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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 24, 2017

REGENCY CENTERS CORPORATION
REGENCY CENTERS, L.P.
(Exact name of registrant as specified in its charter)

Florida (Regency Centers Corporation) Delaware (Regency Centers, L.P.) (State or other jurisdiction of incorporation)	001-12298 (Regency Centers Corporation) 0-24763 (Regency Centers, L.P.) (Commission File Number)	59-3191743 (Regency Centers Corporation) 59-3429602 (Regency Centers, L.P.) (IRS Employer Identification No.)

One Independent Drive, Suite 114 Jacksonville, Florida (Address of principal executive offices)	33202 (Zip Code)

Registrant's telephone number, including area code: (904) 598-7000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Introductory Note

On March 1, 2017 (the "Closing Date"), upon the terms and subject to the conditions set forth in the Agreement and Plan of Merger, dated as of November 14, 2016 (the "Merger Agreement"), by and between Regency Centers Corporation ("Regency") and Equity One, Inc. ("Equity One"), Equity One merged with and into Regency (the "Merger"), with Regency continuing as the surviving corporation of the Merger.

Item 1.01. Entry into a Material Definitive Agreement.

In connection with the completion of the Merger, on the Closing Date, Regency, Equity One, Regency Centers, L.P. ("RCLP") and U.S. Bank National Association, as trustee (the "Trustee") entered into that certain Supplemental Indenture No. 14 (the "Supplemental Indenture"), pursuant to which Regency assumed Equity One's rights and obligations with respect to (i) Equity One's 3.75% Senior Notes due 2022 (the "Public Notes") and (ii) the Indenture, dated as of September 9, 1998, as amended, supplemented or otherwise modified prior to the Closing Date, including by Supplemental Indenture No. 13, dated as of October 25, 2012, in each case between Equity One and the Trustee. In addition, pursuant to the Supplemental Indenture, RCLP became a co-obligor in respect of the Public Notes. The foregoing description of the Supplemental Indenture does not purport to be complete and is qualified in its entirety by reference to the Supplemental Indenture, a copy of which is attached as Exhibit 4.1 hereto and incorporated by reference herein.

Also in connection with the completion of the Merger, on the Closing Date, Regency entered into that certain Assumption Agreement (the "Assumption Agreement"), pursuant to which Regency assumed Equity One's rights and obligations with respect to (i) Equity One's 3.81% Senior Unsecured Notes Series A due 2026 and 3.91% Senior Unsecured Notes Series B due 2026 (together, the "Private Placement Notes") and (ii) the Note Purchase Agreement, dated as of April 20, 2016, among Equity One and the Purchasers named therein relating to the Private Placement Notes. In addition, pursuant to an Accession Agreement, dated as of March 1, 2017, RCLP guaranteed Regency's obligations under the Private Placement Notes. The foregoing description of the Assumption Agreement does not purport to be complete and is qualified in its entirety by reference to the Assumption Agreement, a copy of which is attached as Exhibit 4.2 hereto and incorporated by reference herein.

Item 2.01. Completion of Acquisition or Disposition of Assets.

As described in the Introductory Note, on the Closing Date, Regency and Equity One completed their previously announced Merger.

Under the terms of the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of Equity One common stock, par value $0.01 per share (the "Equity One Common Stock"), outstanding immediately prior to the Effective Time (other than shares owned directly by Equity One or Regency and not on behalf of third parties) was converted into the right to receive 0.45 (the "Exchange Ratio") of a share of Regency common stock, par value $0.01 per share (the "Regency Common Stock"). No fractional shares of Regency Common Stock were issued in the Merger, and Equity One stockholders became entitled to receive cash in lieu of any fractional shares in accordance with the Merger Agreement.

In addition, at the Effective Time, (i) each outstanding Equity One restricted stock award was converted into unvested restricted stock awards relating to shares of Regency Common Stock, with appropriate adjustments to reflect the consummation of the Merger, except that Equity One restricted stock awards held by certain Equity One officers and Equity One's directors vested in full at the Effective Time, (ii) each outstanding Equity One stock option vested and was converted into a right to receive an amount in cash equal to the excess of (a) the value of a share of Regency Common Stock on the last complete trading day prior to the Closing Date, multiplied by the Exchange Ratio, over (b) the applicable option exercise price, and (iii) each outstanding long term incentive plan award relating to shares of Equity One Common Stock vested (based on the achievement of any applicable performance goals through February 24, 2017 and without proration).

Upon the closing of the Merger, the shares of Equity One Common Stock, which previously traded under the ticker symbol "EQY" on the New York Stock Exchange (the "NYSE"), have ceased trading on, and were delisted from, the NYSE.

The foregoing description of the Merger and the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, a copy of which was attached as Exhibit 2.1 to Regency's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on November 15, 2016, and is incorporated by reference herein.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 above is incorporated by reference herein.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Increase in Board Size

On February 24, 2017, the Regency stockholders voted to approve the increase in the size of the Board of Directors of Regency (the "Regency Board of Directors") from nine to twelve directors.

Appointment of Directors

Effective as of immediately after the Effective Time, the Regency Board of Directors appointed (i) Messrs. Joseph Azrack, Chaim Katzman and Peter Linneman as directors of Regency, and (ii) Mr. Katzman as non-executive Vice Chairman of the Regency Board of Directors and a member of the Investment Committee of the Regency Board of Directors.

As non-employee directors, each of Messrs. Azrack, Katzman and Linneman will receive compensation in the same manner as Regency's other non-employee directors, as previously disclosed in Regency's Proxy Statement for its 2016 Annual Meeting of Stockholders, filed with the SEC on March 14, 2016, which description is incorporated by reference herein.

Messrs. Azrack, Katzman and Linneman were appointed as directors of Regency, and Mr. Katzman was appointed as non-executive Vice Chairman and member of the Investment Committee of the Regency Board of Directors, pursuant to the terms of the Merger Agreement, which required Regency to take such actions as are necessary to cause three Equity One designees (including Mr. Katzman) to become members of the Regency Board of Directors immediately after the Effective Time, and to appoint Mr. Katzman as Vice Chairman and member of the Investment Committee of the Regency Board of Directors immediately after the Effective Time.

Mr. Katzman was also appointed as director of Regency, non-executive Vice Chairman and member of the Investment Committee of the Regency Board of Directors pursuant to the terms of the Governance Agreement, dated as of November 14, 2016 (the "Governance Agreement"), by and among Regency Centers Corporation, Gazit Globe, Ltd. and certain of its affiliated entities (collectively, the "Gazit Shareholders").

The foregoing descriptions of the Merger Agreement and the Governance Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Merger Agreement and the Governance Agreement, respectively, copies of which was attached as Exhibit 2.1 and Exhibit 10.1 to Regency's Current Report on Form 8-K filed with the SEC on November 15, 2016, and are incorporated by reference herein.

Item 5.03. Amendment to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Articles of Incorporation

Effective as of immediately prior to the Effective Time, Regency's Restated Articles of Incorporation (the "Articles of Incorporation") were amended to provide for an increase in the number of shares of Regency capital stock that Regency is authorized to have outstanding from 190 million to 260 million shares, with 220 million of such shares being Regency Common Stock. A copy of the Articles of Amendment to the Articles of Incorporation is attached hereto as Exhibit 3.1 and incorporated by reference herein.

Bylaws

Effective as of immediately prior to the Effective Time, the Regency Board of Directors amended and restated Regency's Amended and Restated Bylaws (as amended and restated, the "Bylaws") to provide for the position of a Vice Chairman of the Board. A copy of the Bylaws is attached hereto as Exhibit 3.2 and incorporated by reference herein.

Item 5.07. Submission of Matters to a Vote of Security Holders.

A special meeting (the "Special Meeting") of Regency stockholders was convened at 9:30 a.m. ET on February 24, 2017. The following proposals were voted on at the Special Meeting, each of which is described in the definitive joint proxy statement/prospectus filed by Regency with the SEC on January 24, 2017: (i) a proposal to approve the Merger Agreement and the Merger, with Regency continuing as the surviving corporation (the "Regency Merger Proposal"); (ii) a proposal to amend the Articles of Incorporation, to take effect at the Effective Time, to increase the number of authorized shares of Regency Common Stock (the "Regency Articles Amendment Proposal"); (iii) a proposal to approve an increase in the size of the Regency Board of Directors to 12 directors (the "Regency Increase in Board Size Proposal"); and (iv) a proposal to approve the adjournment of the Special Meeting from time to time, if necessary or appropriate, including to solicit additional proxies in favor of the Regency Merger Proposal, the Regency Articles Amendment Proposal and the Regency Increase in Board Size Proposal if there are insufficient votes at the time of such adjournment to approve such proposals (the "Regency Adjournment Proposal").

Approval of each of the Regency Merger Proposal and the Regency Articles Amendment Proposal required the affirmative vote of the holders of a majority of the outstanding shares of Regency Common Stock. Approval of each of the Regency Increase in Board Size Proposal and the Regency Adjournment Proposal required the affirmative vote of the holders of a majority of the votes cast by holders of Regency Common Stock at the Special Meeting.

As of January 23, 2017 (the "Record Date"), there were 104,497,721 shares of Regency Common Stock outstanding and entitled to vote at the Special Meeting. At the Special Meeting, a total of 94,865,158 shares of Regency Common Stock, representing approximately 90.78% of Regency Common Stock issued outstanding as of the Record Date, were present in person or represented by proxy, constituting a quorum to conduct business.

The Regency stockholders approved the Regency Merger Proposal, the Regency Articles Amendment Proposal and the Regency Increase in Board Size Proposal. Although sufficient votes were received to approve the Regency Adjournment Proposal, no motion to adjourn was made because the Regency Merger Proposal, the Regency Articles Amendment Proposal and the Regency Increase in Board Size Proposal were each approved. The results of the stockholder vote are reported below:

(1) With respect to the approval of the Merger Proposal, the votes were as follows:

Votes For	Votes Against	Abstentions	Broker Non-Votes
94,693,162	8,927	163,069	N/A

(2) With respect to the approval of the Regency Articles Amendment Proposal, the votes were as follows:

Votes For	Votes Against	Abstentions	Broker Non-Votes
94,589,967	111,623	163,568	N/A

(3) With respect to the approval of the Regency Increase in Board Size Proposal, the votes were as follows:

Votes For	Votes Against	Abstentions	Broker Non-Votes
94,683,659	13,426	168,073	N/A

(4) With respect to the approval of the Regency Adjournment Proposal, the votes were as follows:

Votes For	Votes Against	Abstentions	Broker Non-Votes
86,364,007	8,471,333	29,818	N/A

Item 8.01. Other Events.

On February 24, 2017, Regency issued a press release announcing the results of the Special Meeting. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

On March 1, 2017, Regency and Equity One released a joint press release announcing the completion of the Merger, which is attached hereto as Exhibit 99.2 and incorporated by reference herein.

