 (2)		(1)
CBL Terrace LP	16,714	13,509		(1)
El Paso Outlet Center Holding, LLC	103,232	69,535	\$ 107,337	\$ 63,458
El Paso Outlet Center II, LLC	8,638	7,028 (3)		(1)
Foothills Mall Associates	9,811	34,997		(1)
Gettysburg Outlet Center Holding, LLC	36,542	39,476		(1)
Gettysburg Outlet Center, LLC	7,203	37	37,463	38,450
High Point Development LP II	1,104	55		(1)
Jarnigan Road LP	41,392	20,988		(1)
Laredo Outlet JV, LLC (4)	89,353	58,822 (5)		(1)
Lebcon Associates	47,721	121,529		(1)
Lebcon I, Ltd	9,290	9,711		(1)
Lee Partners	1,195	—		(1)
Louisville Outlet Outparcels, LLC	62	—		(1)
Louisville Outlet Shoppes, LLC	76,831	85,132 (6)		(1)
Madison Grandview Forum, LLC	33,196	13,622		(1)
The Promenade at D'Iberville	84,470	46,570		(1)
Statesboro Crossing, LLC	18,869	11,058		(1)
Village at Orchard Hills, LLC	498	—		(1)
Woodstock GA Investments, LLC	9,098	3,185		(1)
	<u>\$ 659,494</u>	<u>\$ 616,386</u>	<u>\$ 144,800</u>	<u>\$ 101,908</u>

As of December 31,

2016		2015	
Assets	Liabilities	Assets	Liabilities
Unconsolidated VIEs:			
Ambassador Infrastructure, LLC	\$ 14,279	14,279	(1)
G&I VIII CBL Triangle LLC ⁽⁷⁾	172,470	149,195	(1)
JG Gulf Coast Town Center LLC	(8)	\$ 142,021	\$ 195,892
Triangle Town Member LLC	(8)	98,408	171,092
\$ 186,749	\$ 163,474	\$ 240,429	\$ 366,984

- (1) The joint venture was classified as a VIE in 2016 in accordance with the criteria in ASU 2015-02 noted above. Prior to the adoption of ASU 2015-02, the joint venture was not considered to be a VIE.
- (2) Of this total, \$4,839 related to The Outlet Shoppes at Atlanta - Phase II, is guaranteed by the Operating Partnership.
- (3) Of this total, \$6,745 related to The Outlet Shoppes at El Paso - Phase II, is guaranteed by the Operating Partnership.
- (4) In the second quarter of 2016, the Company formed a 65/35 joint venture, Laredo Outlet JV, LLC, to develop, own and operate The Outlet Shoppes at Laredo in Laredo, TX. The Company initially contributed \$7,714, which consisted of a cash contribution of \$2,434 and its interest in a note receivable of \$5,280 (see Note 10), and the third party partner contributed \$10,686, which included land and construction costs to date. The Company contributed 100% of the capital to fund the project until the pro rata 65% contribution of \$19,846 was reached in the third quarter of 2016. All subsequent future contributions will be funded on a 65/35 pro rata basis. The Company determined that the new consolidated affiliate represents an interest in a VIE based upon the criteria noted above.
- (5) Of this total, \$39,263 related to The Outlet Shoppes at Laredo, is guaranteed by the Operating Partnership.
- (6) Of this total, \$10,101 relates to The Outlet Shoppes of the Bluegrass - Phase II, is guaranteed by the Operating Partnership.
- (7) Upon, the sale of the Company's 50% interest in Triangle Town Member LLC to G&I VIII CBL Triangle LLC in the first quarter of 2016, the Company determined that the new unconsolidated affiliate represents an interest in a VIE based upon the criteria noted above.
- (8) This joint venture is not a VIE as of December 31, 2016. See description of reconsideration event below.

Variable Interest Entities - Reconsideration Events

Triangle Town Member LLC

The Company held a 50% ownership interest in this joint venture, which represented an interest in a VIE as of December 31, 2015. As noted above, the Company's 50% interest in this joint venture was sold to G&I VIII CBL Triangle LLC in the first quarter of 2016.

JG Gulf Coast Town Center LLC

The Company holds a 50% ownership interest in this joint venture. In the second quarter of 2016, the foreclosure process was complete and Phases I and II of Gulf Coast Town Center in Ft. Myers, FL were returned to the lender in satisfaction of the non-recourse mortgage loan secured by the Properties. The Company determined that the unconsolidated affiliate, JG Gulf Coast Town Center LLC no longer represents a VIE based upon the criteria noted above.

NOTE 9. MINIMUM RENTS

The Company receives rental income by leasing retail shopping center space under operating leases. Future minimum rents are scheduled to be received under non-cancellable tenant leases at December 31, 2016, as follows:

2017	\$ 559,804
2018	468,622
2019	403,625
2020	341,958
2021	283,553
Thereafter	771,041
	\$ 2,828,603

Future minimum rents do not include percentage rents or tenant reimbursements that may become due.

NOTE 10. MORTGAGE AND OTHER NOTES RECEIVABLE

Each of the Company's mortgage notes receivable is collateralized by either a first mortgage, a second mortgage or by an assignment of 100% of the partnership interests that own the real estate assets. Other notes receivable include amounts due from tenants or government sponsored districts and unsecured notes received from third parties as whole or partial consideration for property or investments. The Company reviews its mortgage and other notes receivable to determine if the balances are realizable based on factors affecting the collectability of those balances. Factors may include credit quality, timeliness of required periodic payments, past due status and management discussions with obligors.

Mortgage and other notes receivable consist of the following:

		As of December 31, 2016		As of December 31, 2015	
	Maturity Date	Interest Rate	Balance	Interest Rate	Balance
<u>Mortgages:</u>					
Columbia Place Outparcel	Feb 2022	5.00%	\$ 321	5.00%	\$ 342
One Park Place	May 2022	5.00%	1,194	5.00%	1,369
Village Square ⁽¹⁾	Mar 2018	3.75%	1,644	3.50%	1,685
Other ⁽²⁾	Dec 2016 - Jan 2047	3.27% - 9.50%	2,521	2.93% - 9.50%	4,380
			5,680		7,776
<u>Other Notes Receivable:</u>					
ERMC ⁽³⁾	Sep 2021	4.00%	3,500	—%	—
Horizon Group ⁽⁴⁾	Jan 2017	7.00%	300	—%	—
Horizon Group ⁽⁵⁾	N/A	—%	—	7.00%	3,096
RED Development Inc.	Oct 2023	5.00%	6,588	5.00%	7,366
Southwest Theaters LLC	Apr 2026	5.00%	735	—%	—
			11,123		10,462
			\$ 16,803		\$ 18,238

- (1) In May 2016, the mortgage note receivable related to Village Square was extended to March 2018. The interest rate increased from 3.5% to 3.75% for the period from April 2016 through March 2017, with an increase to a rate of 4.0% from April 2017 through the maturity date.
- (2) In conjunction with the foreclosure of Gulf Coast Town Center, the Company wrote off the \$1,846 balance of a note receivable. The note bore interest at a rate of 6.32% and was due to mature in March 2017. The \$1,100 note for The Promenade at D'Iberville with a maturity date of December 2016 is in default.
- (3) The Company received a \$3,500 promissory note in conjunction with the redemption of the Company's 50% ownership interest in four consolidated subsidiaries. See Note 8 for more information.
- (4) In the first quarter of 2016, Mortgage Holdings, LLC, a subsidiary of the Company, entered into a \$300 loan agreement with an affiliate of Horizon Group Properties, Inc., the Company's noncontrolling interest partner in the development of a new shopping center. Subsequent to December 31, 2016, the maturity date of the note receivable was extended to July 2017. See Note 19 for more information.
- (5) In the fourth quarter of 2015, Mortgage Holdings, LLC, a subsidiary of the Company, entered into a \$5,280 loan agreement, with an affiliate of Horizon Group Properties, Inc., the Company's noncontrolling interest partner in an outlet center project. In May 2016, in conjunction with the formation of the Laredo joint venture (see Note 5), the Company contributed its interest in the note of \$5,280 as a capital contribution to the joint venture.

NOTE 11. SEGMENT INFORMATION

The Company measures performance and allocates resources according to property type, which is determined based on certain criteria such as type of tenants, capital requirements, economic risks, leasing terms, and short- and long-term returns on capital. Rental income and tenant reimbursements from tenant leases provide the majority of revenues from all segments. The accounting policies of the reportable segments are the same as those described in Note 2. Information on the Company's reportable segments is presented as follows:

Year Ended December 31, 2016	Malls	Associated Centers	Community Centers	All Other ⁽¹⁾	Total
Revenues	\$ 928,214	\$ 39,259	\$ 17,393	\$ 43,391	\$ 1,028,257
Property operating expenses ⁽²⁾	(268,898)	(8,246)	(4,293)	(19)	(281,456)
Interest expense	(143,903)	(5,972)	(285)	(66,158)	(216,318)
Other expense	—	—	—	(20,326)	(20,326)
Gain on sales of real estate assets	481	657	3,239	25,190	29,567
Segment profit	<u>\$ 515,894</u>	<u>\$ 25,698</u>	<u>\$ 16,054</u>	<u>\$ (17,922)</u>	<u>539,724</u>
Depreciation and amortization expense					(292,693)
General and administrative expense					(63,332)
Interest and other income					1,524
Loss on impairment					(116,822)
Gain on investments					7,534
Income tax benefit					2,063
Equity in earnings of unconsolidated affiliates					117,533
Income from continuing operations					<u>\$ 195,531</u>
Total assets	\$ 5,383,937	\$ 259,966	\$ 215,917	\$ 244,820	\$ 6,104,640
Capital expenditures ⁽³⁾	\$ 165,230	\$ 5,705	\$ 6,149	\$ 90,719	\$ 267,803

Year Ended December 31, 2015	Malls	Associated Centers	Community Centers	All Other ⁽¹⁾	Total
Revenues	\$ 944,553	\$ 40,392	\$ 19,944	\$ 50,129	\$ 1,055,018
Property operating expenses ⁽²⁾	(274,288)	(9,364)	(4,500)	4,807	(283,345)
Interest expense	(166,922)	(7,285)	(4,236)	(50,900)	(229,343)
Other expense	(19)	—	—	(26,938)	(26,957)
Gain on sales of real estate assets	264	16,260	5,071	10,637	32,232
Segment profit (loss)	<u>\$ 503,588</u>	<u>\$ 40,003</u>	<u>\$ 16,279</u>	<u>\$ (12,265)</u>	<u>547,605</u>
Depreciation and amortization expense					(299,069)
General and administrative expense					(62,118)
Interest and other income					6,467
Gain on extinguishment of debt					256
Loss on impairment					(105,945)
Gain on investment					16,560
Income tax provision					(2,941)
Equity in earnings of unconsolidated affiliates					18,200
Income from continuing operations					<u>\$ 119,015</u>
Total assets	\$ 5,766,084	\$ 252,188	\$ 263,614	\$ 198,105	\$ 6,479,991
Capital expenditures ⁽³⁾	\$ 393,194	\$ 5,186	\$ 2,299	\$ 24,134	\$ 424,813

Year Ended December 31, 2014	Malls	Associated Centers	Community Centers	All Other ⁽¹⁾	Total
Revenues	\$ 933,736	\$ 41,527	\$ 18,600	\$ 66,876	\$ 1,060,739
Property operating expenses ⁽²⁾	(282,796)	(9,500)	(5,260)	3,659	(293,897)
Interest expense	(198,758)	(7,959)	(2,510)	(30,597)	(239,824)
Other expense	(20)	—	—	(32,277)	(32,297)
Gain on sales of real estate assets	3,537	937	107	761	5,342
Segment profit	<u>\$ 455,699</u>	<u>\$ 25,005</u>	<u>\$ 10,937</u>	<u>\$ 8,422</u>	<u>500,063</u>
Depreciation and amortization expense					(291,273)
General and administrative expense					(50,271)
Interest and other income					14,121
Gain on extinguishment of debt					87,893
Loss on impairment					(17,858)
Income tax provision					(4,499)
Equity in earnings of unconsolidated affiliates					14,803
Income from continuing operations					<u>\$ 252,979</u>

(1) The All Other category includes mortgage and other notes receivable, office buildings, the Management Company and, prior to the redemption of the Company's redeemable noncontrolling interests during the fourth quarter of 2016, the Company's former consolidated subsidiary that provided security and maintenance services to third parties (see Note 8).

(2) Property operating expenses include property operating, real estate taxes and maintenance and repairs.

(3) Amounts include acquisitions of real estate assets and investments in unconsolidated affiliates. Developments in progress are included in the All Other category.

NOTE 12. SUPPLEMENTAL AND NONCASH INFORMATION

The Company paid cash for interest, net of amounts capitalized, in the amount of \$209,566, \$226,233 and \$238,531 during 2016, 2015 and 2014, respectively.

The Company's noncash investing and financing activities for 2016, 2015 and 2014 were as follows:

	2016	2015	2014
Accrued dividends and distributions payable	\$ 54,313	\$ 54,489	\$ 54,433
Additions to real estate assets accrued but not yet paid	24,881	26,345	25,332
Capital contribution of note receivable to joint venture ⁽¹⁾	5,280	—	—
Capital contribution from noncontrolling interest to joint venture	155	—	—
Write-off of notes receivable ⁽¹⁾	1,846	—	—
Mortgage debt assumed by buyer of real estate assets ⁽²⁾	38,150	14,570	—
Transfer of real estate assets in settlement of mortgage debt obligations:			
Decrease in real estate assets	—	—	(79,398)
Decrease in mortgage and other indebtedness	—	—	163,998
Decrease in operating assets and liabilities	—	—	4,799
Discount on issuance of 5.95% Senior Notes due 2026	5,740	—	—
Discount on issuance of 4.60% Senior Notes due 2024	—	—	75
Note receivable from sale of Lakeshore Mall	—	—	10,000
Note receivable from sale of land	—	—	360
Deconsolidation upon formation of joint venture: ⁽³⁾			
Decrease in real estate assets	(14,025)	—	—
Increase in investment in unconsolidated affiliates	14,030	—	—
Decrease in accounts payable and accrued liabilities	(5)	—	—

(1) See Note 10 for further details.

(2) See Note 4 for additional information.

(3) See Note 4 and Note 5 for more information.

NOTE 13. RELATED PARTY TRANSACTIONS

Certain executive officers of the Company and members of the immediate family of Charles B. Lebovitz, Chairman of the Board of the Company, collectively had a significant noncontrolling interest in EMJ Corporation ("EMJ"), a construction company that the Company engaged to build substantially all of the Company's development Properties. This noncontrolling interest was sold in the third quarter of 2015. The Company paid approximately \$26,993 and \$31,398 to EMJ in 2015 and 2014, respectively, for construction and development activities. The Company had accounts payable to EMJ of \$4,121 at December 31, 2015.

The Management Company provides management, development and leasing services to the Company's unconsolidated affiliates and other affiliated partnerships. Revenues recognized for these services amounted to \$9,144, \$7,748 and \$9,444 in 2016, 2015 and 2014, respectively.

NOTE 14. CONTINGENCIES

Litigation

The Company is currently involved in certain litigation that arises in the ordinary course of business, most of which is expected to be covered by liability insurance. Management makes assumptions and estimates concerning the likelihood and amount of any potential loss relating to these matters using the latest information available. The Company records a liability for litigation if an unfavorable outcome is probable and the amount of loss or range of loss can be reasonably estimated. If an unfavorable outcome is probable and a reasonable estimate of the loss is a range, the Company accrues the best estimate within the range. If no amount within the range is a better estimate than any other amount, the Company accrues the minimum amount within the range. If an unfavorable outcome is probable but the amount of the loss cannot be reasonably estimated, the Company discloses the nature of the litigation and indicates that an estimate of the loss or range of loss cannot be made. If an unfavorable outcome is reasonably possible and the estimated loss is material, the Company discloses the nature and estimate of the possible loss of the litigation. Based on current expectations, such matters, both individually and in the aggregate, are not expected to have a material adverse effect on the liquidity, results of operations, business or financial condition of the Company.