On November 14, 2016, Regency and RCLP entered into that certain Commitment Letter (together with the exhibits and annexes attached thereto, as amended, supplemented or otherwise modified, the "Commitment Letter"), by and among Regency, RCLP and J.P. Morgan Chase Bank, N.A. ("JPMorgan"), pursuant to which JPMorgan committed to provide, subject to customary closing conditions, $750,000,000 of senior unsecured bridge loans, the proceeds of which could be used to refinance certain existing indebtedness of Regency and Equity One and to pay fees and expenses in connection with the Merger and related transactions. On January 26, 2017, Regency and RCLP notified JPMorgan that, in accordance with the terms of the Commitment Letter, the commitments thereunder were immediately and permanently reduced by $389,082,200. On March 1, 2017, upon consummation of the Merger and in accordance with the terms of the Commitment Letter, the remaining commitments under the Commitment Letter were immediately and permanently terminated.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The audited financial statements of Equity One for each of the years ended, December 31, 2015 and December 31, 2014 was previously included or incorporated by reference in the Registration Statement on Form S-4 of Regency (Commission File No. 333-215241) declared effective by the SEC on January 19, 2017, and is incorporated by reference herein. The audited financial statements of Equity One for the year ended December 31, 2016 is included in the Current Report on Form 10-K of Equity One, filed with the SEC on February 28, 2017, and is incorporated by reference herein.

The consent of Ernst & Young LLP, Equity One's independent registered accounting firm, is attached hereto as Exhibit 23.1.

(b) Pro Forma Financial Information.

To be filed not later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

(d) Exhibits.

Exhibit No.	Exhibit Description
2.1	Agreement and Plan of Merger, dated as of November 14, 2016, by and among Regency Centers Corporation and Equity One, Inc. (incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by Regency Centers Corporation with the SEC on November 15, 2016)*
3.1	Articles of Amendment to the Restated Articles of Incorporation of Regency Centers Corporation, effective as of March 1, 2017+
3.2	Amended and Restated Bylaws of Regency Centers Corporation, effective as of March 1, 2017+
4.1	Supplemental Indenture No. 14, dated as of March 1, 2017, among Equity One, Inc., Regency Centers Corporation, Regency Centers, L.P., and U.S. Bank National Association, as successor to SunTrust Bank (formerly known as SunTrust Bank, Atlanta)+

Exhibit No.	Exhibit Description
4.2	Assumption Agreement, dated as of March 1, 2017, by Regency Centers Corporation+
10.1	Governance Agreement, dated as of November 14, 2016, by and among Regency Centers Corporation, Gazit Globe, Ltd. and certain of its affiliated entities (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Regency Centers Corporation with the SEC on November 15, 2016)
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm of Equity One, Inc.+
99.1	Press Release of Regency Centers Corporation, issued February 24, 2017+
99.2	Joint Press Release of Regency Centers Corporation and Equity One, Inc., issued March 1, 2017+
99.3	Audited Financial Statements of Equity One, Inc. for the year ended December 31, 2016+

* Schedules and exhibits omitted pursuant to Item 601(b)(2) of Regulation S-K. Regency Centers Corporation agrees to supplementally furnish to the Securities and Exchange Commission upon request any omitted schedule or exhibit to the Merger Agreement.

\+ Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

REGENCY CENTERS CORPORATION

/s/ J. Christian Leavitt
Name: J. Christian Leavitt
Title: Senior Vice President and Treasurer

REGENCY CENTERS, L.P.
By: Regency Centers Corporation, its general partner

/s/ J. Christian Leavitt
Name: J. Christian Leavitt
Title: Senior Vice President and Treasurer

Dated: March 1, 2017

EXHIBIT INDEX

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* Schedules and exhibits omitted pursuant to Item 601(b)(2) of Regulation S-K. Regency Centers Corporation agrees to supplementally furnish to the Securities and Exchange Commission upon request any omitted schedule or exhibit to the Merger Agreement.

\+ Filed herewith.

Exhibit 3.1

ARTICLES OF AMENDMENT

TO

RESTATED ARTICLES OF INCORPORATION

OF

REGENCY CENTERS CORPORATION

Pursuant to Section 607.1003 and Section 607.1006, Florida Business Corporation Act, the Board of Directors of Regency Centers Corporation, a Florida corporation (the "Corporation"), on November 14, 2016, approved the amendment of the Restated Articles of Incorporation to amend Article 4.1 of the Restated Articles of Incorporation and to recommend that the Corporation's holders of common stock approve the amendment of Article 4.1 of the Restated Articles of Incorporation.

The holders of the Corporation's common stock, the sole voting group entitled to vote on this amendment of the Restated Articles of Incorporation, at a properly noticed stockholders' meeting on February 24, 2017, approved the amendment of Article 4.1 of the Restated Articles of Incorporation. The number of votes cast for the amendment by the Corporation's holders of common stock was sufficient for approval.

Accordingly, Article 4.1 of the Restated Articles of Incorporation shall read in its entirety as follows:

"ARTICLE 4

CAPITAL STOCK

Section 4.1 Authorized Capital. The maximum number of shares of stock which the Corporation is authorized to have outstanding at any one time is two hundred and sixty million (260,000,000) shares (the "Capital Stock") divided into classes as follows:

(a) Thirty million (30,000,000) shares of preferred stock having a par value of $0.01 per share (the "Preferred Stock"), and which may be issued in one or more classes or series as further described in Section 4.2; and

(b) Two hundred and twenty million (220,000,000) shares of voting common stock having a par value of $0.01 per share (the "Common Stock"); and

(c) Ten million (10,000,000) shares of common stock having a par value of $0.01 per share (the "Special Common Stock") and which may be issued in one or more classes or series as further described in Section 4.4

All such shares shall be issued fully paid and nonassessable."

These Articles of Amendment to the Corporation's Restated Articles of Incorporation shall become effective on March 1, 2017.

IN WITNESS WHEREOF, the undersigned Senior Vice President, Secretary and General Counsel of the Corporation has executed this Amendment to the Restated Articles of Incorporation this 1st day of March, 2017.

By: /s/ Barbara C. Johnston
Name: Barbara C. Johnston
Title: Senior Vice President, Secretary and General Counsel

Exhibit 3.2

AMENDED AND RESTATED BYLAWS

OF

REGENCY CENTERS CORPORATION

(A FLORIDA CORPORATION)

AS LAST AMENDED ON
MARCH 1, 2017

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ARTICLE 1

DEFINITIONS

Section 1.1 Definitions. The following terms shall have the following meanings for purposes of these bylaws:

"Act" means the Florida Business Corporation Act, as it may be amended from time to time, or any successor legislation thereto.

"Deliver" or "delivery" means any method of delivery used in conventional commercial practice, including delivery by hand, mail, commercial delivery and electronic transmission.

"Distribution" means a direct or indirect transfer of money or other property (except shares in the corporation) or an incurrence of indebtedness by the corporation to or for the benefit of shareholders in respect of any of the corporation's shares. A distribution may be in the form of a declaration or payment of a dividend; a purchase, redemption, or other acquisition of shares; a distribution of indebtedness; or otherwise.

"Electronic transmission" or "electronically transmitted" means any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval and reproduction of information by the recipient. For purposes of proxy voting, the term includes, but is not limited to, facsimile transmission, telegrams, cablegrams, telephone transmissions and transmissions through the Internet.

"Notice" means written notice and includes, but is not limited to, notice by electronic transmission. Notice shall be effective if given by a single written notice to shareholders who share an address, to the extent permitted by the Act.

"Principal office" means the office (within or without the State of Florida) where the corporation's principal executive offices are located, as designated in the annual report filed with the Florida Department of State.

ARTICLE 2

OFFICES

Section 2.1 Principal and Business Offices. The corporation may have such principal and other business offices, either within or without the State of Florida, as the Board of Directors may designate or as the business of the corporation may require from time to time.

Section 2.2 Registered Office. The registered office of the corporation required by the Act to be maintained in the State of Florida may but need not be identical with the principal office if located in the State of Florida, and the address of the registered office may be changed from time to time by the Board of Directors or by the registered agent. The business office of the registered agent of the corporation shall be identical to such registered office.

ARTICLE 3

SHAREHOLDERS

Section 3.1 Annual Meeting. The annual meeting of shareholders shall be held within five months after the close of each fiscal year of the corporation on a date and at a time and place designated by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day fixed as herein provided for any annual meeting of shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of shareholders as soon thereafter as is practicable.

Section 3.2 Special Meetings.

(a) Call by Directors or President. Special meetings of shareholders, for any purpose or purposes, may be called by the Board of Directors, the Chairman of the Board, the Lead Director (if any) or the President.

(b) Call by Shareholders. The corporation shall call a special meeting of shareholders in the event that the holders of not less than ten percent (10%) of all of the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the Secretary one or more written demands for the meeting describing one or more purposes for which it is to be held. The corporation shall give notice of such a special meeting within sixty (60) days after the date that the demand is delivered to the corporation.

Section 3.3 Place of Meeting. The Board of Directors may designate any place, either within or without the State of Florida, as the place of meeting for any annual or special meeting of shareholders. If no designation is made, the place of meeting shall be the principal office of the corporation.

Section 3.4 Notice of Meeting.

(a) Content and Delivery. Written notice stating the date, time, and place of any meeting of shareholders and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than sixty days before the date of the meeting by or at the direction of the President or the Secretary, or the officer or persons duly calling the meeting, to each shareholder of record entitled to vote at such meeting and to such other persons as required by the Act. Unless the Act requires otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called. If mailed, notice of a meeting of shareholders shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his or her address as it appears on the stock record books of the corporation, with postage thereon prepaid.

(b) Notice of Adjourned Meetings. If an annual or special meeting of shareholders is adjourned to a different date, time, or place, the corporation shall not be required to give notice of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment; provided, however, that if a new record date for an adjourned meeting is or must be fixed, the corporation shall give notice of the adjourned meeting to persons who are shareholders as of the new record date who are entitled to notice of the meeting.

(c) No Notice Under Certain Circumstances. Notwithstanding the other provisions of this Section, no notice of a meeting of shareholders need be given to a shareholder if: (1) an annual report and proxy statement for two consecutive annual meetings of shareholders, or (2) all, and at least two, checks in payment of dividends or interest on securities during a twelve-month period have been sent by first-class, United States mail, addressed to the shareholder at his or her address as it appears on the share transfer books of the corporation, and returned undeliverable. The obligation of the corporation to give notice of a shareholders' meeting to any such shareholder shall be reinstated once the corporation has received a new address for such shareholder for entry on its share transfer books.

Section 3.5 Waiver of Notice.

(a) Written Waiver. A shareholder may waive any notice required by the Act or these bylaws before or after the date and time stated for the meeting in the notice. The waiver shall be in writing and signed by the shareholder entitled to the notice, and be delivered to the corporation for inclusion in the minutes or filing with the corporate records. Neither the business to be transacted at nor the purpose of any regular or special meeting of shareholders need be specified in any written waiver of notice.

(b) Waiver by Attendance. A shareholder's attendance at a meeting, in person or by proxy, waives objection to all of the following: (1) lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and (2) consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

Section 3.6 Fixing of Record Date.

(a) General. The Board of Directors may fix in advance a date as the record date for the purpose of determining shareholders entitled to notice of a shareholders' meeting, entitled to vote, or take any other action. In no event may a record date fixed by the Board of Directors be a date preceding the date upon which the resolution fixing the record date is adopted or a date more than seventy days before the date of meeting or action requiring a determination of shareholders.

(b) Special Meeting. The record date for determining shareholders entitled to demand a special meeting shall be the close of business on the date the first shareholder delivers his or her demand to the corporation.

(c) Shareholder Action by Written Consent. If no prior action is required by the Board of Directors pursuant to the Act, the record date for determining shareholders entitled to take action without a meeting shall be the close of business on the date the first signed written consent with respect to the action in question is delivered to the corporation, but if prior action is required by the Board of Directors pursuant to the Act, such record date shall be the close of business on the date on which the Board of Directors adopts the resolution taking such prior action unless the Board of Directors otherwise fixes a record date.

(d) Absence of Board Determination for Shareholders' Meeting. If the Board of Directors does not determine the record date for determining shareholders entitled to notice of and to vote at an annual or special shareholders' meeting, such record date shall be the close of business on the day before the first notice with respect thereto is delivered to shareholders.

(e) Adjourned Meeting. A record date for determining shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

Section 3.7 Shareholders' List for Meetings.

(a) Preparation and Availability. After a record date for a meeting of shareholders has been fixed, the corporation shall prepare an alphabetical list of the names of all of the shareholders entitled to notice of the meeting. The list shall be arranged by class or series of shares, if any, and show the address of and number of shares held by each shareholder. Such list shall be available for inspection by any shareholder for a period of ten days prior to the meeting or such shorter time as exists between the record date and the meeting date, and continuing through the meeting, at the corporation's principal office, at a place identified in the meeting notice in the city where the meeting will be held, or at the office of the corporation's transfer agent or registrar, if any. A shareholder or his or her agent or attorney may, on written demand, inspect the list, subject to the requirements of the Act, during regular business hours and at his or her expense, during the period that it is available for inspection pursuant to this Section. The corporation shall make the shareholders' list available at the meeting and any shareholder or his or her agent or attorney may inspect the list at any time during the meeting or any adjournment thereof.

(b) Prima Facie Evidence. The shareholders' list is prima facie evidence of the identity of shareholders entitled to examine the shareholders' list or to vote at a meeting of shareholders.

(c) Failure to Comply. If the requirements of this Section have not been substantially complied with, or if the corporation refuses to allow a shareholder or his or her agent or attorney to inspect the shareholders' list before or at the meeting, on the demand of any shareholder, in person or by proxy, who failed to get such access, the meeting shall be adjourned until such requirements are complied with.

(d) Validity of Action Not Affected. Refusal or failure to prepare or make available the shareholders' list shall not affect the validity of any action taken at a meeting of shareholders.

Section 3.8 Conduct of Meetings by Remote Communication. The Board of Directors may adopt guidelines and procedures for shareholders and proxy holders not physically present at an annual or special meeting of shareholders to participate in the meeting, be deemed present in person, vote, communicate and read or hear the proceedings of the meeting substantially

concurrently with such proceedings, all by means of remote communication. The Board of Directors may adopt procedures and guidelines for the conduct of an annual or special meeting solely by means of remote communication rather than holding the meeting at a designated place.

Section 3.9 Quorum.

(a) What Constitutes a Quorum. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. If the corporation has only one class of stock outstanding, such class shall constitute a separate voting group for purposes of this Section. Except as otherwise provided in the Act, a majority of the votes entitled to be cast on the matter shall constitute a quorum of the voting group for action on that matter.

(b) Presence of Shares. Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present for purposes of determining whether a quorum exists for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for the adjourned meeting.

(c) Adjournment in Absence of Quorum. Where a quorum is not present, the holders of a majority of the shares represented and who would be entitled to vote at the meeting if a quorum were present may adjourn such meeting from time to time.

Section 3.10 Voting of Shares. Except as provided in the Articles of Incorporation or the Act, each outstanding share, regardless of class, is entitled to one vote on each matter voted on at a meeting of shareholders.

Section 3.11 Vote Required.

(a) Matters Other Than Election of Directors. If a quorum exists, except in the case of the election of directors, action on a matter shall be approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the Act or the Articles of Incorporation require a greater number of affirmative votes.

(b) Election of Directors. Each shareholder who is entitled to vote at an election of directors has the right to vote the number of shares owned by him or her for as many persons as there are directors to be elected. Shareholders do not have a right to cumulate their votes for directors. At any meeting of shareholders at which directors are to be elected, when a quorum is present: (i) each nominee in an uncontested election shall be elected by the vote of the majority of the votes cast with respect to that director’s election; and (ii) in a contested election, the nominees receiving a plurality of the votes cast shall be elected. For purposes of this section, (i) a “contested election” means the number of nominees exceeds the number of directors to be elected in such election; (ii) an “uncontested election” means the number of nominees equals the number of directors to be elected in such election; and (iii) a “majority of the votes cast” means that the number of shares voted “for” a director’s election exceeds 50% of the number of votes cast with respect to that director’s election; votes cast shall include votes to withhold authority or votes against, in each case as applicable, and shall exclude abstentions and broker non-votes with respect to that director’s election.

Section 3.12 Conduct of Meeting. The Chairman of the Board of Directors, and in his or her absence, the Lead Director (if any), and in his or her absence, the Vice Chairman (if any), and in his or her absence, the President, and in his or her absence, a Vice President in the order provided under the Section of these bylaws titled “Vice Presidents,” and in their absence, any person chosen by the shareholders present shall call a shareholders’ meeting to order and shall act as presiding officer of the meeting, and the Secretary of the corporation shall act as secretary of all meetings of the shareholders, but, in the absence of the Secretary, the presiding officer may appoint any other person to act as secretary of the meeting. The presiding officer of the meeting shall have broad discretion in determining the order of business at a shareholders’ meeting. The presiding officer’s authority to conduct the meeting shall include, but in no way be limited to, recognizing shareholders entitled to speak, calling for the necessary reports, stating questions and putting them to a vote, calling for nominations, and announcing the results of voting. The presiding officer also shall take such actions as are necessary and appropriate to preserve order at the meeting. The rules of parliamentary procedure need not be observed in the conduct of shareholders’ meetings; however, meetings shall be conducted in accordance with accepted usage and common practice with fair treatment to all who are entitled to take part.

Section 3.13 Inspectors of Election. Inspectors of election may be appointed by the Board of Directors to act at any meeting of shareholders at which any vote is taken. If inspectors of election are not so appointed, the presiding officer of the meeting may, and on the request of any shareholder shall, make such appointment. The inspectors of election shall determine the number of shares outstanding, the voting rights with respect to each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies; receive votes, ballots, consents, and waivers; hear and determine all challenges and questions arising in connection with the vote; count and tabulate all votes, consents, and waivers; determine and announce the result; and do such acts as are proper to conduct the election or vote with fairness to all shareholders. No inspector, whether appointed by the Board of Directors or by the person acting as presiding officer of the meeting, need be a shareholder.

Section 3.14 Proxies.

(a) Appointment. At all meetings of shareholders, a shareholder or attorney-in-fact for a shareholder may vote the shareholder’s shares in person or by proxy. If an appointment form expressly provides, any proxy holder may appoint, in writing, a substitute to act in his or her place. A shareholder or attorney-in-fact for a shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form or by electronic transmission. Any type of electronic transmission appearing to have been, or containing or accompanied by such information or obtained under such procedures to reasonably ensure that the electronic transmission was, transmitted or authorized by such person is a sufficient appointment, subject to the verification requested by the corporation under Section 3.17 of these bylaws and Section 607.0724, Florida Statutes. The appointment may be signed by any reasonable means, including, but not limited to, facsimile or electronic signature. Any copy, facsimile transmission or other reliable reproduction of the writing or electronic transmission of the appointment may be substituted or used in lieu of the original writing or electronic transmission for any purpose for which the original writing or electronic transmission could be used if the copy, facsimile transmission or other reproduction is a complete reproduction of the entire original writing or electronic transmission.

(b) When Effective. An appointment of a proxy is effective when received by the Secretary or other officer or agent of the corporation authorized to tabulate votes. An appointment is valid for up to eleven months unless a longer period is expressly provided in the appointment form. An appointment of a proxy is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest.

Section 3.15 Shareholder Nominations and Proposals. Any shareholder nomination or proposal for action at a forthcoming shareholder meeting must be delivered to the corporation no later than the deadline for submitting shareholder proposals pursuant to Securities Exchange Commission Regulations Section 240.14a-8. The presiding officer at any shareholder meeting shall not be required to recognize any proposal or nomination which did not comply with such deadline.

Section 3.16 Action by Shareholders Without Meeting.

(a) Requirements for Written Consents. Any action required or permitted by the Act to be taken at any annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote if one or more written consents describing the action taken shall be signed and dated by the holders of outstanding stock entitled to vote thereon having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Such consents must be delivered to the principal office of the corporation in Florida, the corporation’s principal place of business, the Secretary, or another officer or agent of the corporation having custody of the books in which proceedings of meetings of shareholders are recorded. No written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the date of the earliest dated consent delivered in the manner required herein, written consents signed by the number of holders required to take action are delivered to the corporation by delivery as set forth in this Section.

(b) Revocation of Written Consents. Any written consent may be revoked prior to the date that the corporation receives the required number of consents to authorize the proposed action. No revocation is effective unless in writing and until received by the corporation at its principal office in Florida or its principal place of business, or received by the Secretary or other officer or agent having custody of the books in which proceedings of meetings of shareholders are recorded.

(c) Notice to Nonconsenting Shareholders. Within ten days after obtaining such authorization by written consent, notice must be given in writing to those shareholders who have not consented in writing or who are not entitled to vote on the action. The notice shall fairly summarize the material features of the authorized action and, if the action be such for which dissenters’ rights are provided under the Act, the notice shall contain a clear statement of the right of shareholders dissenting therefrom to be paid the fair value of their shares upon compliance with the provisions of the Act regarding the rights of dissenting shareholders.