On May 27, 2016, Tommy French filed a putative class action in the United States District Court for the Eastern District of Tennessee on behalf of himself and all persons who purchased the Company's common stock between August 8, 2013 and May 24, 2016. Two additional suits were filed shortly thereafter with similar allegations. On June 9, 2016, The Allan J. and Sherry R. Potts Living Trust filed a putative class action in the same Court on behalf of the trust and all persons who purchased the Company's common stock between August 8, 2013 and May 24, 2016, and on June 24, 2016, International Union of Painters & Allied Trades District Council No. 35 Pension Plan filed another putative class action in the same Court on behalf of itself and all persons who purchased the Company's common stock between August 9, 2011 and May 24, 2016, containing similar allegations. On July 26, 2016, motions were submitted to the Court for the consolidation of these three cases, as well as for the appointment of a lead plaintiff. On September 26, 2016, the Court granted the motion, consolidated the cases into one action, and appointed the New Mexico Educational Retirement Board as lead plaintiff and its counsel, Bernstein Liebhard, as lead counsel. The Court granted the lead plaintiff 60 days to file a consolidated amended complaint, and once filed, the Company will file a response. The previously filed complaints are all based on substantially similar allegations that certain of the Company's financing arrangements were obtained through fraud and/or misrepresentation, and that the Company and certain of its officers and directors made materially misleading statements to the market by failing to disclose material information concerning these alleged misrepresentations, and concerning the supposed involvement by insiders of the Company in alleged trading in the Company's stock by a United States senator on the basis of material nonpublic information. Based on these allegations, these complaints assert claims for violation of the securities laws and seek a variety of relief, including unspecified monetary damages as well as costs and attorneys' fees. The above-referenced plaintiffs voluntarily dismissed their claims on December 20 and 21, 2016, respectively, and on January 4, 2017, the Court administratively closed the case. The Company made no payment or entered into any agreement as part of this matter, and as such, the Company now considers this matter closed.

On July 29, 2016, Henry Shebitz filed a shareholder derivative suit in the Chancery Court for Hamilton County, Tennessee alleging that the Company's directors, three former directors and certain current and former officers breached their fiduciary duties by causing the Company to make materially misleading statements to the market by failing to disclose material information concerning these alleged misrepresentations, and concerning the supposed involvement by insiders of the Company in alleged trading in the Company's stock by a United States senator on the basis of material nonpublic information. The complaint further alleged that certain of the Company's current and former officers and directors improperly engaged in transactions in the Company's stock while in possession of material nonpublic information concerning the Company's alleged misleading statements. The complaint purported to seek relief on behalf of the Company for unspecified damages as well as costs and attorneys' fees. On or about January 31, 2017, the plaintiff filed a Notice of Voluntary Dismissal, and on February 2, 2017, the Court entered an order dismissing the suit without prejudice. The Company made no payment or entered into any agreement as part of this matter, and as such, the Company now considers this matter closed.

Environmental Contingencies

The Company evaluates potential loss contingencies related to environmental matters using the same criteria described above related to litigation matters. Based on current information, an unfavorable outcome concerning such environmental matters, both individually and in the aggregate, is considered to be reasonably possible. However, the Company believes its maximum potential exposure to loss would not be material to its results of operations or financial condition. The Company has a master insurance policy that provides coverage through 2022 for certain environmental claims up to \$10,000 per occurrence and up to \$50,000 in the aggregate, subject to deductibles and certain exclusions.

Guarantees

The Company may guarantee the debt of a joint venture primarily because it allows the joint venture to obtain funding at a lower cost than could be obtained otherwise. This results in a higher return for the joint venture on its investment, and a higher return on the Company's investment in the joint venture. The Company may receive a fee from the joint venture for providing the guaranty. Additionally, when the Company issues a guaranty, the terms of the joint venture agreement typically provide that the Company may receive indemnification from the joint venture or have the ability to increase its ownership interest. The guarantees expire upon repayment of the debt, unless noted otherwise.

The following table represents the Operating Partnership's guarantees of unconsolidated affiliates' debt as reflected in the accompanying consolidated balance sheets as of December 31, 2016 and 2015:

	As of December 31, 2016					Obligation recorded to reflect guaranty	
Unconsolidated Affiliate	Company's Ownership Interest	Outstanding Balance	Percentage Guaranteed by the Company	Maximum Guaranteed Amount	Debt Maturity Date ⁽¹⁾	12/31/16	12/31/15
West Melbourne I, LLC - Phase I ⁽²⁾	50%	\$ 42,847	20% ⁽³⁾	\$ 8,569	Feb-2018 ⁽⁴⁾	\$ 86	\$ 99
West Melbourne I, LLC - Phase II ⁽²⁾	50%	16,557	20% ⁽³⁾	3,311	Feb-2018 ⁽⁴⁾	33	87
Port Orange I, LLC	50%	57,927	20% ⁽³⁾	11,586	Feb-2018 ⁽⁴⁾	116	148
Fremaux Town Center JV, LLC - Phase I	65%	—	—% ⁽⁵⁾	—	Aug-2016	—	62
Fremaux Town Center JV, LLC - Phase II	65%	—	—% ⁽⁵⁾	—	Aug-2016	—	161
Ambassador Town Center JV, LLC	65%	—	—% ⁽⁵⁾	—	Dec-2017	—	462
Ambassador Infrastructure, LLC	65%	11,700	100% ⁽⁶⁾	11,700	Dec-2017 ⁽⁷⁾	177	177
Total guaranty liability						\$ 412	\$ 1,196

(1) Excludes any extension options.

(2) The loan is secured by Hammock Landing - Phase I and Hammock Landing - Phase II, respectively.

(3) The guaranty was reduced from 25% to 20% when the loan was modified and extended in the first quarter of 2016. See Note 5.

(4) The loan has a one-year extension option, which is at the unconsolidated affiliate's election, for an outside maturity date of February 2019.

(5) The guaranty was removed in the second quarter of 2016 when the construction loan was retired using proceeds from a non-recourse mortgage loan. See Note 5 for additional information.

(6) The Company received a 1% fee for this guaranty when the loan was issued in December 2014. The guaranty will be reduced to 50% on March 1st of such year as PILOT payments received and attributed to the prior calendar year by Ambassador Infrastructure and delivered to the lender are \$1,200 or more, provided no event of default exists. The guaranty will be reduced to 20% when the PILOT payments are \$1,400 or more, provided no event of default exists.

(7) The loan has two one-year extension options, which are the joint venture's election, for an outside maturity date of December 2019

The Company has guaranteed the lease performance of YTC, an unconsolidated affiliate in which it owns a 50% interest, under the terms of an agreement with a third party that owns property as part of York Town Center. Under the terms of that agreement, YTC is obligated to cause performance of the third party's obligations as landlord under its lease with its sole tenant, including, but not limited to, provisions such as co-tenancy and exclusivity requirements. Should YTC fail to cause performance, then the tenant under the third party landlord's lease may pursue certain remedies ranging from rights to terminate its lease to receiving reductions in rent. The Company has guaranteed YTC's performance under this agreement up to a maximum of \$22,000, which decreases by \$800 annually until the guaranteed amount is reduced to \$10,000. The guaranty expires on December 31, 2020. The maximum guaranteed obligation was \$14,000 as of December 31, 2016. The Company entered into an agreement with its joint venture partner under which the joint venture partner has agreed to reimburse the Company 50% of any amounts it is obligated to fund under the guaranty. The Company did not record an obligation for this guaranty because it determined that the fair value of the guaranty was not material as of December 31, 2016 and 2015.

Performance Bonds

The Company has issued various bonds that it would have to satisfy in the event of non-performance. The total amount outstanding on these bonds was \$21,446 and \$16,452 at December 31, 2016 and 2015, respectively.

Ground Leases

The Company is the lessee of land at certain of its Properties under long-term operating leases, which include scheduled increases in minimum rents. The Company recognizes these scheduled rent increases on a straight-line basis over the initial lease terms. Most leases have initial terms of at least 20 years and contain one or more renewal options, generally for a minimum of 5- or 10-year periods. Lease expense recognized in the consolidated statements of operations for 2016, 2015 and 2014 was \$1,301, \$1,215 and \$1,290, respectively.

The future obligations under these operating leases at December 31, 2016, are as follows:

2017	\$	588
2018		594
2019		601
2020		607
2021		614
Thereafter		12,636
	\$	<u>15,640</u>

NOTE 15. FAIR VALUE MEASUREMENTS

The Company has categorized its financial assets and financial liabilities that are recorded at fair value into a hierarchy in accordance with ASC 820, *Fair Value Measurements and Disclosure*, ("ASC 820") based on whether the inputs to valuation techniques are observable or unobservable. The fair value hierarchy contains three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs represent quoted prices in active markets for identical assets and liabilities as of the measurement date.

Level 2 – Inputs, other than those included in Level 1, represent observable measurements for similar instruments in active markets, or identical or similar instruments in markets that are not active, and observable measurements or market data for instruments with substantially the full term of the asset or liability.

Level 3 – Inputs represent unobservable measurements, supported by little, if any, market activity, and require considerable assumptions that are significant to the fair value of the asset or liability. Market valuations must often be determined using discounted cash flow methodologies, pricing models or similar techniques based on the Company's assumptions and best judgment.

The asset or liability's fair value within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Under ASC 820, fair value measurements are determined based on the assumptions that market participants would use in pricing the asset or liability in an orderly transaction at the measurement date. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs and consider assumptions such as inherent risk, transfer restrictions and risk of nonperformance.

Fair Value Measurements on a Recurring Basis

The following table sets forth information regarding the Company's financial instruments that were measured at fair value on a recurring basis in the accompanying consolidated balance sheets as of December 31, 2015. The interest rate swaps matured April 1, 2016.

	Fair Value Measurements at Reporting Date Using			
	Fair Value at December 31, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities:				
Interest rate swaps	\$ 434	\$ —	\$ 434	\$ —

The Company recognizes transfers in and out of every level at the end of each reporting period. There were no transfers between Levels 1, 2 or 3 during the years ended December 31, 2016 and 2015.

Intangible lease assets and other assets in the consolidated balance sheets included marketable securities consisting of corporate equity securities that were classified as available-for-sale. Net unrealized gains and losses on available-for-sale securities that are deemed to be temporary in nature are recorded as a component of AOCI in redeemable noncontrolling interests, shareholders' equity and partners' capital, and noncontrolling interests. The Company sold all of its marketable securities during 2015 and realized a gain of \$16,560 for the difference between the net proceeds of \$20,755 less the adjusted cost of \$4,195. The Company did not recognize any realized gains or losses related to sales of marketable securities during 2016 and 2014. During the years ended December 31, 2016, 2015 and 2014, the Company did not recognize any write-downs for other-than-temporary impairments.

The Company uses interest rate swaps to mitigate the effect of interest rate movements on its variable-rate debt. The Company had four interest rate swaps as of December 31, 2015, that qualified as hedging instruments and were designated as cash flow hedges. The interest rate swaps are reflected in accounts payable and accrued liabilities in the accompanying consolidated balance sheets. The swaps have predominantly met the effectiveness test criteria since inception and changes in their fair values are, thus, primarily reported in OCI/L and are reclassified into earnings in the same period or periods during which the hedged item affects earnings. The fair values of the Company's interest rate hedges, classified under Level 2, are determined based on prevailing market data for contracts with matching durations, current and anticipated LIBOR information, consideration of the Company's credit standing, credit risk of the counterparties and reasonable estimates about relevant future market conditions. See Notes 2 and 6 for additional information regarding the Company's interest rate hedging instruments.

The carrying values of cash and cash equivalents, receivables, accounts payable and accrued liabilities are reasonable estimates of their fair values because of the short-term nature of these financial instruments. Based on the interest rates for similar financial instruments, the carrying value of mortgage and other notes receivable is a reasonable estimate of fair value. The estimated fair value of mortgage and other indebtedness was \$4,737,077 and \$4,945,622 at December 31, 2016 and 2015, respectively. The fair value was calculated using Level 2 inputs by discounting future cash flows for mortgage and other indebtedness using estimated market rates at which similar loans would be made currently. The carrying amount of net mortgage and other indebtedness was \$4,465,294 and \$4,710,628 at December 31, 2016 and 2015, respectively.

Fair Value Measurements on a Nonrecurring Basis

The Company measures the fair value of certain long-lived assets on a nonrecurring basis, through quarterly impairment testing or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The Company considers both quantitative and qualitative factors in its impairment analysis of long-lived assets. Significant quantitative factors include historical and forecasted information for each Property such as NOI, occupancy statistics and sales levels. Significant qualitative factors used include market conditions, age and condition of the Property and tenant mix. Due to the significant unobservable estimates and assumptions used in the valuation of long-lived assets that experience impairment, the Company classifies such long-lived assets under Level 3 in the fair value hierarchy. Level 3 inputs primarily consist of sales and market data, independent valuations and discounted cash flow models. See below for a description of the estimates and assumptions the Company used in its impairment analysis. See Note 2 for additional information describing the Company's impairment review process.

The following table sets forth information regarding the Company's assets that are measured at fair value on a nonrecurring basis and related impairment charges for the years ended December 31, 2016 and 2015:

	Fair Value Measurements at Reporting Date Using				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Losses
2016:					
Long-lived assets	\$ 46,200	\$ —	\$ —	\$ 46,200	\$ 116,822
2015:					
Long-lived assets	\$ 125,000	\$ —	\$ —	\$ 125,000	\$ 104,900

Long-lived Assets Measured at Fair Value in 2016

During the year ended December 31, 2016, the Company recognized impairments of real estate of \$116,822 when it wrote down nine malls, an associated center, a community center, three office buildings and three outparcels to their estimated fair values. The Properties are classified for segment reporting purposes as listed below (see section below for information on outparcels). See Note 11 for segment information.

Impairment Date	Property	Location	Segment Classification	Loss on Impairment	Fair Value ⁽¹⁾
September	Randolph Mall, Regency Mall & Walnut Square ⁽²⁾	Asheboro, NC; Racine, WI & Dalton, GA	Malls	\$ 43,144	\$ —
September	One Oyster Point & Two Oyster Point ⁽³⁾	Newport News, VA	All Other	3,844	6,000
September	Oak Branch Business Center ⁽⁴⁾	Greensboro, NC	All Other	100	—
September	Cobblestone Village at Palm Coast ⁽⁵⁾	Palm Coast, FL	Community Centers	6,448	—
June	The Lakes Mall & Fashion Square ⁽⁶⁾	Muskegon, MI & Saginaw, MI	Malls	32,096	—
June	Wausau Center ⁽⁷⁾	Wausau, WI	Malls	10,738	11,000
March	Bonita Lakes Mall & Crossing ⁽⁸⁾	Meridian, MS	Malls/Associated Centers	5,323	—
March	Midland Mall ⁽⁹⁾	Midland, MI	Malls	4,681	29,200
March	River Ridge Mall ⁽¹⁰⁾	Lynchburg, VA	Malls	9,594	—
				\$ 115,968	\$ 46,200

- (1) The long-lived asset is measured at fair value and included in Net Investment in Real Estate Assets in the Company's consolidated balance sheets at December 31, 2016.
- (2) The Company wrote down the book values of the three malls to their estimated fair value of \$31,318 and recorded a loss on impairment of \$43,294 in the third quarter of 2016 based upon a sales price of \$32,250 in a signed contract with a third party buyer, adjusted to reflect estimated disposition costs. The Company reduced the loss on impairment in the fourth quarter of 2016 by \$150 to reflect actual closing costs. The revenues of the malls accounted for approximately 1.5% of total consolidated revenues for the trailing twelve months ended September 30, 2016. The malls were sold in December 2016.
- (3) In accordance with the Company's quarterly impairment review process, the Company recorded impairment to write down the depreciated book value of two office buildings to their estimated fair value as a result of a change in the expected holding period to a range of 1 to 2 years. Other factors used in the discounted cash flow analysis included a capitalization rate of 8.0%, a discount rate of 10.0% and estimated selling costs of 2.0%. The office buildings are classified as held for sale as of December 31, 2016. The revenues of the office buildings accounted for approximately 0.3% of total consolidated revenues for the year ended December 31, 2016. The office buildings were sold subsequent to December 31, 2016. See Note 4 and Note 19 for more information.
- (4) The office building was sold in September 2016. A loss on impairment of \$122 was recorded in the third quarter of 2016 to adjust the book value to its estimated value based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs. The loss on impairment was reduced by \$22 in the fourth quarter of 2016 to reflect actual closing costs. See Note 4 for more information.
- (5) In accordance with the Company's quarterly impairment review process, the Company recorded a loss on impairment of \$6,298 in the third quarter of 2016 based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs. Other factors used in the discounted cash flow analysis included a capitalization rate of 9.0%, a discount rate of 10.75% and estimated selling costs of 2.0%. The revenue of the community center accounted for approximately 0.1% of total consolidated revenues for the trailing twelve months ended September 30, 2016. An additional impairment loss of \$150 was recognized in the fourth quarter of 2016 for an adjustment to the sales price when the sale closed in December 2016. See Note 4.