(d) Same Effect as Vote at Meeting. A consent signed under this Section has the effect of a meeting vote and may be described as such in any document. Whenever action is

taken by written consent pursuant to this Section, the written consent of the shareholders consenting thereto or the written reports of inspectors appointed to tabulate such consents shall be filed with the minutes of proceedings of shareholders.

Section 3.17 Acceptance of Instruments Showing Shareholder Action. If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a shareholder, the corporation, if acting in good faith, may accept the vote, consent, waiver, or proxy appointment and give it effect as the act of a shareholder. If the name signed on a vote, consent, waiver, or proxy appointment does not correspond to the name of a shareholder, the corporation, if acting in good faith, may accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder if any of the following apply:

(a) The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity;

(b) The name signed purports to be that of a administrator, executor, guardian, personal representative, or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation is presented with respect to the vote, consent, waiver, or proxy appointment;

(c) The name signed purports to be that of a receiver or trustee in bankruptcy, or assignee for the benefit of creditors of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation is presented with respect to the vote, consent, waiver, or proxy appointment;

(d) The name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder is presented with respect to the vote, consent, waiver, or proxy appointment; or

(e) Two or more persons are the shareholder as cotenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all co-owners.

The corporation may reject a vote, consent, waiver, or proxy appointment if the Secretary or other officer or agent of the corporation who is authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

Section 3.18 Proxy Access Rights.

(a) Proxy Access.

(i) Whenever the Board of Directors solicits proxies with respect to the election of directors at an annual meeting of shareholders, subject to the provisions of this Section and to the extent permitted by applicable law, the corporation shall include in its proxy materials for such annual meeting, in addition to any persons nominated for election by, or at the direction of, a

majority of the Board of Directors, the name, together with the Required Information (defined below), of any person nominated for election (each such person being hereinafter referred to as a "Shareholder Nominee") to the Board of Directors by a shareholder that satisfies the requirements of this Section (such individual being hereinafter referred to as the "Eligible Shareholder").

(ii) For purposes of this Section, the "Required Information" that the corporation will include in its proxy materials is (A) the information concerning the Shareholder Nominee and the Eligible Shareholder that is required to be disclosed in the corporation's proxy statement by the rules and regulations promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by these bylaws, by the corporation's articles of incorporation and/or by the listing standards of each principal U.S. exchange upon which the common stock of the corporation is listed; and (B) if the Eligible Shareholder so elects, a written statement, not to exceed 500 words, in support of the Shareholder Nominee's candidacy (the "Statement"). Notwithstanding anything to the contrary contained in this Section, the corporation may omit from its proxy materials any information or Statement (or portion thereof) that it actually believes is materially false or misleading, omits to state nay material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or would violate any applicable law or regulation.

(b) Notice Requirements.

(i) Notwithstanding the procedures set forth elsewhere in these bylaws, in order to nominate a Shareholder Nominee pursuant to this Section, provide a notice expressly electing to have its Shareholder Nominee(s) included in the corporation's proxy materials pursuant to this Section, that complies with the requirements set forth in this Section (a "Notice of Proxy Access Nomination") within the time period set forth below. In order for an Eligible Shareholder to nominate a Shareholder Nominee pursuant to this Section, the Eligible Shareholder's Notice of Proxy Access Nomination must be received by the Secretary of the corporation at its principal executive office not less than 120 days prior to the anniversary of the date of the proxy statement for the prior year's annual meeting of shareholders (the "Deadline"); provided, however, that in the event the annual meeting is scheduled to be held on a date more than thirty (30) days before the anniversary date of the prior year's annual meeting or more than sixty (60) days after the anniversary date of the prior year's annual meeting, or if no annual meeting was held in the preceding year, the Deadline shall be the close of business on the later of (x) the 180th day prior to the scheduled date of such annual meeting or (y) the 15th day following the day on which public announcement of the date of such annual meeting is first made by the corporation. In no event shall an adjournment, postponement or rescheduling of any previously scheduled meeting of shareholders, or the public announcement thereof, commence a new time period for the giving of a Notice of Proxy Access Nomination under this Section.

(ii) In order to nominate a Shareholder Nominee pursuant to this Section, an Eligible Shareholder providing the information required to be provided pursuant to Section 3.18(a)(ii) within the time period specified in Section 3.18(b)(i) for delivering the Notice of Proxy Access Nomination must further update and supplement such information, if necessary, so that all such information provided or required to be provided shall be true and correct as of the record date for purposes of determining the shareholders entitled to vote at such annual meeting and as of the date that is ten (10) business days prior to such annual meeting, and such update and supplement (or a written notice stating that there are no such updates or supplements) must be delivered in writing to the Secretary of the corporation at its principal executive office not later than the close of business on the fifth (5th) business day after the record date for purposes of determining the shareholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of the record date), and not later than the close of business on the eighth (8th) business day prior to the date for the meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting).

(iii) In the event that any of the information or communications provided by the Eligible Shareholder or the Shareholder Nominee to the corporation or its shareholders ceases to be true and correct in all material respects or omits a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, each Eligible Shareholder or Shareholder Nominee, as the case may be, shall promptly notify the Secretary of the corporation of any defect in such previously provided information or communications and of the information that is required to correct any such defect.

(c) Maximum Number of Shareholder Nominees.

(i) The maximum number of Shareholder Nominees (including Shareholder Nominees that were submitted by an Eligible Shareholder for inclusion in the corporation's proxy materials pursuant to this Section but that were either subsequently withdrawn or that the Board of Directors decides to nominate as Board of Director nominees) nominated by all Eligible Shareholders that will be included in the corporation's proxy materials with respect to an annual meeting shall not exceed twenty-five percent (25%) of the number of directors in office (rounded down to the nearest whole number) as of the last day on which a Notice of Proxy Access Nomination may be timely delivered pursuant to and in accordance with this Section (the "Final Proxy Access Nomination Date"); provided that the maximum number of Shareholder Nominees that will be included in the corporation's proxy materials with respect to an annual meeting will be reduced by the number of individuals that the Board of Directors decides to nominate for re-election who were previously elected to the Board of Directors based on a nomination pursuant to Section 3.15 or this Section.

(ii) Any Eligible Shareholder submitting more than one Shareholder Nominee for inclusion in the corporation's proxy materials pursuant to this Section shall rank such Shareholder Nominees based on the order that the Eligible Shareholder desires such Shareholder Nominees to be selected for inclusion in the corporation's proxy statement in the event that the total number of Shareholder Nominees submitted by Eligible Shareholders pursuant to this Section exceeds the maximum number of Shareholder Nominees provided for in Section 3.18(c)(i) (including by operation of Section 3.18(c)(iii)). In the event that the number of Shareholder Nominees submitted by Eligible Shareholders pursuant to this Section exceeds the maximum number of Shareholder Nominees provided for in Section 3.18(c)(i) (including by operation of Section 3.18(c)(iii)), the highest ranking Shareholder Nominee who meets the requirements of this Section from each Eligible Shareholder will be selected for inclusion in the corporation's proxy materials until the maximum number is reached, going in order from the largest to the smallest of such Eligible Shareholders based on the number of shares of common stock of the corporation each Eligible Shareholder disclosed as owned in the Notice of Proxy Access Nomination submitted to the corporation hereunder. If the maximum number of Shareholder Nominees provided for in this Section is not reached after the highest ranking Shareholder Nominee who meets the requirements of this Section from each Eligible Shareholder has been selected, this selection process will continue as many times as necessary, following the same order each time, until the maximum number of Shareholder Nominees provided for in this Section is reached. The Shareholder Nominees so selected by each Eligible Shareholder in accordance with this Section 3.18(c)(ii) will be the only Shareholder Nominees entitled to be included in the corporation's proxy materials, and, following such selection, if the Shareholder Nominees so selected are not included in the corporation's proxy materials or are not submitted for election (for any reason, including the failure to comply with this Section), no other Shareholder Nominees will be included in the corporation's proxy materials or otherwise submitted for shareholder election pursuant to this Section.

(iii) If for any reason one or more vacancies occur on the Board of Directors after the Final Proxy Access Nomination Date but before the date of the applicable annual meeting and the Board of Directors resolves to reduce the size of the Board of Directors in connection therewith, the maximum number of Shareholder Nominees included in the corporation's proxy materials pursuant to this Section shall be calculated based on the number of directors in office as so reduced.

(d) Shareholder Eligibility.

(i) For purposes of this Section, an Eligible Shareholder shall be deemed to "own" only those outstanding shares of common stock of the corporation as to which the Eligible Shareholder possesses both (A) the full voting and investment rights pertaining to the shares and (B) the full economic interest in (including the opportunity for profit from and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses

(A) and (B) (x) shall not include any shares (I) borrowed for any purposes or purchased pursuant to an agreement to resell, (II) sold in any transaction that has not been settled or closed, and (y) shall be reduced by the notional amount of shares of common stock of the corporation subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such shareholder, whether or not any such instrument is to be settled with shares or with cash, to the extent not already taken into account in clause (x)(II) above and a number of shares of common stock of the corporation equal to the net "short" position in the common stock of the corporation held by such shareholder's affiliates, whether through short sales, options, warrants, forward contracts, swaps, contracts of sale, other derivatives or similar agreements or any other agreement or arrangement, or (III) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such shareholder or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of shares of outstanding common stock of the corporation, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of (1) reducing in any manner, to any extent or at any time in the future, such shareholder's or its affiliates' full right to vote or direct the voting of any such shares and/or (2) hedging, offsetting or altering to any degree any gain or loss realized or realizable from maintaining the full economic ownership of such shares by such shareholder or affiliate. A shareholder shall "own" shares held in the name of a nominee or other intermediary so long as the shareholder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. A shareholder's ownership of shares shall be deemed to continue during any period in which the shareholder has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement which is revocable at any time by the shareholder. The terms "owned," "owning" and other variations of the word "own" shall have correlative meanings. Whether outstanding shares of the common stock of the corporation are "owned" for these purposes shall be determined by the Board of Directors or any committee thereof. For purposes of this Section, the term "affiliate" or "affiliates" shall have the meaning ascribed thereto under the General Rules and Regulations of the Exchange Act.

(ii) In order to make a nomination pursuant to this Section, an Eligible Shareholder must have owned (as defined below) the Required Ownership Percentage (as defined below) of the corporation's outstanding common stock (the "Required Shares") continuously for the Minimum Holding Period (as defined below) or longer as of both the date the Notice of Proxy Access Nomination is required to be received by the corporation in accordance with this Section and the record date for determining shareholders entitled to vote at the applicable annual meeting, and must continue to own the Required Shares through the applicable meeting date; provided, that, up to, but not more than, twenty (20) individual shareholders who otherwise meet all of the requirements to be an Eligible Shareholder may aggregate their shareholdings in order to meet the Required Ownership Percentage, but not the Minimum Holding Period, of the

Required Shares. For purposes of this Section, the "Required Ownership Percentage" is 3% or more of the corporation's issued and outstanding common stock, and the "Minimum Holding Period" is three (3) years. For purposes of the foregoing sentence issued and outstanding common units of Regency Centers, L.P. (the "Partnership"), other than those owned by the corporation, the Partnership or any of their directly or indirectly wholly owned subsidiaries shall be treated as issued and outstanding shares of the corporation's common stock.

(iii) In order to nominate a Shareholder Nominee pursuant to this Section, an Eligible Shareholder, or with respect to clauses (E), (F) and (G) below, the Shareholder Nominee, must provide the following information in writing to the Secretary of the corporation within the time period specified in this Section for delivering the Notice of Proxy Access Nomination:

(A) one or more written statements from the record holder of the shares or from the intermediaries through which the shares are or have been held during the Minimum Holding Period (as defined below) verifying that, as of a date within seven (7) calendar days prior to the date the Notice of Proxy Access Nomination is received by the Secretary of the corporation, the Eligible Shareholder owns, and has owned continuously for the Minimum Holding Period, the Required Shares, and the Eligible Shareholder's agreement to provide (I) within five (5) business days after the record date for the annual meeting, written statements from such persons verifying the Eligible Shareholder's continuous ownership of the Required Shares through the record date, along with a written statement that the Eligible Shareholder will continue to hold the Required Shares through the applicable meeting date or (II) the updates and supplements described in Section 3.18(b)(ii) within the time periods set forth therein;

(B) a copy of the Schedule 14N filed or to be filed with the Securities and Exchange Commission in accordance with Rule 14a-18 of the Exchange Act;

(C) the information, representations and agreements that are required to be set forth in a shareholder's notice of nomination pursuant to this Section;

(D) the written consent of each Shareholder Nominee to being named in the proxy statement as a nominee and to serving as a director if elected;

(E) the information, representations and agreements that are required by this Section;

(F) an agreement by each Shareholder Nominee, upon such Shareholder Nominee's election, to make such acknowledgements, enter into such agreements and provide such information as the Board of

Directors requires of all directors at such time, including without limitation, agreeing to be bound by the corporation's code of ethics, insider trading policies and procedures and other similar policies and procedures;

(G) an irrevocable resignation of the Shareholder Nominee, which shall become effective upon a determination in good faith by the Board of Directors or any committee thereof that the information provided to the corporation by such individual pursuant to Section 3.18 of these bylaws was untrue in any material respect or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(H) a representation (in the form provided by the Secretary of the corporation upon written request) that the Eligible Shareholder (I) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control at the corporation, and that the Eligible Shareholder does not presently have such intent, (II) has not nominated and will not nominate for election to the Board of Directors at the annual meeting any person other than the Shareholder Nominee(s) being nominated pursuant to this Section, (III) has not engaged and will not engage in, and has not and will not be a "participant" in, another person's "solicitation" within the meaning of Rule 14a-1(1) under the Exchange Act in support of the election of any individual as a director at the annual meeting other than its Shareholder Nominee(s) or a nominee of the Board of Directors, (IV) will not distribute to any shareholder any form of proxy for the annual meeting other than the form of proxy distributed by the corporation, (V) agrees to comply with all other laws and regulations applicable to any solicitation in connection with the annual meeting, including, without limitation, Rule 14a-9 promulgated under the Exchange Act, (VI) meets the requirements set forth in this Section and (VII) has provided and will continue to provide facts, statements and other information in all communications with the corporation and its shareholders in connection with the nomination hereunder that is or will be true and correct in all material respects and does not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

(I) a written undertaking (in the form provided by the Secretary of the corporation upon written request) that the Eligible Shareholder agrees to (I) assume all liability stemming from any legal or regulatory violation arising out of the communications with shareholders of the corporation by the Eligible Shareholder, its affiliates and associates, or their respective agents or representatives, either before or after the furnishing of the Notice of Proxy Access Nomination or out of information that the Eligible Shareholder has provided or will provide to

the corporation or filed with the Securities and Exchange Commission, (II) indemnify and hold harmless the corporation and each of its directors, officers, agents, employees, affiliates, control persons or other persons acting on behalf of the corporation individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the corporation or any of its directors, officers, agents, employees, affiliates, control persons or other persons acting on behalf of the corporation arising out of any nomination submitted by the Eligible Shareholder pursuant to this Section, and (III) promptly provide to the corporation such additional information as requested pursuant to this Section.

In connection with clause (A) of the preceding sentence, if any intermediary which verifies the Eligible Shareholder's ownership of the Required Shares for the Minimum Holding Period is not the record holder of such shares, a Depository Trust Company ("DTC") participant or an affiliate of a DTC participant, then the Eligible Shareholder will also need to provide a written statement as required by clause (A) of the preceding sentence from the record holder of such shares, a DTC participant or an affiliate of a DTC participant that can verify the holdings of such intermediary.

(iv) Whenever the Eligible Shareholder consists of a group of more than one shareholder, each provision in this Section 3.18 that requires the Eligible Shareholder to provide any written statements, representations, undertakings, agreements or other instruments or to meet any other conditions shall be deemed to require each shareholder that is a member of such group to provide such statements, representations, undertakings, agreements or other instruments and to meet such other conditions. When an Eligible Shareholder is comprised of a group, a violation of any provision of these bylaws by any member of the group shall be deemed a violation by the Eligible Shareholder group. No person may be a member of more than one group of persons constituting an Eligible Shareholder with respect to any annual meeting.

(e) Shareholder Nominee Requirements.

(i) Notwithstanding anything in these bylaws to the contrary, the corporation shall not be required to include, pursuant to this Section, any Shareholder Nominee in its proxy materials for any meeting of shareholders (A) for which the Secretary of the corporation receives a notice that the Eligible Shareholder or any other shareholder of the corporation has nominated one or more persons for election to the Board of Directors pursuant to the advance notice requirements for shareholder nominees for director set forth in Section 3.15 of these bylaws, (B) if the Eligible Shareholder who has nominated such Shareholder Nominee has engaged in or is currently engaged in, or has been or is a "participant" in another person's "solicitation" within the meaning of Rule 14a-1(1) under the Exchange Act in support of the election of any individual as a director at the annual meeting other than its Shareholder Nominee(s) or a nominee of the Board of Directors, (C) if the Shareholder Nominee is or becomes a party to

any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity other than the corporation, or is receiving or will receive any such compensation or other payment from any person or entity other than the corporation, in each case, in connection with service as a director of the corporation, (D) who is not independent under the listing standards of each principal U.S. exchange upon which the common stock of the corporation is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the corporation's directors, in each case, as determined by the Board of Directors or any committee thereof, (E) whose election as a member of the Board of Directors would cause the corporation to be in violation of these bylaws, the corporation's articles of incorporation, the rules and listing standards of the principal U.S. exchanges upon which the common stock of the corporation is traded, or any applicable state or federal law, rule or regulation, (F) who provides any information to the corporation or its shareholders required or requested pursuant to any subsection of Section 3.18 of these bylaws that is not accurate, truthful and complete in all material respects, or that otherwise contravenes any of the agreements, representations or undertakings made by the Shareholder Nominee in connection with the nomination, (G) who is or has been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, (H) who is a named subject of a pending criminal proceeding (excluding traffic violations) or has been convicted in such a criminal proceeding within the past ten (10) years, (I) is the subject of any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended, (J) if such Shareholder Nominee or the applicable Eligible Shareholder shall have provided information to the corporation in respect of such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading, as determined by the Board of Directors or any committee thereof or (K) the Eligible Shareholder or applicable Shareholder Nominee fails to comply with its obligations pursuant to this Section.

(ii) Any Shareholder Nominee who is included in the corporation's proxy materials for a particular annual meeting of shareholders but either (a) withdraws from or becomes ineligible or unavailable for election at such annual meeting, or (b) does not receive a number of "for" votes equal to at least twenty-five percent (25%) of the number of shares present and entitled to vote for the election of directors, will be ineligible to be a Shareholder Nominee pursuant to this Section for the next two annual meetings of shareholders.

(iii) Notwithstanding anything to the contrary set forth herein, if the Board of Directors or a designated committee thereof determines that any shareholder nomination was not made in accordance with the terms of this Section or that the information provided in a Notice of Proxy Access Nomination does not satisfy the informational requirements of this Section in any material respect, then such nomination shall not be considered at the applicable annual meeting. If

neither the Board of Directors nor such committee makes a determination as to whether a nomination was made in accordance with the provisions of this Section, the presiding officer of the annual meeting shall determine whether a nomination was made in accordance with such provisions. If the presiding officer determines that any shareholder nomination was not made in accordance with the terms of this Section or that the information provided in a shareholder's notice does not satisfy the informational requirements of this Section in any material respect, then such nomination shall not be considered at the annual meeting in question. Additionally, such nomination will not be considered at the annual meeting in question if the Eligible Shareholder (or a qualified representative thereof) does not appear at the meeting of shareholders to present any nomination pursuant to this Section. If the Board of Directors, a designated committee thereof or the presiding officer determines that a nomination was made in accordance with the terms of this Section, the presiding officer shall so declare at the annual meeting and ballots shall be provided for use at the meeting with respect to such Shareholder Nominee.

(f) This Section provides the exclusive method for shareholders to include nominees for director in the corporation's proxy materials. If a shareholder has complied with the procedures set forth in this Section then such shareholder will also be deemed to have complied with the procedures set forth for all purposes under these bylaws.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1 General Powers and Number. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed under the direction of, the Board of Directors, a majority of whom shall be Independent Directors. The number of directors shall be established from time to time by resolution of the Board of Directors, but no such resolution shall increase or decrease the number of directors by more than one without the approval of shareholders pursuant to Section 3.11(a). For purposes of this Section, "Independent Director" shall mean a person other than an officer or employee of the corporation or its subsidiaries or any other individual having a relationship which, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Section 4.2 Qualifications. Directors must be natural persons who are eighteen years of age or older but need not be residents of this state or shareholders of the corporation.

Section 4.3 Term of Office. The term of each director shall expire at the next annual meeting of shareholders following his or her election or until his or her successor is elected and qualifies. Notwithstanding the prior sentence, the term for a director in an uncontested election who does not receive the vote of the majority of the votes cast, as defined in Section 3.11(b), with respect to such director's election shall expire on the date that is the earlier of (i) 90 days from the date on which the voting results are determined or (ii) the date on which an individual is selected by the Board of Directors to fill the office held by such director.

Section 4.4 Removal. The shareholders may remove one or more directors with or without cause. A director may be removed by the shareholders at a meeting of shareholders, provided that the notice of the meeting states that the purpose, or one of the purposes, of the meeting is such removal. If a director is elected by a voting group, only the shareholders of that voting group may participate in the vote to remove the director.