- (6) The Company adjusted the book value of the malls to their estimated fair value of \$65,447 based upon the sales price of \$66,500 in the signed contract with a third party buyer, adjusted to reflect estimated disposition costs. The revenues of The Lakes Mall and Fashion Square accounted for approximately 1.6% of total consolidated revenues for the trailing twelve months ended June 30, 2016. These Properties were sold in July 2016. See Note 4 for additional information.
- (7) In accordance with the Company's quarterly impairment review process, the Company recorded impairment to write down the depreciated book value of the mall to its estimated fair value. After evaluating redevelopment options, the Company determined that an appropriate risk-adjusted return was not achievable and reduced its holding period. The mall is encumbered by a non-recourse loan with a balance of \$17,689 as of December 31, 2016 and has experienced declining sales and the loss of two anchor stores. The revenues of Wausau Center accounted for approximately 0.3% of total consolidated revenues for the year ended December 31, 2016. The Company notified the lender that it would not make its scheduled July 1, 2016 debt payment and the mall is in foreclosure. See Note 6. With the assistance of a third-party appraiser, management determined the fair value of Wausau Center using a discounted cash flow methodology. The discounted cash flow used assumptions including a 10-year holding period with a sale at the end of the holding period, a capitalization rate of 13.25%, a discount rate of 13.0% and estimated selling costs of 4.0%. As these assumptions are subject to economic and market uncertainties, they are difficult to predict and are subject to future events that may alter the assumptions used or management's estimates of future possible outcomes.
- (8) The Company adjusted the book value of Bonita Lakes Mall and Bonita Lakes Crossing ("Bonita Lakes") to its estimated fair value of \$27,440, which represented the contractual sales price of \$27,910 with a third party buyer, adjusted to reflect estimated disposition costs. The revenues of Bonita Lakes accounted for approximately 0.7% of total consolidated revenues for the trailing twelve months ended March 31, 2016. See Note 4 for further information on the sale that closed in the second quarter of 2016.
- (9) The Company wrote down the mall to its estimated fair value. The fair value analysis used a discounted cash flow methodology with assumptions including a 10-year holding period with a sale at the end of the holding period, a capitalization rate of 9.75%, a discount rate of 11.5% and estimated selling costs of 2.0%. The Company notified the lender that it would not pay off the loan that was scheduled to mature in August 2016 and the mall went into receivership in September 2016. See Note 6. The revenues of Midland Mall accounted for approximately 0.6% of total consolidated revenues for the year ended December 31, 2016. The mall was returned to the lender subsequent to December 31, 2016 as the foreclosure process was complete. See Note 19 for further information.
- (10) The Company sold a 75% interest in its wholly owned investment in River Ridge Mall to a newly formed joint venture in March 2016 and recognized a loss on impairment of \$9,510 in the first quarter of 2016 when it adjusted the book value of the mall to its estimated net sales price based upon a contract with a third party buyer, adjusted to reflect estimated disposition costs. The impairment loss includes a \$2,100 reserve for a roof and electrical work that the Company must fund in the future. An additional loss on impairment of \$84 was recognized in the fourth quarter of 2016 to reflect actual closing costs. The revenues of River Ridge Mall accounted for approximately 0.6% of total consolidated revenues for the trailing twelve months ended March 31, 2016. The Company's investment in River Ridge is included in Investments in Unconsolidated Affiliates on the Company's consolidated balance sheets at December 31, 2016. See Note 5 for further information.

Other Impairment Loss in 2016

During the year ended December 31, 2016, the Company recorded impairments of \$854 related to the sales of three outparcels. These outparcels are classified for segment reporting purposes in the All Other category. See Note 11 for segment information.

Long-lived Assets Measured at Fair Value in 2015

During the year ended December 31, 2015, the Company wrote down four properties to their estimated fair values. These Properties were Chesterfield Mall, Mayfaire Community Center, Chapel Hill Crossing and Madison Square. Of these four Properties, all but Chesterfield Mall were disposed of as of December 31, 2015 as described below.

In accordance with the Company's quarterly impairment review process, the Company recorded impairments of real estate of \$99,969 in the fourth quarter of 2015 related to Chesterfield Mall, located in Chesterfield, MO, to write-down the depreciated book value to its estimated fair value of \$125,000 as of December 31, 2015. The mall had experienced declining cash flows as competition from several new outlet shopping centers in the area impacted its sales. The fair value analysis for Chesterfield Mall as of December 31, 2015 used assumptions including an 11-year holding period with a sale at the end of the holding period, a capitalization rate of 8.25% and a discount rate of 8.25%. The revenues of Chesterfield Mall accounted for approximately 1.5% of total consolidated revenues for the year ended December 31, 2015. The mall is in foreclosure, which is expected to be complete in early 2017. See Note 6.

The Company wrote down the book values of Chapel Hill Crossing and Mayfaire Community Center to their net sales prices and recognized a non-cash impairment of real estate of \$1,914 and \$397, respectively, in the fourth quarter of 2015. Chapel Hill Crossing, an associated center located in Akron, OH was sold for \$2,300 and Mayfaire Community Center located in Wilmington, NC was sold for \$56,300. See Note 4 for additional information related to these sales.

The Company also recognized impairment of real estate of \$2,620 in the second quarter of 2015 when it adjusted the book value of Madison Square, a mall located in Huntsville, AL, to its net sales price of \$5,000 based on its sale in April 2015. See Note 4 for further information on this sale.

Other Impairment Loss in 2015

During 2015, the Company recorded an impairment of real estate of \$161 related to the sale of a building at a formerly owned mall for total net proceeds after sales costs of \$750, which was less than its carrying amount of \$911. The Company also recognized \$884 of impairment from the sale of two outparcels.

Long-lived Assets Measured at Fair Value in 2014

During the year ended December 31, 2014, the Company wrote down three properties to their estimated fair values. These properties were Chapel Hill Mall, Lakeshore Mall and Pemberton Plaza. All three of these properties were disposed of as of December 31, 2014 as described below.

In accordance with the Company's quarterly impairment review process, the Company recorded impairments of real estate of \$12,050 in the first quarter of 2014 related to Chapel Hill Mall, located in Akron, OH, to write-down the depreciated book value to its estimated fair value of \$53,348 as of March 31, 2014. The mall had experienced declining cash flows which were insufficient to cover the debt service on the mortgage secured by the property and the non-recourse loan was in default. The revenues of Chapel Hill Mall accounted for approximately 0.4% of total consolidated revenues for the year ended December 31, 2014. In the third quarter of 2014, the Company conveyed Chapel Hill Mall to the lender by a deed-in-lieu of foreclosure.

The Company recognized impairment of real estate of \$5,100 in the first quarter of 2014 when it adjusted the book value of Lakeshore Mall, located in Sebring, FL, to its estimated fair value of \$13,780 based on a binding purchase agreement signed in April 2014. The sale closed in May 2014 and the Company recognized an impairment loss of \$106 in the second quarter of 2014 as a result of additional closing costs. The revenues of Lakeshore Mall accounted for approximately 0.2% of total consolidated revenues for the year ended December 31, 2014.

In the third quarter of 2014, the Company recognized an impairment loss of \$497 to write down the book value of Pemberton Plaza, a community center located in Vicksburg, MS, to its sales price. The revenues of Pemberton Plaza accounted for approximately 0.0% of total consolidated revenues for the year ended December 31, 2014.

Other Impairment Loss in 2014

During 2014, the Company recorded an impairment of real estate of \$105 related to the sale an outparcel for total net proceeds after sales costs of \$176, which was less than its total carrying amount of \$281.

NOTE 16. SHARE-BASED COMPENSATION

As of December 31, 2016, there were two share-based compensation plans under which the Company has outstanding awards, the CBL & Associates Properties, Inc. 2012 Stock Incentive Plan ("the 2012 Plan") and CBL & Associates Properties, Inc. Second Amended and Restated Stock Incentive Plan ("the 1993 Plan"). The Company can only make new awards under the 2012 Plan, which was approved by the Company's shareholders in May 2012. The 2012 Plan permits the Company to issue stock options and common stock to selected officers, employees and non-employee directors of the Company up to a total of 10,400,000 shares. The Company did not issue any new awards under the 1993 Plan, which was approved by the Company's shareholders in May 2003, between the adoption of the 2012 Plan to replace the 1993 Plan in May 2012 and the termination of the 1993 Plan (as to new awards) on May 5, 2013. As the primary operating subsidiary of the Company, the Operating Partnership participates in and bears the compensation expense associated with the Company's share-based compensation plans. The Compensation Committee of the Board of Directors (the "Committee") administers the plans.

Stock Awards

Under the plans, common stock may be awarded either alone, in addition to, or in tandem with other stock awards granted under the plans. The Committee has the authority to determine eligible persons to whom common stock will be awarded, the number of shares to be awarded and the duration of the vesting period, as defined. Generally, an award of common stock vests either immediately at grant or in equal installments over a period of five years. Stock awarded to independent directors is fully vested upon grant; however, the independent directors may not transfer such shares during their board term. The Committee may also provide for the issuance of common stock under the plans on a deferred basis pursuant to deferred compensation arrangements. The fair value of common stock awarded under the plans is determined based on the market price of CBL's common stock on the grant date and the related compensation expense is recognized over the vesting period on a straight-line basis.

The Company may make restricted stock awards to independent directors, officers and its employees under the 2012 Plan. These awards are generally granted based on the performance of the Company and its employees. None of these awards have performance requirements other than a service condition of continued employment, unless otherwise provided. Compensation expense is recognized on a straight-line basis over the requisite service period.

The share-based compensation cost related to the restricted stock awards was \$4,681, \$4,287 and \$3,442 for 2016, 2015 and 2014, respectively. Share-based compensation cost resulting from share-based awards is recorded at the Management Company, which is a taxable entity. Share-based compensation cost capitalized as part of real estate assets was \$351, \$274 and \$268 in 2016, 2015 and 2014, respectively.

A summary of the status of the Company's nonvested restricted stock awards as of December 31, 2016, and changes during the year ended December 31, 2016, is presented below:

	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2016	533,404	\$ 19.19
Granted	319,660	\$ 10.02
Vested	(238,822)	\$ 16.57
Forfeited	(12,080)	\$ 16.76
Nonvested at December 31, 2016	602,162	\$ 15.41

The weighted-average grant-date fair value of shares granted during 2016, 2015 and 2014 was \$10.02, \$20.30 and \$17.11, respectively. The total fair value of shares vested during 2016, 2015 and 2014 was \$2,605, \$4,298 and \$3,484, respectively.

As of December 31, 2016, there was \$6,794 of total unrecognized compensation cost related to nonvested stock awards granted under the plans, which is expected to be recognized over a weighted-average period of 2.7 years.

Long-Term Incentive Program

In 2015, the Company adopted a long-term incentive program ("LTIP") for its named executive officers, which consists of performance stock unit ("PSU") awards and annual restricted stock awards, that may be issued under the 2012 Plan. The number of shares related to the PSU awards that each named executive officer may receive upon the conclusion of a three-year performance period is determined based on the Company's achievement of specified levels of long-term total stockholder return ("TSR") performance relative to the NAREIT Retail Index, provided that at least a "Threshold" level must be attained for any shares to be earned.

Annual Restricted Stock Awards

Under the LTIP, annual restricted stock awards consist of shares of time-vested restricted stock awarded based on a qualitative evaluation of the performance of the Company and the named executive officer during the fiscal year. Annual restricted stock awards under the LTIP vest 20% on the date of grant with the remainder vesting in four annual equal installments.

Performance Stock Units

In February 2016, the Company granted 282,995 PSUs at a grant-date fair value of \$4.98 per PSU (the "2016 PSUs"). In March 2015, the Company granted 138,680 PSUs at a grant-date fair value of \$15.52 per PSU (the "2015 PSUs"). Shares earned pursuant to the PSU awards vest 60% at the conclusion of the performance period while the remaining 40% of the PSU award vests 20% on each of the first two anniversaries thereafter.

The following table summarizes the assumptions used in the Monte Carlo simulation pricing model related to the 2016 PSUs, which had a grant date of February 10, 2016:

	2016 PSUs	
Fair value per share on valuation date ⁽¹⁾	\$	4.98
Risk-free interest rate ⁽²⁾		0.92%
Expected share price volatility ⁽³⁾		30.95%

(1) The value of the PSU awards are estimated on the date of grant using a Monte Carlo Simulation model. The valuation consisted of computing the fair value using CBL's simulated stock price as well as TSR over a three-year performance period. The award is modeled as a contingent claim in that the expected return on the underlying shares is risk-free and the rate of discounting the payoff of the award is also risk-free.

(2) The risk-free interest rate was based on the yield curve on zero-coupon U.S. Treasury securities in effect as of valuation date of February 10, 2016 for the 2016 PSUs.

(3) The computation of expected volatility was based on a blend of the historical volatility of CBL's shares of common stock based on annualized daily total continuous returns over a three-year period and implied volatility data based on the trailing month average of daily implied volatilities implied by stock call option contracts that were both closest to the terms shown and closest to the money.

Compensation cost is recognized on a tranche-by-tranche basis using the accelerated attribution method. The resulting expense is recorded regardless of whether any PSU awards are earned as long as the required service period is met. Share-based compensation expense related to the PSUs was \$1,033 and \$624 for the year ended December 31, 2016 and 2015, respectively. Unrecognized compensation costs related to the PSUs was \$1,905 as of December 31, 2016.

NOTE 17. EMPLOYEE BENEFIT PLANS

401(k) Plan

The Management Company maintains a 401(k) profit sharing plan, which is qualified under Section 401(a) and Section 401(k) of the Code to cover employees of the Management Company. All employees who have attained the age of 21 and have completed at least 60 days of service are eligible to participate in the plan. The plan provides for employer matching contributions on behalf of each participant equal to 50% of the portion of such participant's contribution that does not exceed 2.5% of such participant's compensation for the plan year. Additionally, the Management Company has the discretion to make additional profit-sharing-type contributions not related to participant elective contributions. Total contributions by the Management Company were \$987, \$997 and \$928 in 2016, 2015 and 2014, respectively.

Employee Stock Purchase Plan

The Company maintains an employee stock purchase plan that allows eligible employees to acquire shares of the Company's common stock in the open market without incurring brokerage or transaction fees. Under the plan, eligible employees make payroll deductions that are used to purchase shares of the Company's common stock. The shares are purchased at the prevailing market price of the stock at the time of purchase.

Deferred Compensation Arrangements

The Company has entered into an agreement with an officer that allows the officer to defer receipt of selected salary increases and/or bonus compensation for periods ranging from 5 to 10 years. The deferred compensation arrangement provides that bonus compensation is deferred in the form of a note payable to the officer. Interest accumulates on these notes at 5.0%. When an arrangement terminates, the note payable plus accrued interest is paid to the officer in cash. At December 31, 2016 and 2015, the Company had notes payable, including accrued interest, of \$122 and \$81, respectively, related to this arrangement.

NOTE 18. QUARTERLY INFORMATION (UNAUDITED)

Year Ended December 31, 2016	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total ⁽¹⁾
Total revenues	\$ 263,078	\$ 254,965	\$ 251,721	\$ 258,493	\$ 1,028,257
Income from operations ⁽²⁾	63,830	52,056	36,727	101,015	253,628
Net income ⁽³⁾	41,892	73,097	670	79,872	195,531
Net income attributable to the Company	40,074	62,919	1,059	68,830	172,882
Net income (loss) attributable to common shareholders	28,851	51,696	(10,164)	57,607	127,990
Basic per share data attributable to common shareholders:					
Net income (loss) attributable to common shareholders	\$ 0.17	\$ 0.30	\$ (0.06)	\$ 0.34	\$ 0.75
Diluted per share data attributable to common shareholders:					
Net income (loss) attributable to common shareholders	\$ 0.17	\$ 0.30	\$ (0.06)	\$ 0.34	\$ 0.75

(1) The sum of quarterly EPS may differ from annual EPS due to rounding.

(2) Income from operations for the quarters ended March 31, 2016; June 30, 2016; and September 30, 2016 includes a loss on impairment of \$19,685; \$43,493; and \$53,558 respectively, primarily related to properties which were sold during 2016 (see Note 4 and Note 15).

(3) Net income for the quarter ended March 31, 2016 includes a gain of \$26,395 related to the sale of a 50% interest in Triangle Town Center to a new 10/90 joint venture. Net income for the quarter ended June 30, 2016 includes a gain of \$29,267 related to the foreclosure of Gulf Coast Town Center and a gain of \$29,437 from the sale of Renaissance Center. The Company's share of the gain is included in Equity in Earnings of Unconsolidated Affiliates in the consolidated statements of operations (see Note 5).

Year Ended December 31, 2015	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total ⁽¹⁾
Total revenues	\$ 260,909	\$ 253,843	\$ 262,636	\$ 277,630	\$ 1,055,018
Income from operations ⁽²⁾	85,032	89,858	94,007	8,687	277,584
Net income (loss) ⁽³⁾	53,205	48,331	44,432	(26,953)	119,015
Net income (loss) attributable to the Company	46,164	41,895	37,569	(22,257)	103,371
Net income (loss) attributable to common shareholders	34,941	30,672	26,346	(33,480)	58,479
Basic per share data attributable to common shareholders:					
Net income (loss) attributable to common shareholders	\$ 0.21	\$ 0.18	\$ 0.15	\$ (0.20)	\$ 0.34
Diluted per share data attributable to common shareholders:					
Net income (loss) attributable to common shareholders	\$ 0.20	\$ 0.18	\$ 0.15	\$ (0.20)	\$ 0.34

(1) The sum of quarterly EPS may differ from annual EPS due to rounding.