Section 4.5 Resignation. A director may resign at any time by delivering written notice to the Board of Directors or its Chairman or Vice Chairman (if any), or to the corporation. A director's resignation is effective when the notice is delivered unless the notice specifies a later effective date.

Section 4.6 Vacancies.

(a) Who May Fill Vacancies. Except as provided below, whenever any vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors, it may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors, or by the shareholders. Any director elected in accordance with the preceding sentence shall hold office until the next annual meeting of the corporation. If the directors first fill a vacancy, the shareholders shall have no further right with respect to that vacancy, and if the shareholders first fill the vacancy, the directors shall have no further rights with respect to that vacancy.

(b) Directors Elected by Voting Groups. Whenever the holders of shares of any voting group are entitled to elect a class of one or more directors by the provisions of the Articles of Incorporation, vacancies in such class may be filled by holders of shares of that voting group or by a majority of the directors then in office elected by such voting group or by a sole remaining director so elected. If no director elected by such voting group remains in office, unless the Articles of Incorporation provide otherwise, directors not elected by such voting group may fill vacancies.

(c) Prospective Vacancies. A vacancy that will occur at a specific later date, because of a resignation effective at a later date or otherwise, may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

Section 4.7 Compensation. The Board of Directors, irrespective of any personal interest of any of its members, may establish reasonable compensation of all directors for services to the corporation as directors, officers, or otherwise, or may delegate such authority to an appropriate committee. The Board of Directors also shall have authority to provide for or delegate authority to an appropriate committee to provide for reasonable pensions, disability or death benefits, and other benefits or payments, to directors, officers, and employees and to their families, dependents, estates, or beneficiaries on account of prior services rendered to the corporation by such directors, officers, and employees.

Section 4.8 Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this bylaw immediately after the annual meeting of shareholders and each adjourned session thereof. The place of such regular meeting shall be the same as the place of the meeting of shareholders which precedes it, or such other suitable place as may be

announced at such meeting of shareholders. The Board of Directors may provide, by resolution, the date, time, and place, either within or without the State of Florida, for the holding of additional regular meetings of the Board of Directors without notice other than such resolution.

Section 4.9 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, the Vice Chairman (if any), the Lead Director (if any), the President or one-third of the members of the Board of Directors. The person or persons calling the meeting may fix any place, either within or without the State of Florida, as the place for holding any special meeting of the Board of Directors, and if no other place is fixed, the place of the meeting shall be the principal office of the corporation in the State of Florida.

Section 4.10 Notice. Special meetings of the Board of Directors must be preceded by at least two days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting.

Section 4.11 Waiver of Notice. Notice of a meeting of the Board of Directors need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting or promptly upon arrival at the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened.

Section 4.12 Quorum and Voting. A quorum of the Board of Directors consists of a majority of the number of directors prescribed by these bylaws. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors. A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless: (a) he or she objects at the beginning of the meeting (or promptly upon his or her arrival) to holding it or transacting specified business at the meeting; or (b) he or she votes against or abstains from the action taken.

Section 4.13 Conduct of Meetings.

(a) Presiding Officer. The Board of Directors shall elect from among its members a Chairman of the Board of Directors, who shall preside at meetings of the Board of Directors. If the Chairman is an employee of the corporation, the Board of Directors shall elect from among its members a Lead Director, who shall preside at executive sessions of the Board at which employees of the corporation or any of its subsidiaries shall not be present. The Chairman, and in his or her absence, the Lead Director, and in his or her absence, the Vice Chairman (if any), and in his or her absence, the President, and in his or her absence, a Vice President in the order provided under the Section of these bylaws titled "Vice Presidents," and in their absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order and shall act as presiding officer of the meeting.

(b) Minutes. The Secretary of the corporation shall act as secretary of all meetings of the Board of Directors but in the absence of the Secretary, the presiding officer may appoint any other person present to act as secretary of the meeting. Minutes of any regular or special meeting of the Board of Directors shall be prepared and distributed to each director.

(c) Adjournments. A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting shall be given to the directors who are not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors.

(d) Participation by Conference Call or Similar Means. The Board of Directors may permit any or all directors to participate in a regular or a special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 4.14 Committees. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an Executive Committee and one or more other committees (which may include, by way of example and not as a limitation, a Compensation Committee, an Audit Committee and a Corporate Governance Committee) each of which, to the extent provided in such resolution and in any charter adopted by the Board of Directors for any committee, shall have and may exercise all the authority of the Board of Directors, except that no such committee shall have the authority to:

(a) approve or recommend to shareholders actions or proposals required by the Act to be approved by shareholders;

(b) fill vacancies on the Board of Directors or any committee thereof;

(c) adopt, amend, or repeal these bylaws;

(d) authorize or approve the reacquisition of shares unless pursuant to a general formula or method specified by the Board of Directors; or

(e) authorize or approve the issuance or sale or contract for the sale of shares, or determine the designation and relative rights, preferences, and limitations of a voting group except that the Board of Directors may authorize a committee (or a senior executive officer of the corporation) to do so within limits specifically prescribed by the Board of Directors.

Each committee must have two or more members, who shall serve at the pleasure of the Board of Directors. The Board of Directors, by resolution adopted in accordance with this Section, may designate one or more directors as alternate members of any such committee, who may act in the place and stead of any absent member or members at any meeting of such committee. The Board of Directors may adopt a charter for any such committee specifying requirements with respect to committee chairs and membership, responsibilities of the committee, the conduct of meetings and business of the committee and such other matters as the Board may designate. In the absence of a committee charter or a provision of a committee charter governing such matters, the provisions of these bylaws which govern meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors apply to committees and their members as well.

Section 4.15 Lead Director. If the Board of Directors appoints a Lead Director to preside at executive sessions of the Board of Directors, the Board of Directors may assign to the Lead Director by resolutions such additional duties as the Board of Directors determines, in its discretion, including acting as a liaison between the Board of Directors and the officers of the corporation and assisting in the setting of agendas for meetings of the Board of Directors.

Section 4.16 Vice Chairman. The Board of Directors may appoint one or more Vice Chairmen of the Board and prescribe their powers and duties. The Board of Directors may authorize the Chairman to prescribe their power and duties. A Vice Chairman shall have authority to sign certificates for shares of the corporation the issuance of which shall have been authorized by resolution of the Board of Directors, and to execute and acknowledge, on behalf of the corporation, all deeds, mortgages, bonds, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular business which shall be authorized by resolution of the Board of Directors. A Vice Chairman shall not be considered an officer or employee of the corporation. The appointment of one or more Vice Chairmen shall not diminish the power, duties or authority of the Chairman or any Lead Director appointed by the Board of Directors.

Section 4.17 Action Without Meeting. Any action required or permitted by the Act to be taken at a meeting of the Board of Directors or a committee thereof may be taken without a meeting if the action is taken by all members of the Board or of the committee. The action shall be evidenced by one or more written consents describing the action taken, signed by each director or committee member and retained by the corporation. Such action shall be effective when the last director or committee member signs the consent, unless the consent specifies a different effective date. A consent signed under this Section has the effect of a vote at a meeting and may be described as such in any document.

ARTICLE 5

OFFICERS

Section 5.1 Number. The principal officers of the corporation shall be a Chairman, a President, the number of Managing Directors and Vice Presidents as authorized from time to time by the Board of Directors, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. The Board of Directors shall designate from among the officers it elects those who shall be the executive officers of the corporation responsible for all policy making functions, under the direction of the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. The Board of Directors may also authorize any duly appointed officer to appoint one or more officers or assistant officers. The same individual may simultaneously hold more than one office.

Section 5.2 Election and Term of Office. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting

of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until his or her successor shall have been duly elected or until his or her prior death, resignation, or removal.

Section 5.3 Removal. The Board of Directors may remove any officer and, unless restricted by the Board of Directors, an officer may remove any officer or assistant officer appointed by that officer, at any time, with or without cause and notwithstanding the contract rights, if any, of the officer removed. The appointment of an officer does not of itself create contract rights.

Section 5.4 Resignation. An officer may resign at any time by delivering notice to the corporation. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date and the corporation accepts the later effective date. If a resignation is made effective at a later date and the corporation accepts the future effective date, the pending vacancy may be filled before the effective date but the successor may not take office until the effective date.

Section 5.5 Vacancies. A vacancy in any principal office because of death, resignation, removal, disqualification, or otherwise, shall be filled as soon thereafter as practicable by the Board of Directors for the unexpired portion of the term.

Section 5.6 Chairman. The Chairman of the Board of Directors shall be the principal executive officer of the corporation and, subject to the direction of the Board of Directors, shall in general supervise all of the business operations and affairs of the corporation, the daily operations of which shall be under the control of the President. The Chairman shall, when present, preside over all meetings of the Board of Directors and shareholders of the corporation. The Chairman shall have authority, subject to such rules as may be prescribed by the Board of Directors, to direct the President in the performance of the President's duties. The Chairman shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the corporation as he or she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the Chairman. The Chairman shall have authority to sign certificates for shares of the corporation the issuance of which shall have been authorized by resolution of the Board of Directors, and to execute and acknowledge, on behalf of the corporation, all deeds, mortgages, bonds, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular business, or which shall be authorized by resolution of the Board of Directors; and except as otherwise provided by law or the Board of Directors, the Chairman may authorize the President, any Managing Director, Vice President or other officer or agent of the corporation to execute and acknowledge such documents or instruments in his or her place and stead. In general, he or she shall perform all duties as may be prescribed by the Board of Directors from time to time.

Section 5.7 President. The President shall be the principal operating officer of the corporation and, subject to the direction of the Board of Directors and the Chairman, shall in general supervise and control all of the business and affairs of the corporation. If neither the Chairman of the Board, the Lead Director nor the Vice Chairman is present, the President shall

preside at all meetings of the Board of Directors and shareholders. The President shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the corporation as he or she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. The President shall have authority, subject to such rules as may be prescribed by the Board of Directors and/or the Chairman, to sign certificates for shares of the corporation the issuance of which shall have been authorized by resolution of the Board of Directors, and to execute and acknowledge, on behalf of the corporation, all deeds, mortgages, bonds, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular business, or which shall be authorized by resolution of the Board of Directors; and, except as otherwise provided by law or the Board of Directors or the Chairman, the President may authorize any Managing Director, Vice President or other officer or agent of the corporation to execute and acknowledge such documents or instruments in his or her place and stead. In general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5.8 Managing Directors. In the absence of the President or in the event of the President's death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, the Managing Director (or in the event there be more than one Managing Director, the Managing Directors in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their seniority with the corporation), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Managing Director may sign certificates for shares of the corporation the issuance of which shall have been authorized by resolution of the Board of Directors; and shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the President or by the Board of Directors. The execution of any instrument of the corporation by any Managing Director shall be conclusive evidence, as to third parties, of his or her authority to act in the stead of the President.