(2) Income from operations for the quarter ended December 31, 2015 includes a \$102,280 loss on impairment of real estate primarily related to Chesterfield Mall (see Note 15).

(3) Income from continuing operations for the quarter ended March 31, 2015 includes \$16,560 gain on investment related to the sale of available-for-sale securities (see Note 2) and also includes \$14,173 and \$14,065 related to gain on sales of real estate assets for the quarters ended June 30, 2015 and December 31, 2015, respectively.

NOTE 19. SUBSEQUENT EVENTS

In January 2017, the Company sold One Oyster Point and Two Oyster Point, two office buildings located in Newport News, VA for an aggregate sales price of \$6,250. The Company recognized impairment of real estate assets of \$3,844 in the third quarter of 2016 when it wrote down the fair value of the office buildings based upon a signed contract with a third party buyer, adjusted to reflect estimated disposition costs. See Note 15 for additional information.

In January 2017, the foreclosure of Midland Mall was complete, and the lender received the deed to the Property in satisfaction of the non-recourse debt, which had a balance of \$31,953 as of December 31, 2016. The Company expects to record a gain on extinguishment of debt of approximately \$4,088 in the first quarter of 2017.

In January 2017, the Company retired two operating Property loans, with an aggregate principal balance of \$55,973 as of December 31, 2016, with borrowings from its unsecured credit facilities. The loans were secured by The Plaza at Fayette in Lexington, KY and The Shoppes at St. Clair in Fairview Heights, IL. The loans were scheduled to mature in April 2017.

In February 2017 and March 2017, the Company retired two operating Property loans with an aggregate principal balance of \$104,179 as of December 31, 2016 with borrowings from its unsecured credit facilities. The loans were secured by Layton Hills Mall in Layton, UT and Hamilton Corner in Chattanooga, TN. Both loans were scheduled to mature in April 2017.

In January 2017, the Company closed on a sale-leaseback transaction for five Sears department stores and two Sears Auto Centers at several of the Company's malls to control these locations for future redevelopment. The Company acquired the locations for a total consideration of \$72,500. Sears will continue to operate the department stores under new 10-year leases. Under the terms of the leases, the Company will receive aggregate initial base rent of approximately \$5,075. Sears will be responsible for paying common area maintenance charges, taxes, insurance and utilities under the terms of the leases. The Company will have the right to terminate each Sears' lease at any time (except November through January), with six months advance notice.

Additionally in January 2017, the Company closed on the acquisition of four Macy's stores located at several of the Company's malls for future redevelopment. The Company acquired the locations for \$7,000.

In January 2017, the maturity date of the note receivable for \$300 between the Company and Horizon Group was extended to July 2017. The note receivable was originally scheduled to mature in January 2017.

CBL & ASSOCIATES PROPERTIES, INC.
CBL & ASSOCIATES LIMITED PARTNERSHIP
VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

	Year Ended December 31,		
	2016	2015	2014
Tenant receivables - allowance for doubtful accounts:			
Balance, beginning of year	\$ 1,923	\$ 2,368	\$ 2,379
Additions in allowance charged to expense	4,058	2,254	2,643
Bad debts charged against allowance	(4,071)	(2,699)	(2,654)
Balance, end of year	<u>\$ 1,910</u>	<u>\$ 1,923</u>	<u>\$ 2,368</u>
	Year Ended December 31,		
	2016	2015	2014
Other receivables - allowance for doubtful accounts:			
Balance, beginning of year	\$ 1,276	\$ 1,285	\$ 1,241
Additions in allowance charged to expense	—	277	3,689
Bad debts charged against allowance	(438)	(286)	(3,645)
Balance, end of year	<u>\$ 838</u>	<u>\$ 1,276</u>	<u>\$ 1,285</u>

CBL & ASSOCIATES PROPERTIES, INC.
CBL & ASSOCIATES LIMITED PARTNERSHIP
REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
At December 31, 2016
(In thousands)

Description /Location	Encumbrances ⁽²⁾	Initial Cost ⁽¹⁾		Costs Capitalized Subsequent to Acquisition	Sales of Outparcel Land	Gross Amounts at Which Carried at Close of Period				Date of Construction / Acquisition	
		Land	Buildings and Improvements			Land	Buildings and Improvements	Total ⁽³⁾	Accumulated Depreciation ⁽⁴⁾		
MALLS:											
Acadiana Mall, Lafayette, LA	\$ 125,829	\$ 22,511	\$ 145,769	\$ 11,174	\$ —	\$ 19,919	\$ 159,535	\$ 179,454	\$ (70,172)	2005	
Alamance Crossing, Burlington, NC	47,160	20,853	63,105	40,214	(2,803)	18,050	103,319	121,369	(30,642)	2007	
Arbor Place, Atlanta (Douglasville), GA	113,574	7,862	95,330	27,305	—	7,862	122,635	130,497	(61,490)	1998-1999	
Asheville Mall, Asheville, NC	69,722	7,139	58,747	56,912	(805)	6,334	115,659	121,993	(51,150)	1998	
Brookfield Square, Brookfield, WI	—	8,996	84,250	55,700	(18)	9,170	139,758	148,928	(62,415)	2001	
Burnsville Center, Burnsville, MN	71,785	12,804	71,355	59,475	(1,157)	16,102	126,375	142,477	(56,832)	1998	
Cary Towne Center, Cary, NC	46,716	23,688	74,432	32,675	—	24,949	105,846	130,795	(40,748)	2001	
CherryVale Mall, Rockford, IL	—	11,892	63,973	57,704	(1,667)	11,608	120,294	131,902	(47,789)	2001	
Chesterfield Mall, Chesterfield, MO	140,000	11,083	282,140	(173,528)	—	11,083	108,612	119,695	(5,246)	2007	
College Square, Morristown, TN	—	2,954	17,787	33,393	(88)	2,866	51,180	54,046	(23,212)	1987-1988	
Cross Creek Mall, Fayetteville, NC	123,398	19,155	104,353	36,094	—	20,169	139,433	159,602	(48,554)	2003	
Dakota Square Mall, Minot, ND	—	4,552	87,625	25,253	—	4,552	112,878	117,430	(15,305)	2012	
Eastland Mall, Bloomington, IL	—	5,746	75,893	6,875	(753)	5,304	82,457	87,761	(31,211)	2005	
East Towne Mall, Madison, WI	—	4,496	63,867	50,590	(715)	3,781	114,457	118,238	(45,830)	2002	
EastGate Mall, Cincinnati, OH	37,123	13,046	44,949	28,553	(1,017)	12,029	73,502	85,531	(28,211)	2001	
Fayette Mall, Lexington, KY	162,240	25,205	84,256	106,369	—	25,205	190,625	215,830	(56,800)	2001	
Frontier Mall, Cheyenne, WY	—	2,681	15,858	21,925	(80)	2,601	37,783	40,384	(23,211)	1984-1985	
Foothills Mall, Maryville, TN	—	6,376	27,376	11,773	—	6,392	39,133	45,525	(26,604)	1996	
Greenbrier Mall, Chesapeake, VA	70,801	3,181	107,355	14,121	(626)	2,555	121,476	124,031	(40,768)	2004	
Hamilton Place, Chattanooga, TN	106,138	3,532	42,623	45,422	(441)	4,034	87,102	91,136	(50,871)	1986-1987	
Hanes Mall, Winston-Salem, NC	146,268	17,176	133,376	53,563	(948)	18,629	184,538	203,167	(73,315)	2001	
Harford Mall, Bel Air, MD	—	8,699	45,704	23,104	—	8,699	68,808	77,507	(25,954)	2003	
Hickory Point Mall, Forsyth, IL	27,446	10,731	31,728	17,036	(293)	10,021	48,763	58,784	(18,837)	2005	
Honey Creek Mall, Terre Haute, IN	26,700	3,108	83,358	18,968	—	3,108	102,326	105,434	(34,643)	2004	
Imperial Valley Mall, El Centro, CA	—	35,378	70,549	3,778	—	35,378	74,327	109,705	(10,135)	2012	
Janesville Mall, Janesville, WI	—	8,074	26,009	21,659	—	8,074	47,668	55,742	(18,249)	1998	
Jefferson Mall, Louisville, KY	66,051	13,125	40,234	28,898	(521)	12,604	69,132	81,736	(27,268)	2001	
Kirkwood Mall, Bismarck, ND	37,984	3,368	118,945	20,767	—	3,368	139,712	143,080	(16,009)	2012	
Laurel Park Place, Livonia, MI	—	13,289	92,579	19,562	—	13,289	112,141	125,430	(43,350)	2005	
Layton Hills Mall, Layton, UT	89,921	20,464	99,836	10,683	(340)	20,124	110,519	130,643	(37,440)	2005	
Mall del Norte, Laredo, TX	—	21,734	142,049	53,239	—	21,734	195,288	217,022	(78,157)	2004	

CBL & ASSOCIATES PROPERTIES, INC.
CBL & ASSOCIATES LIMITED PARTNERSHIP
REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
At December 31, 2016
(In thousands)

Description /Location	Encumbrances ⁽²⁾	Initial Cost ⁽¹⁾		Costs Capitalized Subsequent to Acquisition	Sales of Outparcel Land	Gross Amounts at Which Carried at Close of Period				Date of Construction / Acquisition
		Land	Buildings and Improvements			Land	Buildings and Improvements	Total ⁽³⁾	Accumulated Depreciation ⁽⁴⁾	
Mayfaire Town Center, Wilmington, NC	—	26,333	101,087	628	—	26,333	101,715	128,048	(4,952)	2015
Meridian Mall, Lansing, MI	—	529	103,678	80,810	—	2,232	182,785	185,017	(83,060)	1998
Midland Mall, Midland, MI	31,953	10,321	29,429	(10,545)	—	8,898	20,308	29,206	(935)	2001
Mid Rivers Mall, St. Peters, MO	—	16,384	170,582	19,431	(626)	15,758	190,013	205,771	(55,095)	2007
Monroeville Mall, Pittsburgh, PA	—	22,911	177,214	78,215	—	25,432	252,908	278,340	(79,067)	2004
Northgate Mall, Chattanooga, TN	—	2,330	8,960	23,441	(74)	2,256	32,401	34,657	(7,181)	2011
Northpark Mall, Joplin, MO	—	9,977	65,481	45,400	—	10,962	109,896	120,858	(42,028)	2004
Northwoods Mall, North Charleston, SC	67,827	14,867	49,647	24,502	(2,339)	12,528	74,149	86,677	(28,792)	2001
Old Hickory Mall, Jackson, TN	—	15,527	29,413	7,915	—	15,527	37,328	52,855	(15,662)	2001
The Outlet Shoppes at Atlanta, Woodstock, GA	83,432	8,598	100,613	(29,169)	(740)	16,427	62,875	79,302	(12,222)	2013
The Outlet Shoppes at El Paso, El Paso, TX	69,100	7,345	98,602	12,219	—	7,569	110,597	118,166	(17,945)	2012
The Outlet Shoppes at Gettysburg, Gettysburg, PA	38,450	20,779	22,180	1,328	—	20,778	23,508	44,286	(4,831)	2012
The Outlet Shoppes at Oklahoma City, Oklahoma City, OK	62,207	7,402	50,268	13,361	—	6,833	64,198	71,031	(21,867)	2011
The Outlet Shoppes of the Bluegrass, Simpsonville, KY	84,837	3,193	72,962	4,096	—	3,193	77,058	80,251	(9,705)	2014
Parkdale Mall, Beaumont, TX	83,527	23,850	47,390	59,072	(307)	23,544	106,461	130,005	(43,060)	2001
Park Plaza Mall, Little Rock, AR	86,737	6,297	81,638	35,456	—	6,304	117,087	123,391	(49,628)	2004
Parkway Place, Huntsville, AL	36,659	6,364	67,067	5,701	—	6,364	72,768	79,132	(16,027)	2010
Pearland Town Center, Pearland, TX	—	16,300	108,615	15,340	(857)	15,443	123,955	139,398	(39,504)	2008
Post Oak Mall, College Station, TX	—	3,936	48,948	15,857	(327)	3,608	64,806	68,414	(33,951)	1984-1985
Richland Mall, Waco, TX	—	9,874	34,793	19,760	—	9,887	54,540	64,427	(20,444)	2002
South County Center, St. Louis, MO	—	15,754	159,249	14,403	—	15,754	173,652	189,406	(48,721)	2007
Southaven Towne Center, Southaven, MS	—	8,255	29,380	13,462	—	8,896	42,619	51,515	(18,188)	2005
Southpark Mall, Colonial Heights, VA	62,246	9,501	73,262	38,132	—	11,282	109,613	120,895	(39,776)	2003
Stroud Mall, Stroudsburg, PA	—	14,711	23,936	20,932	—	14,711	44,868	59,579	(18,598)	1998
St. Clair Square, Fairview Heights, IL	—	11,027	75,620	35,095	—	11,027	110,715	121,742	(52,531)	1996
Sunrise Mall, Brownsville, TX	—	11,156	59,047	15,417	—	11,156	74,464	85,620	(22,966)	2003
Turtle Creek Mall, Hattiesburg, MS	—	2,345	26,418	17,838	—	3,535	43,066	46,601	(23,349)	1993-1995
Valley View Mall, Roanoke, VA	56,734	15,985	77,771	21,867	—	15,999	99,624	115,623	(35,147)	2003
Volusia Mall, Daytona Beach, FL	45,929	2,526	120,242	28,693	—	6,431	145,030	151,461	(45,827)	2004
Wausau Center, Wausau, WI	17,689	5,231	24,705	(13,707)	(5,231)	—	10,998	10,998	(387)	2001
West Towne Mall, Madison, WI	—	9,545	83,084	51,879	—	9,545	134,963	144,508	(52,750)	2002
WestGate Mall, Spartanburg, SC	36,021	2,149	23,257	47,192	(432)	1,742	70,424	72,166	(37,706)	1995
Westmoreland Mall, Greensburg, PA	—	4,621	84,215	26,897	(316)	4,305	111,112	115,417	(40,716)	2002

CBL & ASSOCIATES PROPERTIES, INC.
CBL & ASSOCIATES LIMITED PARTNERSHIP
REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
At December 31, 2016
(In thousands)

Description /Location	Encumbrances ⁽²⁾	Initial Cost ⁽¹⁾		Costs Capitalized Subsequent to Acquisition	Sales of Outparcel Land	Gross Amounts at Which Carried at Close of Period				Date of Construction / Acquisition
		Land	Buildings and Improvements			Land	Buildings and Improvements	Total ⁽³⁾	Accumulated Depreciation ⁽⁴⁾	
York Galleria, York, PA	—	5,757	63,316	12,356	—	5,757	75,672	81,429	(32,799)	1995
ASSOCIATED CENTERS:										
Annex at Monroeville, Pittsburgh, PA	—	—	29,496	(444)	—	—	29,052	29,052	(9,159)	2004
CoolSprings Crossing, Nashville, TN	—	2,803	14,985	5,750	—	3,554	19,984	23,538	(12,400)	1991-1993
Courtyard at Hickory Hollow, Nashville, TN	—	3,314	2,771	(1,618)	(231)	1,500	2,736	4,236	(753)	1998
Frontier Square, Cheyenne, WY	—	346	684	434	(86)	260	1,118	1,378	(673)	1985
Gunbarrel Pointe, Chattanooga, TN	—	4,170	10,874	3,491	—	4,170	14,365	18,535	(5,881)	2000
Hamilton Corner, Chattanooga, TN	14,258	630	5,532	8,568	—	734	13,996	14,730	(7,201)	1986-1987
Hamilton Crossing, Chattanooga, TN	9,368	4,014	5,906	6,851	(1,370)	2,644	12,757	15,401	(6,896)	1987
Harford Annex, Bel Air, MD	—	2,854	9,718	1,355	—	2,854	11,073	13,927	(3,618)	2003
The Landing at Arbor Place, Atlanta (Douglasville), GA	—	4,993	14,330	1,555	(1,886)	3,107	15,885	18,992	(9,015)	1998-1999
Layton Hills Convenience Center, Layton, UT	—	—	8	2,619	—	—	2,627	2,627	(674)	2005
Layton Hills Plaza, Layton, UT	—	—	2	299	—	—	301	301	(212)	2005
The Plaza at Fayette, Lexington, KY	37,146	9,531	27,646	4,169	—	9,531	31,815	41,346	(10,882)	2006
Parkdale Crossing, Beaumont, TX	—	2,994	7,408	2,282	(355)	2,639	9,690	12,329	(3,471)	2002
The Shoppes At Hamilton Place, Chattanooga, TN	—	4,894	11,700	1,614	—	4,894	13,314	18,208	(4,526)	2003
Sunrise Commons, Brownsville, TX	—	1,013	7,525	2,520	—	1,013	10,045	11,058	(3,318)	2003
The Shoppes at St. Clair Square, Fairview Heights, IL	18,827	8,250	23,623	513	(5,044)	3,206	24,136	27,342	(8,973)	2007
The Terrace, Chattanooga, TN	13,057	4,166	9,929	8,117	—	6,536	15,676	22,212	(6,006)	1997
West Towne Crossing, Madison, WI	—	1,151	2,955	7,940	—	2,126	9,920	12,046	(2,647)	1998
WestGate Crossing, Spartanburg, SC	—	1,082	3,422	8,211	—	1,082	11,633	12,715	(4,631)	1997
Westmoreland Crossing, Greensburg, PA	—	2,898	21,167	9,234	—	2,898	30,401	33,299	(10,820)	2002
COMMUNITY CENTERS:										
The Forum at Grandview, Madison, MS	—	9,234	17,285	20,561	(684)	8,652	37,744	46,396	(4,808)	2010
Parkway Plaza, Fort Oglethorpe, GA	—	2,675	13,435	6	—	2,675	13,441	16,116	(850)	2015
The Promenade, D'Iberville, MS	—	16,278	48,806	24,886	(706)	17,953	71,311	89,264	(16,041)	2009
Statesboro Crossing, Statesboro, GA	10,962	2,855	17,805	2,235	(235)	2,840	19,820	22,660	(4,865)	2008
OFFICE BUILDINGS AND OTHER:										
840 Greenbrier Circle, Chesapeake, VA	—	2,096	3,091	179	—	2,096	3,270	5,366	(1,189)	2007
850 Greenbrier Circle, Chesapeake, VA	—	3,154	6,881	(289)	—	3,154	6,592	9,746	(1,805)	2007
CBL Center, Chattanooga, TN	19,170	140	24,675	181	—	140	24,856	24,996	(14,042)	2001
CBL Center II, Chattanooga, TN	—	—	13,648	1,137	—	—	14,785	14,785	(4,579)	2008

CBL & ASSOCIATES PROPERTIES, INC.
CBL & ASSOCIATES LIMITED PARTNERSHIP
REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
At December 31, 2016
(In thousands)

Description /Location	Encumbrances ⁽²⁾	Initial Cost ⁽¹⁾		Costs Capitalized Subsequent to Acquisition	Sales of Outparcel Land	Gross Amounts at Which Carried at Close of Period				Date of Construction / Acquisition
		Land	Buildings and Improvements			Land	Buildings and Improvements	Total ⁽³⁾	Accumulated Depreciation ⁽⁴⁾	
One Oyster Point, Newport News, VA	—	1,822	3,623	(2,128)	—	—	3,317	3,317	—	2007
Pearland Hotel, Pearland, TX	—	—	16,149	652	—	—	16,801	16,801	(4,472)	2008
Pearland Office, Pearland, TX	—	—	7,849	2,844	—	—	10,693	10,693	(2,964)	2009
Pearland Residential Mgmt, Pearland, TX	—	—	9,666	9	—	—	9,675	9,675	(2,262)	2008
Two Oyster Point, Newport News, VA	—	1,543	3,974	(2,974)	—	—	2,543	2,543	—	2007
DISPOSITIONS:										
Bonita Lakes Crossing, Meridian, MS	—	794	4,786	(5,580)	—	—	—	—	—	1997
Bonita Lakes Mall, Meridian, MS	—	4,924	31,933	(35,872)	(985)	—	—	—	—	1997
Cobblestone Village at Palm Coast, Palm Coast, FL	—	6,082	12,070	(17,932)	(220)	—	—	—	—	2007
The Crossings at Marshall Creek, Marshalls Creek, PA	—	6,456	15,351	(21,807)	—	—	—	—	—	2013
Fashion Square, Saginaw, MI	—	15,218	64,970	(80,188)	—	—	—	—	—	2001
The Lakes Mall, Muskegon, MI	—	3,328	42,366	(45,694)	—	—	—	—	—	2000-2001
Oak Branch Business Center, Greensboro, NC	—	535	2,192	(2,727)	—	—	—	—	—	2007
Randolph Mall, Asheboro, NC	—	4,547	13,927	(18,474)	—	—	—	—	—	2001
Regency Mall, Racine, WI	—	3,539	36,839	(40,090)	(288)	—	—	—	—	2001
River Ridge Mall, Lynchburg, VA	—	4,824	59,052	(63,624)	(252)	—	—	—	—	2003
Walnut Square, Dalton, GA	—	50	15,138	(15,186)	(2)	—	—	—	—	1984-1985
Other	39,263	1,332	2,272	(684)	(324)	908	1,688	2,596	(1,640)	
Developments in progress consisting of construction and Development Properties	—	—	—	178,355	—	—	178,355	178,355	—	
TOTALS	\$ 2,534,255	\$ 875,107	\$ 5,584,943	\$ 1,523,786	\$ (36,189)	\$ 820,775	\$ 7,126,872	\$ 7,947,647	\$ (2,427,108)	

(1) Initial cost represents the total cost capitalized including carrying cost at the end of the first fiscal year in which the Property opened or was acquired.

(2) Encumbrances represent the face amount of the mortgage and other indebtedness balance at December 31, 2016, excluding debt premium or discount.

(3) The aggregate cost of land and buildings and improvements for federal income tax purposes is approximately \$7.843 billion.

(4) Depreciation for all Properties is computed over the useful life which is generally 40 years for buildings, 10-20 years for certain improvements and 7-10 years for equipment and fixtures.

**CBL & ASSOCIATES PROPERTIES, INC.
CBL & ASSOCIATES LIMITED PARTNERSHIP
REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
At December 31, 2016
(In thousands)**

The changes in real estate assets and accumulated depreciation for the years ending December 31, 2016, 2015, and 2014 are set forth below (in thousands):

	Year Ended December 31,		
	2016	2015	2014
REAL ESTATE ASSETS:			
Balance at beginning of period	\$ 8,240,521	\$ 8,187,183	\$ 8,123,514
Additions during the period:			
Additions and improvements	263,265	230,990	282,282
Acquisitions of real estate assets	—	182,747	—
Deductions during the period:			
Disposals, deconsolidations and accumulated depreciation on impairments	(435,331)	(249,716)	(189,372)
Transfers from real estate assets	(3,986)	(4,738)	(11,383)
Impairment of real estate assets	(116,822)	(105,945)	(17,858)
Balance at end of period	<u>\$ 7,947,647</u>	<u>\$ 8,240,521</u>	<u>\$ 8,187,183</u>
ACCUMULATED DEPRECIATION:			
Balance at beginning of period	\$ 2,382,568	\$ 2,240,007	\$ 2,056,357
Depreciation expense	272,697	274,544	269,602
Accumulated depreciation on real estate assets sold, retired, deconsolidated or impaired	(228,157)	(131,983)	(85,952)
Balance at end of period	<u>\$ 2,427,108</u>	<u>\$ 2,382,568</u>	<u>\$ 2,240,007</u>

**CBL & ASSOCIATES PROPERTIES, INC.
CBL & ASSOCIATES LIMITED PARTNERSHIP
MORTGAGE NOTES RECEIVABLE ON REAL ESTATE
At December 31, 2016
(In thousands)**

Name Of Center/Location	Interest Rate	Final Maturity Date	Monthly Payment Amount ⁽¹⁾	Balloon Payment At Maturity	Prior Liens	Face Amount Of Mortgage	Carrying Amount Of Mortgage ⁽²⁾	Principal Amount Of Mortgage Subject To Delinquent Principal Or Interest
FIRST MORTGAGES:								
Columbia Place Outparcel	5.00%	Feb-22	\$ 3	\$ 210	None	\$ 360	\$ 321	\$ —
One Park Place - Chattanooga, TN	5.00%	May-2022	21	—	None	3,200	1,194	—
Village Square - Houghton Lake, MI	3.75%	Mar-2018	9	1,583	None	2,627	1,644	—
Other	3.27% - 9.50% ⁽³⁾	Dec-2016 / Jan-2047 ⁽⁴⁾	15	2,534		2,597	2,521	1,100
			<u>\$ 48</u>	<u>\$ 4,327</u>		<u>\$ 8,784</u>	<u>\$ 5,680</u>	<u>\$ 1,100</u>

(1) Equal monthly installments comprised of principal and interest, unless otherwise noted.

(2) The aggregate carrying value for federal income tax purposes was \$5,680 at December 31, 2016.

(3) Mortgage notes receivable aggregated in Other include a variable-rate note that bears interest at prime plus 2.0%, currently at 5.75%, and a variable-rate note that bears interest at LIBOR plus 2.50%.

(4) A \$1,100 note for The Promenade at D'Iberville with a maturity date of December 2016 is in default at December 31, 2016. See Note 10 to the consolidated financial statements for additional information.

The changes in mortgage notes receivable were as follows (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Beginning balance	\$ 7,776	\$ 9,323	\$ 19,120
Additions	—	—	360
Payments	(250)	(1,547)	(10,157)
Write-Offs ⁽¹⁾	(1,846)	—	—
Ending balance	<u>\$ 5,680</u>	<u>\$ 7,776</u>	<u>\$ 9,323</u>

(1) See Note 10 to the consolidated financial statements for more information.

EXHIBIT INDEX

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company, as amended through May 6, 2016
3.2	Third Amended and Restated Bylaws of the Company, as amended through February 11, 2016 (z)
4.1	See Amended and Restated Certificate of Incorporation of the Company, as amended, and Third Amended and Restated Bylaws of the Company relating to the Common Stock, Exhibits 3.1 and 3.2 above
4.2	Certificate of Designations, dated June 25, 1998, relating to the 9.0% Series A Cumulative Redeemable Preferred Stock (c)
4.3	Certificate of Designation, dated April 30, 1999, relating to the Series 1999 Junior Participating Preferred Stock (c)
4.4	Terms of Series J Special Common Units of the Operating Partnership, pursuant to Article 4.4 of the Second Amended and Restated Partnership Agreement of the Operating Partnership (c)
4.5	Certificate of Designations, dated June 11, 2002, relating to the 8.75% Series B Cumulative Redeemable Preferred Stock (d)
4.6	Acknowledgment Regarding Issuance of Partnership Interests and Assumption of Partnership Agreement (f)
4.7	Certificate of Designations, dated August 13, 2003, relating to the 7.75% Series C Cumulative Redeemable Preferred Stock (e)
4.8	Certificate of Correction of the Certificate of Designations relating to the 7.75% Series C Cumulative Redeemable Preferred Stock (g)
4.9	Certificate of Designations, dated December 10, 2004, relating to the 7.375% Series D Cumulative Redeemable Preferred Stock (g)
4.9.1	Amended and Restated Certificate of Designations, dated February 25, 2010, relating to the 7.375% Series D Cumulative Redeemable Preferred Stock (l)
4.9.2	Second Amended and Restated Certificate of Designations, dated October 14, 2010, relating to the 7.375% Series D Cumulative Redeemable Preferred Stock (n)
4.10	Certificate of Designations, dated October 1, 2012, relating to the 6.625% Series E Cumulative Redeemable Preferred Stock (r)
4.11	Terms of the Series S Special Common Units of the Operating Partnership, pursuant to the Third Amendment to the Second Amended and Restated Partnership Agreement of the Operating Partnership (h)
4.12	Terms of the Series L Special Common Units of the Operating Partnership, pursuant to the Fourth Amendment to the Second Amended and Restated Partnership Agreement of the Operating Partnership (i)
4.13	Terms of the Series K Special Common Units of the Operating Partnership, pursuant to the First Amendment to the Third Amended and Restated Partnership Agreement of the Operating Partnership (i)
4.14.1	Indenture dated as of November 26, 2013, among CBL & Associates Limited Partnership, CBL & Associates Properties, Inc. and U.S. Bank National Association (aa)
4.14.2	First Supplemental Indenture, dated as of November 26, 2013, among CBL & Associates Limited Partnership, CBL & Associates Properties, Inc. and U.S. Bank National Association (aa)
4.14.3	Second Supplemental Indenture, dated as of December 13, 2016, among CBL & Associates Limited Partnership, CBL & Associates Properties, Inc. and U.S. Bank National Association (bb)
4.14.4	Limited Guarantee, dated as of November 26, 2013, of CBL & Associates Properties, Inc. (aa)
4.14.5	Global Note evidencing the 5.250% Senior Notes Due 2023 (aa)
4.14.6	Global Note evidencing the 4.60% Senior Notes Due 2024 (cc)
4.14.7	Global Note evidencing the 5.950% Senior Notes Due 2026 (bb)
10.1.1	Fourth Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated November 2, 2010 (o)
10.1.2	Certificate of Designation, dated October 1, 2012, relating to the 6.625% Series E Cumulative Preferred Units (s)
10.2.1	CBL & Associates Properties, Inc. Second Amended and Restated Stock Incentive Plan† (m)

Exhibit Number	Description
10.2.2	Form of Stock Restriction Agreement for restricted stock awards in 2006 and subsequent years† (k)
10.2.3	First Amendment to CBL & Associates Properties, Inc. Second Amended and Restated Stock Incentive Plan† (p)
10.2.4	CBL & Associates Properties, Inc. 2012 Stock Incentive Plan† (q)
10.2.5	Original Form of Stock Restriction Agreement for Restricted Stock Awards under CBL & Associates Properties, Inc. 2012 Stock Incentive Plan† (v)
10.2.6	Form of Stock Restriction Agreement for Restricted Stock Awards under CBL & Associates Properties, Inc. 2012 Stock Incentive Plan (effective May 2013)† (x)*
10.2.7	Amendment No. 1 to CBL & Associates Properties, Inc. 2012 Stock Incentive Plan† (dd)
10.2.8	Form of Performance Stock Unit Award Agreement under CBL & Associates Properties, Inc. 2012 Stock Incentive Plan† (ee)
10.2.9	Form of Named Executive Officer Stock Restriction Agreement under CBL & Associates Properties, Inc. 2012 Stock Incentive Plan† (ee)
10.2.10	CBL & Associates Properties, Inc. Named Executive Officer Annual Incentive Compensation Plan (AIP) (Fiscal Year 2015)† (ee)
10.2.11	CBL & Associates Properties, Inc. Named Executive Officer Annual Incentive Compensation Plan (AIP) (Fiscal Year 2016)† (z)
10.2.12	CBL & Associates Properties, Inc. Named Executive Officer Annual Incentive Compensation Plan (AIP) (Fiscal Year 2017)† (hh)
10.3.1	Form of Indemnification Agreements between the Company and the Management Company and their officers and directors, for agreements executed prior to 2013 (a)
10.3.2	Form of Indemnification Agreements between the Company and the Management Company and their officers and directors, for agreements executed in 2013 and subsequent years (ee)
10.4.1	Employment Agreement for Charles B. Lebovitz† (a)
10.4.2	Employment Agreement for Stephen D. Lebovitz† (a)
10.4.3	Summary Description of CBL & Associates Properties, Inc. Director Compensation Arrangements†
10.4.4	CBL & Associates Properties, Inc. Tier III Post-65 Retiree Program† (t)
10.5	Option Agreement relating to Outparcels (a)
10.6	Share Ownership Agreement by and among the Company and its related parties and the Jacobs entities, dated as of January 31, 2001 (b)
10.7.1	Registration Rights Agreement by and between the Company and the Holders of SCU's listed on Schedule A thereto, dated as of January 31, 2001 (b)
10.7.2	Registration Rights Agreement by and between the Company and Frankel Midland Limited Partnership, dated as of January 31, 2001 (b)
10.7.3	Registration Rights Agreement by and between the Company and Hess Abroms Properties of Huntsville, dated as of January 31, 2001 (b)
10.7.4	Registration Rights Agreement by and between the Company and the Holders of Series S Special Common Units of the Operating Partnership listed on Schedule A thereto, dated July 28, 2004 (h)
10.7.5	Form of Registration Rights Agreements between the Company and Certain Holders of Series K Special Common Units of the Operating Partnership, dated as of November 16, 2005 (i)
10.8.1	Amended and Restated Loan Agreement by and among the Operating Partnership, the Company and First Tennessee Bank National Association, et. a. dated February 22, 2013 (u)
10.8.2	First Modification to Amended and Restated Loan Agreement by and among the Operating Partnership, the Company and First Tennessee Bank National Association, et. al. dated December 16, 2013 (dd)
10.8.3	Second Modification to Amended and Restated Loan Agreement by and among the Operating Partnership, the Company and First Tennessee Bank National Association, et. al. dated January 16, 2015 (ff)
10.8.4	Third Modification to Amended and Restated Loan Agreement by and among the Operating Partnership, the Company and First Tennessee Bank National Association, et. al. dated October 20, 2015 (gg)