Section 5.9 Vice Presidents. The Board of Directors may appoint one or more Executive Vice Presidents, Senior Vice Presidents and other Vice Presidents, prescribe their powers and duties, including performing the duties of a Managing Director in such officer's absence, and specify to which Managing Director or other officer a Vice President should report. The Board of Directors may authorize the President to appoint one or more Vice Presidents, to prescribe their powers, duties and compensation, and to delegate authority to them.

Section 5.10 Secretary. The Secretary shall: (a) keep, or cause to be kept, minutes of the meetings of the shareholders and of the Board of Directors (and of committees thereof) in one or more books provided for that purpose (including records of actions taken by the shareholders or the Board of Directors (or committees thereof) without a meeting); (b) be custodian of the corporate records and of the seal of the corporation, if any, and if the corporation has a seal, see that it is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (c) authenticate the records of the corporation; (d) maintain a record of the shareholders of the corporation, in a form that permits preparation of a list of the names and addresses of all shareholders, by class or series of shares and showing the

number and class or series of shares held by each shareholder; (e) have general charge of the stock transfer books of the corporation; and (f) in general perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned by the President or by the Board of Directors.

Section 5.11 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) maintain appropriate accounting records; (c) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositaries as shall be selected in accordance with the provisions of these bylaws; and (d) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 5.12 Assistant Secretaries and Assistant Treasurers. There shall be such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time authorize. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

Section 5.13 Other Assistants and Acting Officers. The Board of Directors shall have the power to appoint, or to authorize any duly appointed officer of the corporation to appoint, any person to act as assistant to any officer, or as agent for the corporation in his or her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors or an authorized officer shall have the power to perform all the duties of the office to which he or she is so appointed to be an assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors or the appointing officer.

Section 5.14 Salaries. The salaries of the principal officers shall be fixed from time to time by the Board of Directors or by a duly authorized committee thereof, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the corporation.

ARTICLE 6

CONTRACTS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

Section 6.1 Contracts. The Board of Directors may authorize any officer or officers, or any agent or agents to enter into any contract or execute or deliver any instrument in the name of and on behalf of the corporation, and such authorization may be general or confined to

specific instances. In the absence of other designation, all deeds, mortgages, and instruments of assignment or pledge made by the corporation shall be executed in the name of the corporation by the Chairman, the President, one of the Managing Directors or one of the Vice Presidents; the Secretary or an Assistant Secretary, when necessary or required, shall attest and affix the corporate seal, if any, thereto; and when so executed no other party to such instrument or any third party shall be required to make any inquiry into the authority of the signing officer or officers.

Section 6.2 Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

Section 6.3 Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositaries as may be selected by or under the authority of a resolution of the Board of Directors.

Section 6.4 Voting of Securities Owned by Corporation. Subject always to the specific directions of the Board of Directors, (a) any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security holders of such other corporation by the President of this corporation if he or she be present, or in his or her absence by any Vice President of this corporation who may be present, and (b) whenever, in the judgment of the Chairman, or in his or her absence, of the President, or in his or her absence, of any Managing Director, it is desirable for this corporation to execute a proxy or written consent in respect of any such shares or other securities, such proxy or consent shall be executed in the name of this corporation by the Chairman, the President or one of the Managing Directors of this corporation, without necessity of any authorization by the Board of Directors, affixation of corporate seal, if any, or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this corporation shall have full right, power, and authority to vote the shares or other securities issued by such other corporation and owned or controlled by this corporation the same as such shares or other securities might be voted by this corporation.

ARTICLE 7

CERTIFICATES FOR SHARES; TRANSFER OF SHARES

Section 7.1 Consideration for Shares. The Board of Directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, promises to perform services evidenced by a written contract, or other securities of the corporation. Before the corporation issues shares, the Board of Directors shall determine that the consideration received or to be received for the shares to be issued is adequate. The determination of the Board of Directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid, and nonassessable. The corporation may place in escrow

shares issued for future services or benefits or a promissory note, or make other arrangements to restrict the transfer of the shares, and may credit distributions in respect of the shares against their purchase price, until the services are performed, the note is paid, or the benefits are received. If the services are not performed, the note is not paid, or the benefits are not received, the corporation may cancel, in whole or in part, the shares escrowed or restricted and the distributions credited.

Section 7.2 Certificates for Shares. Every holder of shares in the corporation shall be entitled to have a certificate representing all shares to which he or she is entitled unless the Board of Directors authorizes the issuance of some or all shares without certificates. Any such authorization shall not affect shares already represented by certificates until the certificates are surrendered to the corporation. If the Board of Directors authorizes the issuance of any shares without certificates, within a reasonable time after the issue or transfer of any such shares, the corporation shall send the shareholder a written statement of the information required by the Act or the Articles of Incorporation to be set forth on certificates, including any restrictions on transfer. Certificates representing shares of the corporation shall be in such form, consistent with the Act, as shall be determined by the Board of Directors. Such certificates shall be signed (either manually or in facsimile) by the Chairman, the President, any Managing Director or any Vice President or any other persons designated by the Board of Directors and may be sealed with the seal of the corporation or a facsimile thereof. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. Unless the Board of Directors authorizes shares without certificates, all certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except as provided in these bylaws with respect to lost, destroyed, or stolen certificates. The validity of a share certificate is not affected if a person who signed the certificate (either manually or in facsimile) no longer holds office when the certificate is issued.

Section 7.3 Transfer of Shares. Prior to due presentment of a certificate for shares for registration of transfer, the corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications, and otherwise to have and exercise all the rights and power of an owner. Where a certificate for shares is presented to the corporation with a request to register a transfer, the corporation shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the corporation had no duty to inquire into adverse claims or has discharged any such duty. The corporation may require reasonable assurance that such endorsements are genuine and effective and compliance with such other regulations as may be prescribed by or under the authority of the Board of Directors.

Section 7.4 Restrictions on Transfer. The face or reverse side of each certificate representing shares shall bear a conspicuous notation as required by the Act or the Articles of Incorporation of the restrictions imposed by the corporation upon the transfer of such shares.

Section 7.5 Lost, Destroyed, or Stolen Certificates. Unless the Board of Directors authorizes shares without certificates, where the owner claims that certificates for shares have

been lost, destroyed, or wrongfully taken, a new certificate shall be issued in place thereof if the owner (a) so requests before the corporation has notice that such shares have been acquired by a bona fide purchaser, (b) files with the corporation a sufficient indemnity bond if required by the Board of Directors or any principal officer, and (c) satisfies such other reasonable requirements as may be prescribed by or under the authority of the Board of Directors.

Section 7.6 Stock Regulations. The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with law as they may deem expedient concerning the issue, transfer, and registration of shares of the corporation.

ARTICLE 8

SEAL

Section 8.1 Seal. The Board of Directors may provide for a corporate seal for the corporation.

ARTICLE 9

BOOKS AND RECORDS

Section 9.1 Books and Records.

(a) The corporation shall keep as permanent records minutes of all meetings of the shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the corporation.

(b) The corporation shall maintain accurate accounting records.

(c) The corporation or its agent shall maintain a record of the shareholders in a form that permits preparation of a list of the names and addresses of all shareholders in alphabetical order by class of shares showing the number and series of shares held by each.

(d) The corporation shall keep a copy of all written communications within the preceding three years to all shareholders generally or to all shareholders of a class or series, including the financial statements required to be furnished by the Act, and a copy of its most recent annual report delivered to the Department of State.

Section 9.2 Inspection Rights. Shareholders and directors are entitled to inspect and copy records of the corporation as permitted by the Act.

Section 9.3 Distribution of Financial Information. The corporation shall prepare and disseminate financial statements to shareholders as required by the Act.

Section 9.4 Other Reports. The corporation shall disseminate such other reports to shareholders as are required by the Act, including reports regarding indemnification in certain circumstances and reports regarding the issuance or authorization for issuance of shares in exchange for promises to render services in the future.

ARTICLE 10

INDEMNIFICATION

Section 10.1 Provision of Indemnification. The corporation shall, to the fullest extent permitted or required by the Act, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Executive Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in connection with any Proceeding to which any such Director or Executive Officer is a Party or in which such Director or Executive Officer is deposed or called to testify as a witness because he or she is or was a Director or Executive Officer of the corporation, whether or not such person continues to serve in such capacity at the time the obligation to indemnify against Liabilities or advance Expenses is incurred or paid. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses which a Director or Executive Officer may be entitled under any written agreement, Board resolution, vote of shareholders, the Act, or otherwise. The corporation may, but shall not be required to, supplement the foregoing rights to indemnification against Liabilities and advancement of Expenses by the purchase of insurance on behalf of any one or more of its Directors or Executive Officers whether or not the corporation would be obligated to indemnify or advance Expenses to such Director or Executive Officer under this Article. For purposes of this Article, the term “Directors” includes former directors and any directors who are or were serving at the request of the corporation as directors, officers, employees, or agents of another corporation, partnership, joint venture, trust, or other enterprise, including, without limitation, any employee benefit plan (other than in the capacity as agents separately retained and compensated for the provision of goods or services to the enterprise, including, without limitation, attorneys-at-law, accountants, and financial consultants), whether or not such person continues to serve in such capacity at the time the obligation to indemnify against Liabilities or advance Expenses is incurred or paid. The term “Executive Officers” refers to those persons described in Securities Exchange Commission Regulations Section 240.3b-7. All other capitalized terms used in this Article and not otherwise defined herein shall have the meaning set forth in Section 607.0850, Florida Statutes (2003). The provisions of this Article are intended solely for the benefit of the indemnified parties described herein, their heirs and personal representatives and shall not create any rights in favor of third parties. No amendment to or repeal of this Article shall diminish the rights of indemnification provided for herein to any person who serves or served as a Director or Executive Officer at any time prior to such amendment or repeal.

ARTICLE 11

AMENDMENTS

Section 11.1 Power to Amend. These bylaws may be amended or repealed by either the Board of Directors or the shareholders, unless the Act reserves the power to amend these bylaws

generally or any particular bylaw provision, as the case may be, exclusively to the shareholders or unless the shareholders, in amending or repealing these bylaws generally or any particular bylaw provision, provide expressly that the Board of Directors may not amend or repeal these bylaws or such bylaw provision, as the case may be.

ARTICLE 12

OPT-OUT OF FLORIDA CONTROL-SHARE ACQUISITION STATUTE

Section 12.1 Opt-Out. Notwithstanding any other provision of the corporation's articles of incorporation or these bylaws, Section 607.0902 of the Florida Statutes also known as the Control-Share Acquisition Statute of the Act (or any successor statute) shall not apply to any acquisition by any person of shares of stock of the corporation. Notwithstanding any other provision of the corporation's articles of incorporation or these bylaws, this Section may not be repealed or amended, in whole or in part, at any time, without the affirmative vote of a majority of the votes cast on the matter by shareholders entitled to vote on the matter.