Exhibit Number	Description
10.9	Amended and Restated Limited Liability Company Agreement of JG Gulf Coast Town Center LLC by and between JG Gulf Coast Member LLC, an Ohio limited liability company and CBL/Gulf Coast, LLC, a Florida limited liability company, dated April 27, 2005 (i)
10.10.1	Contribution Agreement and Joint Escrow Instructions between the Company and the owners of Oak Park Mall named therein, dated as of October 17, 2005 (i)
10.10.2	First Amendment to Contribution Agreement and Joint Escrow Instructions between the Company and the owners of Oak Park Mall named therein, dated as of November 8, 2005 (i)
10.10.3	Contribution Agreement and Joint Escrow Instructions between the Company and the owners of Eastland Mall named therein, dated as of October 17, 2005 (i)
10.10.4	First Amendment to Contribution Agreement and Joint Escrow Instructions between the Company and the owners of Eastland Mall named therein, dated as of November 8, 2005 (i)
10.10.5	Purchase and Sale Agreement and Joint Escrow Instructions between the Company and the owners of Hickory Point Mall named therein, dated as of October 17, 2005 (i)
10.10.6	Purchase and Sale Agreement and Joint Escrow Instructions between the Company and the owner of Eastland Medical Building, dated as of October 17, 2005 (i)
10.10.7	Letter Agreement, dated as of October 17, 2005, between the Company and the other parties to the acquisition agreements listed above for Oak Park Mall, Eastland Mall, Hickory Point Mall and Eastland Medical Building (i)
10.11.1	Master Transaction Agreement by and among REJ Realty LLC, JG Realty Investors Corp., JG Manager LLC, JG North Raleigh L.L.C., JG Triangle Peripheral South LLC, and the Operating Partnership, effective October 24, 2005 (j)
10.11.2	Amended and Restated Limited Liability Company Agreement of Triangle Town Member, LLC by and among CBL Triangle Town Member, LLC and REJ Realty LLC, JG Realty Investors Corp. and JG Manager LLC, effective as of November 16, 2005 (j)
10.12.1	Term Loan Agreement by and among the Operating Partnership and the Company, and Wells Fargo Bank, National Association, et al., dated July 30, 2013 (y)
10.12.2	First Amendment to Term Loan Agreement by and among the Operating Partnership and the Company, and Wells Fargo Bank, National Association, et. al., dated October 16, 2015 (ff)
10.13.1	Controlled Equity Offering SM Sales Agreement, dated March 1, 2013, by and between CBL & Associates Properties, Inc. and Cantor Fitzgerald & Co. (w)
10.13.2	Controlled Equity Offering SM Sales Agreement, dated March 1, 2013, by and between CBL & Associates Properties, Inc. and J.P. Morgan Securities LLC (w)
10.13.3	Controlled Equity Offering SM Sales Agreement, dated March 1, 2013, by and between CBL & Associates Properties, Inc. and KeyBanc Capital Markets Inc. (w)
10.13.4	Controlled Equity Offering SM Sales Agreement, dated March 1, 2013, by and between CBL & Associates Properties, Inc. and RBC Capital Markets, LLC (w)
10.13.5	Controlled Equity Offering SM Sales Agreement, dated March 1, 2013, by and between CBL & Associates Properties, Inc. and Wells Fargo Securities, LLC (w)
10.14	Term Loan Agreement by and among the Operating Partnership and the Company, and Wells Fargo Bank, National Association, et. al., dated October 16, 2015 (gg)
10.15	Fourth Amended and Restated Credit Agreement by and among the Operating Partnership and the Company, and Wells Fargo Bank, National Association, et. al, dated October 16, 2015 (gg)
10.16	Ninth Amended and Restated Credit Agreement by and among the Operating Partnership and the Company, and Wells Fargo Bank, National Association, et. al., dated October 16, 2015 (gg)
12.1	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Dividends of CBL & Associates Properties, Inc.
12.2	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Dividends of CBL & Associates Limited Partnership
12.3	Computation of Ratio of Earnings to Fixed Charges of CBL & Associates Properties, Inc.
12.4	Computation of Ratio of Earnings to Fixed Charges of CBL & Associates Limited Partnership
21	Subsidiaries of CBL & Associates Properties, Inc. and CBL & Associates Limited Partnership
23.1	Consent of Deloitte & Touche LLP (for the Company)
23.2	Consent of Deloitte & Touche LLP (for the Operating Partnership)

Exhibit Number	Description
24	Power of Attorney
31.1	Certification pursuant to Securities Exchange Act Rule 13a-14(a) by the Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for CBL & Associates Properties, Inc.
31.2	Certification pursuant to Securities Exchange Act Rule 13a-14(a) by the Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for CBL & Associates Properties, Inc.
31.3	Certification pursuant to Securities Exchange Act Rule 13a-14(a) by the Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for CBL & Associates Limited Partnership
31.4	Certification pursuant to Securities Exchange Act Rule 13a-14(a) by the Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for CBL & Associates Limited Partnership
32.1	Certification pursuant to Securities Exchange Act Rule 13a-14(b) by the Chief Executive Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for CBL & Associates Properties, Inc.
32.2	Certification pursuant to Securities Exchange Act Rule 13a-14(b) by the Chief Financial Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for CBL & Associates Properties, Inc.
32.3	Certification pursuant to Securities Exchange Act Rule 13a-14(b) by the Chief Executive Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for CBL & Associates Limited Partnership
32.4	Certification pursuant to Securities Exchange Act Rule 13a-14(b) by the Chief Financial Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for CBL & Associates Limited Partnership
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
(a)	Incorporated by reference to Post-Effective Amendment No. 1 to the Company's Registration Statement on Form S-11 (No. 33-67372), as filed with the Commission on January 27, 1994.*
(b)	Incorporated by reference from the Company's Current Report on Form 8-K, filed on February 6, 2001.*
(c)	Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001.*
(d)	Incorporated by reference from the Company's Current Report on Form 8-K, dated June 10, 2002, filed on June 17, 2002.*
(e)	Incorporated by reference from the Company's Registration Statement on Form 8-A, filed on August 21, 2003.*
(f)	Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002.*
(g)	Incorporated by reference from the Company's Registration Statement on Form 8-A, filed on December 10, 2004.*
(h)	Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004.*
(i)	Incorporated by reference from the Company's Current Report on Form 8-K, filed on November 22, 2005.*
(j)	Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005.*
(k)	Incorporated by reference from the Company's Current Report on Form 8-K, filed on May 24, 2006.*
(l)	Incorporated by reference from the Company's Current Report on Form 8-K, filed on March 1, 2010.*

- (m) Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.*
- (n) Incorporated by reference from the Company's Current Report on Form 8-K, filed on October 18, 2010.*
- (o) Incorporated by reference from the Company's Current Report on Form 8-K, filed on November 5, 2010.*
- (p) Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.*
- (q) Incorporated by reference from the Company's Current Report on Form 8-K, filed on May 10, 2012.*
- (r) Incorporated by reference from the Company's Registration Statement on Form 8-A, filed on October 1, 2012.*
- (s) Incorporated by reference from the Company's Current Report on Form 8-K, filed on October 5, 2012.*
- (t) Incorporated by reference from the Company's Current Report on Form 8-K, filed on November 9, 2012.*
- (u) Incorporated by reference from the Company's Current Report on Form 8-K, filed on February 28, 2013.*
- (v) Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.*
- (w) Incorporated by reference from the Company's Current Report on Form 8-K, filed on March 1, 2013.*
- (x) Incorporated by reference from the Company's Current Report on Form 8-K, filed on May 17, 2013.*
- (y) Incorporated by reference from the Company's Current Report on Form 8-K, filed on August 5, 2013.*
- (z) Incorporated by reference from the Company's Current Report on Form 8-K, filed on February 16, 2016.**
- (aa) Incorporated by reference from the Company's Current Report on Form 8-K, dated and filed on November 26, 2013.**
- (bb) Incorporated by reference from the Company's Current Report on Form 8-K, filed December 13, 2016.**
- (cc) Incorporated by reference from the Company's Current Report on Form 8-K, filed October 8, 2014.**
- (dd) Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.**
- (ee) Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.**
- (ff) Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015.**
- (gg) Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015.**
- (hh) Incorporated by reference from the Company's Current Report on Form 8-K, filed on February 3, 2017.**

† A management contract or compensatory plan or arrangement required to be filed pursuant to Item 15(b) of this report.

* Commission File No. 1-12494

** Commission File No. 1-12494 and 333-182515-01

CBL & Associates Properties, Inc.
Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Dividends
(in thousands, except ratios)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Earnings:					
Income before discontinued operations, equity in earnings and noncontrolling interests	\$ 75,935	\$ 103,756	\$ 242,675	\$ 105,006	\$ 179,140
Fixed charges less capitalized interest and preferred dividends	216,318	229,458	239,844	231,934	242,357
Distributed income of equity investees	16,603	21,095	21,866	15,995	17,074
Equity in losses of equity investees for which charges arise from guarantees	—	(197)	(63)	(44)	—
Noncontrolling interest in earnings of subsidiaries that have not incurred fixed charges	(127)	(152)	(273)	(3,069)	(3,729)
Total earnings	<u>\$ 308,729</u>	<u>\$ 353,960</u>	<u>\$ 504,049</u>	<u>\$ 349,822</u>	<u>\$ 434,842</u>
Combined fixed charges and preferred dividends ⁽¹⁾ :					
Interest expense ⁽²⁾	\$ 216,318	\$ 229,458	\$ 239,844	\$ 231,934	\$ 242,357
Capitalized interest	2,302	4,153	7,246	5,837	2,671
Preferred dividends ⁽³⁾	44,892	44,892	44,892	59,529	68,197
Total combined fixed charges and preferred dividends	<u>\$ 263,512</u>	<u>\$ 278,503</u>	<u>\$ 291,982</u>	<u>\$ 297,300</u>	<u>\$ 313,225</u>
Ratio of earnings to combined fixed charges and preferred dividends	<u>1.17</u>	<u>1.27</u>	<u>1.73</u>	<u>1.18</u>	<u>1.39</u>

(1) The interest portion of rental expense is not calculated because the rental expense of the Company is not significant.

(2) Interest expense includes amortization of capitalized debt expenses and amortization of premiums and discounts.

(3) Includes preferred distributions to the Company's partner in CW Joint Venture, LLC through September 2013, when the outstanding perpetual preferred joint venture units were redeemed.

CBL & Associates Limited Partnership
Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Dividends
(in thousands, except ratios)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Earnings:					
Income before discontinued operations, equity in earnings and noncontrolling interests	\$ 75,935	\$ 103,756	\$ 242,675	\$ 105,006	\$ 179,140
Fixed charges less capitalized interest and preferred dividends	216,318	229,458	239,844	231,934	242,357
Distributed income of equity investees	16,633	21,092	21,866	15,995	17,074
Equity in losses of equity investees for which charges arise from guarantees	—	(197)	(63)	(44)	—
Noncontrolling interest in earnings of subsidiaries that have not incurred fixed charges	(127)	(152)	(273)	(3,069)	(3,729)
Total earnings	<u>\$ 308,759</u>	<u>\$ 353,957</u>	<u>\$ 504,049</u>	<u>\$ 349,822</u>	<u>\$ 434,842</u>
Combined fixed charges and preferred dividends ⁽¹⁾ :					
Interest expense ⁽²⁾	\$ 216,318	\$ 229,458	\$ 239,844	\$ 231,934	\$ 242,357
Capitalized interest	2,302	4,153	7,246	5,837	2,671
Preferred dividends ⁽³⁾	44,892	44,892	44,892	59,529	68,197
Total combined fixed charges and preferred dividends	<u>\$ 263,512</u>	<u>\$ 278,503</u>	<u>\$ 291,982</u>	<u>\$ 297,300</u>	<u>\$ 313,225</u>
Ratio of earnings to combined fixed charges and preferred dividends	<u>1.17</u>	<u>1.27</u>	<u>1.73</u>	<u>1.18</u>	<u>1.39</u>

(1) The interest portion of rental expense is not calculated because the rental expense of the Operating Partnership is not significant.

(2) Interest expense includes amortization of capitalized debt expenses and amortization of premiums and discounts.

(3) Includes preferred distributions to the Operating Partnership's partner in CW Joint Venture, LLC through September 2013, when the outstanding perpetual preferred joint venture units were redeemed.

CBL & Associates Properties, Inc.
Computation of Ratio of Earnings to Fixed Charges
(in thousands, except ratios)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Earnings:					
Income before discontinued operations, equity in earnings and noncontrolling interests	\$ 75,935	\$ 103,756	\$ 242,675	\$ 105,006	\$ 179,140
Fixed charges less capitalized interest	216,318	229,458	239,844	231,934	242,357
Distributed income of equity investees	16,603	21,095	21,866	15,995	17,074
Equity in losses of equity investees for which charges arise from guarantees	—	(197)	(63)	(44)	—
Noncontrolling interest in earnings of subsidiaries that have not incurred fixed charges	(127)	(152)	(273)	(3,069)	(3,729)
Total earnings	<u>\$ 308,729</u>	<u>\$ 353,960</u>	<u>\$ 504,049</u>	<u>\$ 349,822</u>	<u>\$ 434,842</u>
Fixed charges ⁽¹⁾ :					
Interest expense ⁽²⁾	\$ 216,318	\$ 229,458	\$ 239,844	\$ 231,934	\$ 242,357
Capitalized interest	2,302	4,153	7,246	5,837	2,671
Total fixed charges	<u>\$ 218,620</u>	<u>\$ 233,611</u>	<u>\$ 247,090</u>	<u>\$ 237,771</u>	<u>\$ 245,028</u>
Ratio of earnings to fixed charges	<u>1.41</u>	<u>1.52</u>	<u>2.04</u>	<u>1.47</u>	<u>1.77</u>

(1) The interest portion of rental expense is not calculated because the rental expense of the Company is not significant.

(2) Interest expense includes amortization of capitalized debt expenses and amortization of premiums and discounts.

CBL & Associates Limited Partnership
Computation of Ratio of Earnings to Fixed Charges
(in thousands, except ratios)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Earnings:					
Income before discontinued operations, equity in earnings and noncontrolling interests	\$ 75,935	\$ 103,756	\$ 242,675	\$ 105,006	\$ 179,140
Fixed charges less capitalized interest	216,318	229,458	239,844	231,934	242,357
Distributed income of equity investees	16,633	21,092	21,866	15,995	17,074
Equity in losses of equity investees for which charges arise from guarantees	—	(197)	(63)	(44)	—
Noncontrolling interest in earnings of subsidiaries that have not incurred fixed charges	(127)	(152)	(273)	(3,069)	(3,729)
Total earnings	<u>\$ 308,759</u>	<u>\$ 353,957</u>	<u>\$ 504,049</u>	<u>\$ 349,822</u>	<u>\$ 434,842</u>
Fixed charges ⁽¹⁾ :					
Interest expense ⁽²⁾	\$ 216,318	\$ 229,458	\$ 239,844	\$ 231,934	\$ 242,357
Capitalized interest	2,302	4,153	7,246	5,837	2,671
Total fixed charges	<u>\$ 218,620</u>	<u>\$ 233,611</u>	<u>\$ 247,090</u>	<u>\$ 237,771</u>	<u>\$ 245,028</u>
Ratio of earnings to fixed charges	<u>1.41</u>	<u>1.52</u>	<u>2.04</u>	<u>1.47</u>	<u>1.77</u>

(1) The interest portion of rental expense is not calculated because the rental expense of the Operating Partnership is not significant.

(2) Interest expense includes amortization of capitalized debt expenses and amortization of premiums and discounts.

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
1105 Anchor Limited Partnership	North Carolina
2030 Insurance, LLC	Delaware
2030 Insurance Protected Cell Series 2013-45	Tennessee
Acadiana Expansion Parcel, LLC	Louisiana
Acadiana Mall CMBS, LLC	Delaware
Acadiana Mall of Delaware, LLC	Delaware
Acadiana Outparcel, LLC	Delaware
Akron Mall Land, LLC	Delaware
Alamance Crossing CMBS, LLC	Delaware
Alamance Crossing II, LLC	North Carolina
Alamance Crossing, LLC	North Carolina
Ambassador Infrastructure, LLC	Louisiana
Ambassador Town Center JV, LLC	Louisiana
APWM, LLC	Georgia
Arbor Place GP, Inc.	Georgia
Arbor Place II, LLC	Delaware
Arbor Place Limited Partnership	Georgia
Asheville Mall CMBS, LLC	Delaware
Asheville, LLC	North Carolina
Atlanta Outlet JV, LLC	Delaware
Atlanta Outlet Outparcels, LLC	Delaware
Atlanta Outlet Shoppes II, LLC	Delaware
Atlanta Outlet Shoppes, LLC	Delaware
Bluegrass Outlet Shoppes CMBS, LLC	Delaware
Bluegrass Outlet Shoppes II, LLC	Kentucky
Bonita Lakes Mall Limited Partnership	Mississippi
Brewery District, LLC	Texas
Brookfield Square Joint Venture	Ohio
Brookfield Square Parcel, LLC	Wisconsin
Burnsville Center SPE, LLC	Delaware
C.H. of Akron II, LLC	Delaware
Cary Venture Limited Partnership	Delaware
CBL & Associates Limited Partnership	Delaware
CBL & Associates Management Sub, LLC	Delaware
CBL & Associates Management, Inc.	Delaware
CBL Ambassador Member, LLC	Louisiana
CBL Brazil-Brasilia Member, LLC	Delaware
CBL Brazil-Juiz de Fora Member, LLC	Delaware
CBL Brazil-Macae Member, LLC	Delaware

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
CBL Brazil-Macapa Member, LLC	Delaware
CBL Brazil-Manaus Member, LLC	Delaware
CBL Brazil-Tenco SC Member, LLC	Delaware
CBL Eagle Point Member LLC	Delaware
CBL El Paso Member, LLC	Delaware
CBL El Paso Outparcel Member, LLC	Texas
CBL El Paso Pref Lender, LLC	Delaware
CBL Entertainment Parcel, LLC	Tennessee
CBL Fremaux Member, LLC	Delaware
CBL Gettysburg Member, LLC	Delaware
CBL Grandview Forum, LLC	Mississippi
CBL Hartford Member LLC	Connecticut
CBL Holdings I, Inc. ⁽¹⁾	Delaware
CBL Holdings II, Inc. ⁽¹⁾	Delaware
CBL Laredo Member, LLC	Texas
CBL Lee's Summit East, LLC	Missouri
CBL Lee's Summit Peripheral, LLC	Missouri
CBL Louisville Member, LLC	Kentucky
CBL Louisville Outparcel Member, LLC	Kentucky
CBL Member - Mansfield, LLC	Texas
CBL Morristown, LTD.	Tennessee
CBL Old Hickory Mall, Inc.	Tennessee
CBL RM-Waco, LLC	Texas
CBL SM-Brownsville, LLC	Texas
CBL Statesboro Member, LLC	Georgia
CBL Terrace Limited Partnership	Tennessee
CBL Triangle Town Member, LLC	North Carolina
CBL TTC Member, LLC	North Carolina
CBL Walden Park, LLC	Texas
CBL Woodstock Investments Member, LLC	Georgia
CBL Woodstock Member, LLC	Georgia
CBL Woodstock Outparcel Member, LLC	Georgia
CBL/Brookfield I, LLC	Delaware
CBL/Brookfield II, LLC	Delaware
CBL/Cary I, LLC	Delaware
CBL/Cary II, LLC	Delaware
CBL/Cherryvale I, LLC	Delaware
CBL/Citadel I, LLC	Delaware
CBL/Citadel II, LLC	Delaware
CBL/Columbia I, LLC	Delaware
CBL/Columbia II, LLC	Delaware

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
CBL/Columbia Place, LLC	Delaware
CBL/CREA Broad Street, LLC	Texas
CBL/Eastgate I, LLC	Delaware
CBL/Eastgate II, LLC	Delaware
CBL/Eastgate Mall, LLC	Delaware
CBL/Fayette I, LLC	Delaware
CBL/Fayette II, LLC	Delaware
CBL/Foothills Plaza Partnership	Tennessee
CBL/GP Cary, Inc.	North Carolina
CBL/GP I, Inc.	Tennessee
CBL/GP II, Inc.	Wyoming
CBL/GP III, Inc.	Mississippi
CBL/GP V, Inc.	Tennessee
CBL/GP VI, Inc.	Tennessee
CBL/GP, Inc.	Wyoming
CBL/Gulf Coast, LLC	Florida
CBL/High Pointe GP, LLC	Delaware
CBL/Huntsville, LLC	Delaware
CBL/Imperial Valley GP, LLC	California
CBL/J I, LLC	Delaware
CBL/J II, LLC	Delaware
CBL/Kentucky Oaks, LLC	Delaware
CBL/Kirkwood Mall, LLC	Delaware
CBL/Low Limited Partnership	Wyoming
CBL/Madison I, LLC	Delaware
CBL/Madison II, LLC	Delaware
CBL/Midland I, LLC	Delaware
CBL/Midland II, LLC	Delaware
CBL/Monroeville Expansion I, LLC	Pennsylvania
CBL/Monroeville Expansion II, LLC	Pennsylvania
CBL/Monroeville Expansion III, LLC	Pennsylvania
CBL/Monroeville Expansion Partner, L.P.	Pennsylvania
CBL/Monroeville Expansion, L.P.	Pennsylvania
CBL/Monroeville I, LLC	Delaware
CBL/Monroeville II, LLC	Pennsylvania
CBL/Monroeville III, LLC	Pennsylvania
CBL/Monroeville Partner, L.P.	Pennsylvania
CBL/Monroeville, L.P.	Pennsylvania
CBL/MS General Partnership	Delaware
CBL/MS II, LLC	South Carolina
CBL/MS II, LLC	South Carolina

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
CBL/Nashua Limited Partnership	New Hampshire
CBL/Old Hickory I, LLC	Delaware
CBL/Old Hickory II, LLC	Delaware
CBL/Park Plaza GP, LLC	Arkansas
CBL/Park Plaza Mall, LLC	Delaware
CBL/Park Plaza, Limited Partnership	Arkansas
CBL/Parkdale Crossing GP, LLC	Delaware
CBL/Parkdale Crossing, L.P.	Texas
CBL/Parkdale Mall GP, LLC	Delaware
CBL/Parkdale, LLC	Texas
CBL/Penn Investments, LLC	Delaware
CBL/Regency I, LLC	Delaware
CBL/Regency II, LLC	Delaware
CBL/Richland G.P., LLC	Texas
CBL/San Antonio, LLC	Texas
CBL/Stroud, Inc.	Pennsylvania
CBL/Sunrise Commons GP, LLC	Delaware
CBL/Sunrise Commons, L.P.	Texas
CBL/Sunrise GP, LLC	Delaware
CBL/Sunrise Land, LLC	Texas
CBL/Sunrise XS Land, L.P.	Texas
CBL/T-C, LLC	Delaware
CBL/Towne Mall I, LLC	Delaware
CBL/Towne Mall II, LLC	Delaware
CBL/Wausau I, LLC	Delaware
CBL/Wausau II, LLC	Delaware
CBL/Wausau III, LLC	Delaware
CBL/Wausau IV, LLC	Delaware
CBL/Westmoreland Ground, LLC	Delaware
CBL/Westmoreland I, LLC	Delaware
CBL/Westmoreland II, LLC	Pennsylvania
CBL/Westmoreland, L.P.	Pennsylvania
CBL/York Town Center GP, LLC	Delaware
CBL/York Town Center, LLC	Delaware
CBL/York, Inc.	Pennsylvania
CBL-706 Building, LLC	North Carolina
CBL-708 Land, LLC	North Carolina
CBL-840 GC, LLC	Virginia
CBL-850 GC, LLC	Virginia
CBL-BA Building, LLC	North Carolina
CBL-Brassfield Shopping Center, LLC	North Carolina

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
CBL-Caldwell Court, LLC	North Carolina
CBL-D'Iberville Member, LLC	Mississippi
CBL-FC Building, LLC	North Carolina
CBL-Friendly Center, LLC	North Carolina
CBL-Friendly Center CMBS, LLC	Delaware
CBL-Garden Square, LLC	North Carolina
CBL-Hunt Village, LLC	North Carolina
CBL-LP Office Building, LLC	North Carolina
CBL-MS GP, LLC	Delaware
CBL-New Garden Crossing, LLC	North Carolina
CBL-Northwest Centre, LLC	North Carolina
CBL-Oak Hollow Square, LLC	North Carolina
CBL-OB Business Center, LLC	North Carolina
CBL-Offices at Friendly, LLC	North Carolina
CBL-One Oyster Point, LLC	Virginia
CBL-PB Center I, LLC	Virginia
CBL-Shops at Friendly II, LLC	North Carolina
CBL-Shops at Friendly, LLC	Delaware
CBL-ST Building, LLC	North Carolina
CBL-Sunday Drive, LLC	North Carolina
CBL-TRS Joint Venture II, LLC	Delaware
CBL-TRS Joint Venture, LLC	Delaware
CBL-TRS Member I, LLC	Delaware
CBL-TRS Member II, LLC	Delaware
CBL-Two Oyster Point, LLC	Virginia
CBL-Westridge Square, LLC	North Carolina
CBL-Westridge Suites, LLC	North Carolina
Charleston Joint Venture	Ohio
Cherryvale Mall, LLC	Delaware
Chesterfield Mall LLC	Delaware
Chesterfield Parcel, LLC	Missouri
Chicopee Marketplace III, LLC	Massachusetts
CHM/Akron, LLC	Delaware
Citadel Mall CMBS, LLC	Delaware
Citadel Mall DSG, LLC	South Carolina
Coastal Grand CMBS, LLC	Delaware
Coastal Grand Outparcel CMBS, LLC	Delaware
Cobblestone Village at Palm Coast, LLC	Florida
College Station Partners, Ltd.	Texas
Columbia Joint Venture	Ohio
Columbia Place/Anchor, LLC	South Carolina

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
Coolsprings Crossing Limited Partnership	Tennessee
Coolsprings GL Parcel, LLC	Tennessee
Coolsprings Mall, LLC	Tennessee
Courtyard at Hickory Hollow Limited Partnership	Delaware
Cross Creek Mall SPE, L.P.	North Carolina
Cross Creek Mall, LLC	North Carolina
Crossings at Marshalls Creek I LLC	Pennsylvania
Crossings at Marshalls Creek II LLC	Pennsylvania
Crossings at Marshalls Creek Limited Partnership	Pennsylvania
CV at North Columbus, LLC	Georgia
CVPC-Lo, LLC	Florida
CVPC-Outparcels, LLC	Florida
CW Joint Venture LLC	Delaware
Dakota Square Mall CMBS, LLC	Delaware
Dallan Acquisitions, LLC	Delaware
Deco Mall, LLC	Delaware
Development Options Centers, LLC	Delaware
Development Options, Inc.	Wyoming
Development Options/Cobblestone, LLC	Florida
DM-Cayman, Inc.	Cayman Islands
Dunite Acquisitions, LLC	Delaware
Eastgate Company	Ohio
Eastgate Crossing CMBS, LLC	Delaware
Eastgate Mall CMBS, LLC	Delaware
Eastland Holding I, LLC	Illinois
Eastland Holding II, LLC	Illinois
Eastland Mall, LLC	Delaware
Eastland Medical Building, LLC	Illinois
Eastland Member, LLC	Illinois
El Paso Outlet Center Holding, LLC	Delaware
El Paso Outlet Center II Expansion, LLC	Texas
El Paso Outlet Center II, LLC	Delaware
El Paso Outlet Center Manager, Inc.	Delaware
El Paso Outlet Center, LLC	Delaware
El Paso Outlet Outparcels, LLC	Delaware
Evin Acquisitions, LLC	Delaware
Fashion Square Mall CMBS, LLC	Delaware
Fayette Development Property, LLC	Kentucky
Fayette Mall SPE, LLC	Delaware
Fayette Middle Anchor, LLC	Kentucky
Fayette Plaza CMBS, LLC	Delaware

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
FHM Anchor, LLC	Tennessee
FHP Expansion GP I, LLC	Tennessee
FHP Expansion GP II, LLC	Tennessee
Foothills Mall Associates, LP	Tennessee
Foothills Mall, Inc.	Tennessee
Fremaux Town Center JV, LLC	Delaware
Fremaux Town Center SPE, LLC	Delaware
Frontier Mall Associates Limited Partnership	Wyoming
G&I VIII CBL Triangle LLC	Delaware
Galleria Associates, L.P., The	Tennessee
GCTC Peripheral III, LLC	Florida
GCTC Peripheral IV, LLC	Florida
GCTC Peripheral V, LLC	Florida
Gettysburg Outlet Center CMBS, LLC	Delaware
Gettysburg Outlet Center GP, Inc.	Delaware
Gettysburg Outlet Center Holding, LLC	Delaware
Gettysburg Outlet Center, LLC	Delaware
Gettysburg Outlet Center, LP	Pennsylvania
Governor's Square Company IB	Ohio
Governor's Square Company	Ohio
Greenbrier Mall II, LLC	Delaware
Greenbrier Mall, LLC	Delaware
Gulf Coast Town Center CMBS, LLC	Delaware
Gulf Coast Town Center Peripheral I, LLC	Florida
Gulf Coast Town Center Peripheral II, LLC	Florida
Gunbarrel Commons, LLC	Tennessee
Hamilton Corner CMBS General Partnership	Tennessee
Hamilton Corner GP I LLC	Delaware
Hamilton Corner GP II LLC	Delaware
Hamilton Crossing CMBS, LLC	Delaware
Hamilton Place CMBS, LLC	Delaware
Hamilton Place Mall/GP I, LLC	Delaware
Hamilton Place Mall/GP II, LLC	Delaware
Hammock Landing Collecting Agent, LLC	Florida
Hammock Landing/West Melbourne, LLC	Florida
Hanes Mall Parcels, LLC	North Carolina
Harford Mall Business Trust	Maryland
Hartford Outlet JV, LLC	Delaware
Henderson Square Limited Partnership	North Carolina
Hickory Hollow Courtyard, Inc.	Delaware
Hickory Hollow Mall Limited Partnership	Delaware

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
Hickory Hollow Mall, Inc.	Delaware
Hickory Hollow/SB, LLC	Tennessee
Hickory Point Outparcels, LLC	Illinois
Hickory Point, LLC	Delaware
Hickory Point-OP Outparcel, LLC	Illinois
High Point Development Limited Partnership	North Carolina
High Point Development Limited Partnership II	North Carolina
Hixson Mall, LLC	Tennessee
Honey Creek Mall Member SPE, LLC	Delaware
Honey Creek Mall, LLC	Indiana
Huckleberry Place, LLC	Georgia
Hwy 287 & Broad Street, LLC	Texas
Imperial Valley Commons, L.P.	California
Imperial Valley Mall GP, LLC	Delaware
Imperial Valley Mall II, L.P.	California
Imperial Valley Mall, L.P.	California
Imperial Valley Peripheral, L.P.	California
IV Commons, LLC	California
IV Outparcels, LLC	California
Janesville Mall Limited Partnership	Wisconsin
Janesville Wisconsin, Inc.	Wisconsin
Jarnigan Road II, LLC	Delaware
Jarnigan Road Limited Partnership	Tennessee
Jefferson Mall CMBS, LLC	Delaware
Jefferson Mall Company II, LLC	Delaware
JG Gulf Coast Town Center, LLC	Ohio
JG Randolph II, LLC	Delaware
JG Randolph, LLC	Ohio
JG Saginaw II, LLC	Delaware
JG Saginaw, LLC	Ohio
JG Winston-Salem, LLC	Ohio
Kentucky Oaks Mall Company	Ohio
Kirkwood Mall Acquisitions, LLC	Delaware
Kirkwood Mall Mezz, LLC	Delaware
Lakes Mall, LLC, The	Michigan
Lakeshore/Sebring Limited Partnership	Florida
Lakeview Pointe, LLC	Oklahoma
Landing at Arbor Place II, LLC, The	Delaware
Laredo Outlet JV, LLC	Delaware
Laredo Outlet Shoppes, LLC	Delaware
Laredo/MDN II Limited Partnership	Texas

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
Laurel Park Retail Holding LLC	Michigan
Laurel Park Retail Properties LLC	Delaware
Layton Hills Mall CMBS, LLC	Delaware
LeaseCo, Inc.	New York
Lebcon Associates	Tennessee
Lebcon I, Ltd.	Tennessee
Lee Partners	Tennessee
Lexington Joint Venture	Ohio
LHM-Utah, LLC	Delaware
Louisville Outlet Outparcels, LLC	Delaware
Louisville Outlet Shoppes, LLC	Delaware
Madison Grandview Forum, LLC	Mississippi
Madison Ground, LLC	Mississippi
Madison Joint Venture	Ohio
Madison Plaza Associates, Ltd.	Alabama
Madison Square Associates, Ltd.	Alabama
Madison/East Towne, LLC	Delaware
Madison/West Towne, LLC	Delaware
Mall Del Norte, LLC	Texas
Mall of South Carolina Limited Partnership	South Carolina
Mall of South Carolina Outparcel Limited Partnership	South Carolina
Mall Shopping Center Company, L.P.	Texas
Maryville Department Store Associates	Tennessee
Maryville Partners, L.P.	Tennessee
Mayfaire GP, LLC	Delaware
Mayfaire Town Center, LP	Delaware
MDN/Laredo GP II, LLC	Delaware
MDN/Laredo GP, LLC	Delaware
Meridian Mall Company, Inc.	Michigan
Meridian Mall Limited Partnership	Michigan
Mid Rivers Land LLC	Delaware
Mid Rivers Mall CMBS, LLC	Delaware
Midland Mall LLC	Delaware
Midland Venture Limited Partnership	Michigan
Milford Marketplace, LLC	Connecticut
Monroeville Anchor Limited Partnership	Pennsylvania
Montgomery Partners, L.P.	Tennessee
Mortgage Holdings II, LLC	Delaware
Mortgage Holdings, LLC	Delaware
Multi-GP Holdings, LLC	Delaware
Newco Mortgage, LLC	Delaware

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
NewLease Corp.	Tennessee
North Charleston Joint Venture II, LLC	Delaware
Northpark Mall/Joplin, LLC	Delaware
Northwoods Mall CMBS, LLC	Delaware
Oak Park Holding I, LLC	Kansas
Oak Park Mall, LLC	Delaware
OK City JV, LLC	Delaware
OK City Member, LLC	Delaware
OK City Outlets II, LLC	Delaware
OK City Outlets III, LLC	Delaware
OK City Outlets, LLC	Delaware
Old Hickory Mall Venture	Tennessee
Old Hickory Mall Venture II, LLC	Delaware
Panama City Peripheral, LLC	Florida
Park Plaza Mall CMBS, LLC	Delaware
Parkdale Crossing CMBS, LLC	Delaware
Parkdale Crossing GP, Inc.	Texas
Parkdale Crossing Limited Partnership	Texas
Parkdale Mall Associates	Texas
Parkdale Mall CMBS, LLC	Delaware
Parkdale Mall, LLC	Texas
Parkway Place Limited Partnership	Alabama
Parkway Place SPE, LLC	Delaware
Parkway Place, Inc.	Alabama
Pavilion at Port Orange, LLC, The	Florida
Pavilion Collecting Agent, LLC, The	Florida
Pearland Ground, LLC	Texas
Pearland Hotel Operator, Inc.	Texas
Pearland Town Center GP, LLC	Delaware
Pearland Town Center Limited Partnership	Texas
Pearland-OP Parcel 8, LLC	Texas
POM-College Station, LLC	Texas
Popps Ferry Road, LLC	Mississippi
Port Orange Holdings II, LLC	Florida
Port Orange I, LLC	Florida
Port Orange Town Center, LLC	Delaware
Promenade D'Iberville, LLC, The	Mississippi
Property Taxperts, LLC	Nevada
Racine Joint Venture	Ohio
Racine Joint Venture II, LLC	Delaware
Renaissance Member II, LLC	Delaware

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
Renaissance Phase II CMBS, LLC	Delaware
Renaissance Retail LLC	North Carolina
Renaissance SPE Member, LLC	Delaware
River Ridge Mall JV, LLC	Virginia
River Ridge Mall, LLC	Virginia
Rivergate Mall, Inc.	Delaware
Seacoast Shopping Center Limited Partnership	New Hampshire
Shoppes at Eagle Point, LLC	Tennessee
Shoppes at Hamilton Place, LLC, The	Tennessee
Shoppes at St. Clair CMBS, LLC	Delaware
Shoppes at St. Clair Square, LLC	Illinois
Shopping Center Finance Corp.	Wyoming
Shops at Pineda Ridge, LLC, The	Florida
Slidell Development Company, L.L.C.	Delaware
South County Shoppingtown LLC	Delaware
Southaven Towne Center II, LLC	Delaware
Southaven Towne Center, LLC	Mississippi
Southpark Mall CMBS, LLC	Delaware
Southpark Mall, LLC	Virginia
Southpark Mall-DSG, LLC	Virginia
Springdale/Mobile GP II, Inc.	Alabama
Springdale/Mobile GP, Inc.	Alabama
Springhill/Coastal Landing, LLC	Florida
St. Clair Square GP I, LLC	Illinois
St. Clair Square GP, Inc.	Illinois
St. Clair Square Limited Partnership	Illinois
St. Clair Square SPE, LLC	Delaware
Statesboro Crossing, LLC	Georgia
Stroud Mall LLC	Pennsylvania
SubREIT Investor-Boston General Partnership	Massachusetts
SubREIT Investor-Boston GP I, LLC	Massachusetts
Sutton Plaza GP, Inc.	New Jersey
Tenn-GP Holdings, LLC	Tennessee
Towne Mall Company	Ohio
Triangle Town Center, LLC	Delaware
Triangle Town Member, LLC	North Carolina
Turtle Creek Limited Partnership	Mississippi
Valley View Mall SPE, LLC	Delaware
Village at Newnan Crossing, LLC, The	Georgia
Village at Orchard Hills, LLC	Michigan
Village at Rivergate, Inc.	Delaware

**Subsidiaries of CBL & Associates Properties, Inc.
and CBL & Associates Limited Partnership
As of December 31, 2016**

Subsidiary	State of Incorporation or Formation
Volusia Mall GP, Inc.	New York
Volusia Mall Limited Partnership	New York
Volusia Mall Member SPE, LLC	Delaware
Volusia Mall, LLC	Florida
Volusia-OP Peripheral LLC	Florida
Walnut Square Associates Limited Partnership	Wyoming
Waterford Commons of CT III, LLC	Connecticut
Wausau Center CMBS, LLC	Delaware
Wausau Joint Venture	Ohio
Wausau Penney CMBS, LLC	Delaware
Wausau Penney Investor Joint Venture	Ohio
West County Mall CMBS, LLC	Delaware
West County Shoppingtown LLC	Delaware
West Melbourne Holdings II, LLC	Florida
West Melbourne I, LLC	Delaware
West Melbourne Town Center LLC	Delaware
West Towne District, LLC	Wisconsin
Westgate Crossing Limited Partnership	South Carolina
Westgate Mall CMBS, LLC	Delaware
Westgate Mall II, LLC	Delaware
Westgate Mall Limited Partnership	South Carolina
Wilkes-Barre Marketplace GP, LLC	Pennsylvania
Wilkes-Barre Marketplace I, LLC	Pennsylvania
Wilkes-Barre Marketplace, L.P.	Pennsylvania
Willowbrook Plaza Limited Partnership	Maine
WMTC-Peripheral, LLC	Florida
WNC Shopping Center, LLC	North Carolina
Woodstock GA Investments LLC	Delaware
WPMP Holding LLC	Delaware
York Galleria Limited Partnership	Virginia
York Town Center Holding GP, LLC	Delaware
York Town Center Holding, LP	Pennsylvania
York Town Center, LP	Pennsylvania

(1) This is a subsidiary of CBL & Associates Properties, Inc. and not a subsidiary of CBL & Associates Limited Partnership.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 33-73376, 333-04295, 333-41768, 333-88914, and 333-182217 on Form S-8 and Registration Statement Nos. 333-90395, 333-62830, 333-108947, and 333-205457 on Form S-3 of our report dated March 1, 2017 relating to the consolidated financial statements and financial statement schedules of CBL & Associates Properties, Inc. and subsidiaries, and the effectiveness of CBL & Associates Properties, Inc. and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of CBL & Associates Properties, Inc. and CBL & Associates Limited Partnership for the year ended December 31, 2016.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
March 1, 2017

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-205457-01 on Form S-3 of our report dated March 1, 2017, relating to the consolidated financial statements and financial statement schedules of CBL & Associates Limited Partnership and subsidiaries, and the effectiveness of CBL & Associates Limited Partnership and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of CBL & Associates Properties, Inc. and CBL & Associates Limited Partnership for the year ended December 31, 2016.

/s/ Deloitte & Touche LLP

Atlanta, Georgia

March 1, 2017

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Charles B. Lebovitz, Farzana Khaleel and Stephen D. Lebovitz and each of them, with full power to act without the other, his/her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him/her and in his/her name, place and stead, in any and all capacities, to sign the Annual Report of CBL & Associates Properties, Inc. and CBL & Associates Limited Partnership on Form 10-K for the fiscal year ended December 31, 2016 including one or more amendments to such Form 10-K, which amendments may make such changes as such attorneys-in-fact and agents deems appropriate, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary fully to all intents and purposes as he/she might or could do in person thereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power-of-Attorney on the date set opposite his/her respective name.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Charles B. Lebovitz</u> Charles B. Lebovitz	Chairman of the Board	February 7, 2017
<u>/s/ Stephen D. Lebovitz</u> Stephen D. Lebovitz	Director, President and Chief Executive Officer (Principal Executive Officer)	February 7, 2017
<u>/s/ Farzana Khaleel</u> Farzana Khaleel	Executive Vice President - Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	February 7, 2017
<u>/s/ Gary L. Bryenton</u> Gary L. Bryenton	Director	February 7, 2017
<u>/s/ A. Larry Chapman</u> A. Larry Chapman	Director	February 7, 2017
<u>/s/ Matthew S. Dominski</u> Matthew S. Dominski	Director	February 7, 2017
<u>/s/ John D. Griffith</u> John D. Griffith	Director	February 7, 2017
<u>/s/ Richard J. Lieb</u> Richard J. Lieb	Director	February 7, 2017
<u>/s/ Gary J. Nay</u> Gary J. Nay	Director	February 7, 2017
<u>/s/ Kathleen M. Nelson</u> Kathleen M. Nelson	Director	February 7, 2017

CERTIFICATION

I, Stephen D. Lebovitz, certify that:

- (1) I have reviewed this annual report on Form 10-K of CBL & Associates Properties, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2017

/s/ Stephen D. Lebovitz

Stephen D. Lebovitz, Director, President and
Chief Executive Officer

CERTIFICATION

I, Farzana Khaleel, certify that:

- (1) I have reviewed this annual report on Form 10-K of CBL & Associates Properties, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2017

/s/ Farzana Khaleel

Farzana Khaleel, Executive Vice President -
Chief Financial Officer and Treasurer

CERTIFICATION

I, Stephen D. Lebovitz, certify that:

- (1) I have reviewed this annual report on Form 10-K of CBL & Associates Limited Partnership;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2017

/s/ Stephen D. Lebovitz

Stephen D. Lebovitz, Director, President and
Chief Executive Officer of
CBL Holdings I, Inc.,
the sole general partner of
CBL & Associates Limited Partnership

CERTIFICATION

I, Farzana Khaleel, certify that:

- (1) I have reviewed this annual report on Form 10-K of CBL & Associates Limited Partnership;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2017

/s/ Farzana Khaleel

Farzana Khaleel, Executive Vice President -
Chief Financial Officer and Treasurer of
CBL Holdings I, Inc.,
the sole general partner of
CBL & Associates Limited Partnership

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CBL & ASSOCIATES PROPERTIES, INC. (the “Company”) on Form 10-K for the year ending December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephen D. Lebovitz, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350 (as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002), that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934;
and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen D. Lebovitz

Stephen D. Lebovitz, Director, President and
Chief Executive Officer

March 1, 2017

Date

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CBL & ASSOCIATES PROPERTIES, INC. (the “Company”) on Form 10-K for the year ending December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Farzana Khaleel, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350 (as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002), that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Farzana Khaleel

Farzana Khaleel, Executive Vice President -
Chief Financial Officer and Treasurer

March 1, 2017

Date

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CBL & ASSOCIATES LIMITED PARTNERSHIP (the “Operating Partnership”) on Form 10-K for the year ending December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephen D. Lebovitz, Chief Executive Officer of CBL Holdings I, Inc., the sole general partner of the Operating Partnership, certify, pursuant to 18 U.S.C. § 1350 (as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002), that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

/s/ Stephen D. Lebovitz

Stephen D. Lebovitz, Director, President and
Chief Executive Officer of
CBL Holdings I, Inc.,
the sole general partner of
CBL & Associates Limited Partnership

March 1, 2017

Date

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CBL & ASSOCIATES LIMITED PARTNERSHIP (the “Operating Partnership”) on Form 10-K for the year ending December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Farzana Khaleel, Chief Financial Officer of CBL Holdings I, Inc., the sole general partner of the Operating Partnership, certify, pursuant to 18 U.S.C. § 1350 (as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002), that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

/s/ Farzana Khaleel

Farzana Khaleel, Executive Vice President -
Chief Financial Officer and Treasurer of
CBL Holdings I, Inc.,
the sole general partner of
CBL & Associates Limited Partnership

March 1, 2017

Date

Notes

Notes

Notes

Notes

Shareholder Information

Corporate Office

CBL & Associates Properties, Inc.
CBL Center, Suite 500
2030 Hamilton Place Boulevard
Chattanooga, TN 37421-6000
(423) 855-0001

Transfer Agent and Registrar

Computershare
P.O. BOX 30170
College Station, TX 77842-3170
www.computershare.com/investor

Dividend Reinvestment Plan

Shareholders of record may automatically reinvest their dividends in additional shares of our Common Stock through our Dividend Reinvestment Plan, which also provides for purchase by voluntary cash contributions. For additional information, please contact Computershare.

Independent Auditors

Deloitte & Touche LLP
Atlanta, GA

Counsel

Husch Blackwell LLP
Chattanooga, TN

Goulston & Storrs
New York, NY

Stock Exchange Listing

New York Stock Exchange
Symbols: CBL, CBLPrD, CBLPrE

Form 10-K

Copies of the CBL & Associates Properties, Inc. Annual Report on Form 10-K are available, without charge, upon written request to:

CBL Investor Relations
CBL & Associates Properties, Inc.
CBL Center, Suite 500
2030 Hamilton Place Boulevard
Chattanooga, TN 37421-6000

Annual Meeting of Shareholders

The annual meeting of shareholders will be held on May 8, 2017, at 4:00 P.M. (EDT) at Embassy Suites, 2321 Lifestyle Way, Chattanooga, TN.

Quarterly Stock Price and Dividend Information

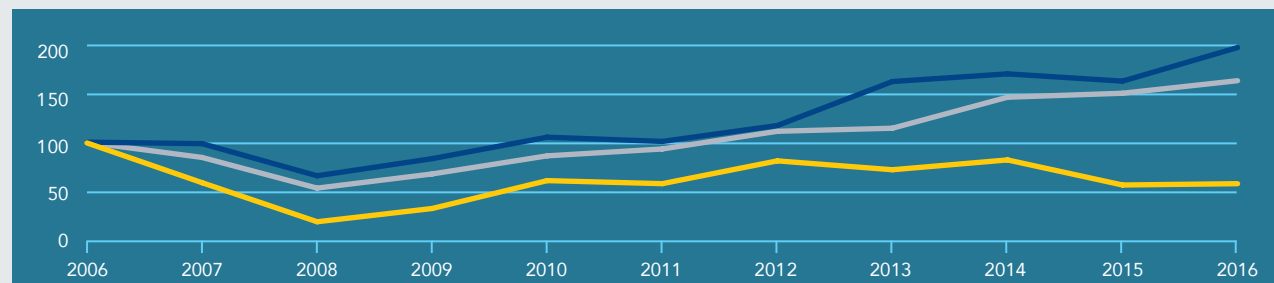
The following table presents the dividends declared and the high and low sale price of the common stock as listed on the New York Stock Exchange for each quarter of 2015 and 2016.

2016 Quarter Ended	High	Low	Dividends
March 31	\$ 12.74	\$ 9.40	\$0.265
June 30	\$ 12.28	\$ 9.10	\$0.265
September 30	\$ 14.29	\$ 9.73	\$0.265
December 31	\$ 12.28	\$ 10.36	\$0.265

2015 Quarter Ended	High	Low	Dividends
March 31	\$ 21.36	\$ 18.72	\$ 0.265
June 30	\$ 19.98	\$ 15.92	\$ 0.265
September 30	\$ 16.61	\$ 13.65	\$ 0.265
December 31	\$ 15.59	\$ 12.06	\$ 0.265

Total Return Performance

The graph below compares the cumulative stockholder return on the Common Stock of the Company with the cumulative total return of the Russell 2000 index of small companies ("Russell 2000") and the NAREIT All Equity REIT Total Return Index for the period commencing December 31, 2006, through December 31, 2016. The graph below assumes that the value of the investments in the Company and in each of the indices was \$100 at the beginning of the period and that dividends were reinvested. The stock price performance presented is not necessarily indicative of future results.



Index	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16
CBL & Associates Properties, Inc.	\$ 100.00	58.63	17.95	31.76	60.79	57.61	81.34	72.10	82.32	56.22	57.58
Russell 2000	\$ 100.00	98.43	65.18	82.89	105.14	100.75	117.23	162.74	170.70	163.17	197.93
NAREIT All Equity REIT Index	\$ 100.00	84.31	52.50	67.20	85.98	93.10	111.44	114.62	146.75	150.89	163.91



CBL & Associates Properties, Inc.

CBL Center | Suite 500 | 2030 Hamilton Place Boulevard | Chattanooga, TN 37421-6000 | (423) 855-0001

CBL
LISTED
NYSE

cblproperties.com



The 2016 CBL & Associates Properties, Inc. Annual Report saved the following resources by printing on paper containing 10% postconsumer recycled content.

TREES	WASTE WATER	ENERGY	SOLID WASTE	GREENHOUSE GASES
3 fully grown	1,058 gallons	2,000,000 million BTUs	71 pounds	195 pounds