ARTICLE 13

EXCLUSIVE FORUM

Section 13.1 Exclusive Forum. Unless the corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim for breach of a fiduciary duty owed by any director or officer or other employee of the corporation to the corporation or the corporation's shareholders, (iii) any action asserting a claim against the corporation or any director or officer or other employee of the corporation arising pursuant to any provision of the Act or the articles of incorporation or these bylaws (in each case, as they may be amended from time to time), or (iv) any action asserting a claim against the corporation or any director or officer or other employee of the corporation governed by the internal affairs doctrine shall be the Federal District Court for the Middle District of Florida, Jacksonville Division (or, if such court does not have jurisdiction, a state court located within the State of Florida, County of Duval). If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the State of Florida, County of Duval (a "Foreign Action"), in the name of any shareholder, such shareholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Florida, County of Duval, in connection with any action brought in any such court to enforce the preceding sentence and (ii) having service of process made upon such shareholder in any such action by service upon such shareholder's counsel in the Foreign Action as agent for such shareholder.

SUPPLEMENTAL INDENTURE NO. 14

This Supplemental Indenture No. 14, dated as of March 1, 2017 (this "Supplemental Indenture"), among Equity One, Inc., a Maryland corporation (the "Original Issuer"), Regency Centers Corporation, a Florida corporation (together with its successors and assigns, the "Successor Company"), Regency Centers, L.P., a Delaware limited partnership ("RCLP") and U.S. Bank National Association, as successor to SunTrust Bank (formerly known as SunTrust Bank, Atlanta), a national banking corporation duly organized and existing under the laws of the United States, as trustee hereunder (the "Trustee").

W I T N E S S E T H :

WHEREAS, the Original Issuer, as successor by merger to IRT Property Company, and the Trustee have heretofore executed and delivered an Indenture, dated as of September 9, 1998 (as amended, supplemented or otherwise modified prior to the date hereof, including by that certain Supplemental Indenture No. 13, dated as of October 25, 2012, providing for the issuance of the Original Issuer's 3.75% Senior Notes due 2022 (the "Notes"), the "Indenture");

WHEREAS, the Notes are the only series of Securities outstanding under the Indenture;

WHEREAS, the Original Issuer and the Successor Company are parties to that certain Agreement and Plan of Merger, dated as of November 14, 2016, by and between the Original Issuer and the Successor Company, pursuant to which on the date hereof the Original Issuer will merge with and into the Successor Company, with the Successor Company surviving such merger (the "Merger");

WHEREAS, Article Eight of the Indenture provides, among other things, that under certain circumstances the Original Issuer may consolidate with or merge with or into another entity;

WHEREAS, in connection with the Merger, (1) the Original Issuer desires that the Successor Company assume the Original Issuer's obligations under the Notes and the Indenture, and the Successor Company desires to assume the Original Issuer's obligations under the Notes and the Indenture and (2) RCLP desires to fully, unconditionally and irrevocably assume, jointly and severally with the Successor Company, the obligation to pay the principal of (and premium or Make-Whole Amount, if any) and any interest (including all Additional Amounts, if any, payable pursuant to Section 1011 of the Indenture) on all of the Notes, according to their tenor;

WHEREAS, pursuant to Sections 901(1) and 901(10) of the Indenture, the Trustee and the Original Issuer are authorized to execute and deliver this Supplemental Indenture to (1) evidence the succession of the Successor Company to the Original Issuer and the assumption by the Successor Company of the covenants of the Original Issuer contained in the Indenture and the Notes and (2) make any change to the Indenture, provided that such change does not adversely affect the interests of the Holders of Securities of any series or any related coupons in any material respect;

WHEREAS, each of the Original Issuer, the Successor Company, RCLP and the Trustee have duly authorized the execution and delivery of this Supplemental Indenture;

WHEREAS, the Original Issuer has furnished the Trustee with an Opinion of Counsel and an Officers' Certificate in accordance with the Indenture, stating that the Merger and the execution of this Supplemental Indenture is authorized or permitted by the Indenture and that all conditions precedent (including covenants, compliance with which constitute conditions precedent) to the Merger and the execution of this Supplemental Indenture have been complied with and that upon delivery to the Trustee of such Officers' Certificate, such Opinion of Counsel and this Supplemental Indenture as contemplated by Article Eight and Sections 102 and 903 of the Indenture, all conditions precedent (including covenants, compliance with which constitute conditions precedent) therein provided relating to the Merger and the execution of this Supplemental Indenture will have been complied with; and

WHEREAS, all things necessary to make this Supplemental Indenture a valid agreement of the Original Issuer, the Successor Company, RCLP and the Trustee and a valid amendment of, and supplement to, the Indenture and the Notes have been done, and the entry into this Supplemental Indenture by the parties hereto is in all respects authorized or permitted by the provisions of the Indenture.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto covenant and agree for the equal and proportionate benefit of all Holders of the Notes, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof. All references in the Indenture and the Notes to "Equity One, Inc." are hereby amended and replaced, immediately upon the effectiveness of the Merger, with "Regency Centers Corporation."

ARTICLE II

AGREEMENT TO ASSUME OBLIGATIONS

SECTION 2.1 Assumption of Obligations. Immediately upon the effectiveness of the Merger, pursuant to Article Eight of the Indenture, the Successor Company (i) hereby assumes the due and punctual payment of the principal of (and premium or Make-Whole Amount, if any) and any interest (including all Additional Amounts, if any, payable pursuant to Section 1011 of the Indenture) on all of the Notes, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of the Indenture to be performed by the Original Issuer and (ii) hereby succeeds to and is substituted for the Original Issuer, with the same effect as if the Successor Company had been named as the Original Issuer in the Indenture and the Notes.

ARTICLE III

CO-OBLIGATION

SECTION 3.1 Co-Obligation. Immediately upon the effectiveness of the Merger, RCLP hereby fully, unconditionally and irrevocably expressly assumes and agrees to perform and discharge, jointly and severally with the Successor Company, the obligation to pay the principal of (and premium or Make-Whole Amount, if any) and any interest (including all Additional Amounts, if any, payable pursuant to Section 1011 of the Indenture) on all of the Notes, according to their tenor. The obligations of RCLP hereunder are primary and not merely those of a surety. RCLP hereby waives diligence, presentment, demand of payment, any right to require a proceeding first against the Successor Company, protest or notice and all demands whatsoever with respect to the Notes or the indebtedness evidenced thereby.

ARTICLE IV

MISCELLANEOUS

SECTION 4.1 Notices. All notices or other communications to the Successor Company or RCLP shall be given as provided in the Indenture addressed as follows:

If to the Successor Company:
Regency Centers Corporation
One Independent Drive, Suite 114
Jacksonville, Florida 32202
Attention: Chief Financial Officer

If to RCLP:
Regency Centers, L.P.
c/o Regency Centers Corporation
One Independent Drive, Suite 114
Jacksonville, Florida 32202
Attention: Chief Financial Officer

SECTION 4.2 Concerning the Trustee. The Trustee shall assume no duties, responsibilities, or liabilities by reason of this Supplemental Indenture other than to the extent set forth in the Indenture and the Trustee shall be indemnified in accordance with the terms of the Indenture. The Trustee shall not be responsible in any manner whatsoever for or in respect of (i) the validity or sufficiency of this Supplemental Indenture, (ii) the correctness of any of the provisions contained herein, or (iii) the recitals contained herein, all of which recitals are made solely by the Original Issuer, the Successor Company and RCLP.

SECTION 4.3 Supplemental Indenture Controls. In the event of a conflict or inconsistency between the Indenture and this Supplemental Indenture, the provisions of this Supplemental Indenture shall control.

SECTION 4.4 Governing Law. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of Georgia.

SECTION 4.5 Execution in Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart by facsimile or PDF shall be effective as delivery of a manually executed counterpart thereof.

SECTION 4.6 Confirmation of Indenture. Except as amended and supplemented hereby, the Indenture is hereby ratified, confirmed and reaffirmed in all respects. The Indenture and this Supplemental Indenture shall be read, taken and construed as one and the same instrument.

SECTION 4.7 Headings. The titles and headings of the articles and sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 4.8 Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 4.9 No Adverse Interpretation of Other Agreements. This Supplemental Indenture may not be used to interpret another indenture, loan, or debt agreement other than the Indenture for purposes of the Notes. Any such indenture, loan, or debt agreement may not be used to interpret this Supplemental Indenture.

SECTION 4.10 Successors and Assigns. All covenants and agreements made by the Original Issuer, the Successor Company and RCLP in this Supplemental Indenture shall be binding upon their respective successors and assigns, whether expressed or not.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

EQUITY ONE, INC.

By: /s/ David Lukes
Name: David Lukes
Title: President and Chief Executive Officer

REGENCY CENTERS CORPORATION

By: /s/ Michael J. Mas
Name: Michael J. Mas
Title: Senior Vice President Capital Markets

REGENCY CENTERS, L.P.

By: /s/ Michael J. Mas
Name: Michael J. Mas
Title: Senior Vice President Capital Markets

[*Signature Page to Supplemental Indenture No. 14*]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: /s/ George Hogan
Name: George Hogan
Title: Vice President

[*Signature Page to Supplemental Indenture No. 14*]

Exhibit 4.2

ASSUMPTION AGREEMENT

March 1, 2017

Reference is made to that certain Note Purchase Agreement dated as of April 20, 2016, among EQUITY ONE, INC., a Maryland corporation (the "**Company**"), and the Purchasers named therein (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "**Note Purchase Agreement**") pursuant to which the Company issued and sold to the Purchasers (a) $100,000,000 aggregate principal amount of its 3.81% Senior Unsecured Notes Series A due 2026 (the "**Series A Notes**") and (b) $100,000,000 aggregate principal amount of its 3.91% Senior Unsecured Notes Series B due 2026 (the "**Series B Notes**" and together with the Series A Notes, the "**Notes**"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Note Purchase Agreement.

Reference is also made to that certain Agreement and Plan of Merger, dated as of November 14, 2016, by and between the Company and Regency Centers Corporation, a Florida corporation (the "**Successor Company**"), pursuant to which the Company will merge with and into the Successor Company, with the Successor Company surviving such merger (the "**Merger**").

Immediately upon the effectiveness of the Merger, pursuant to Section 10.2(a) of Note Purchase Agreement, the Successor Company hereby assumes the due and punctual performance and observance of each covenant and condition of the Note Purchase Agreement and the Notes to be performed by the Company.

The Successor Company hereby agrees that immediately upon the effectiveness of the Merger, it shall be deemed a party to the Note Purchase Agreement for all purposes thereof. As a party to the Note Purchase Agreement, Successor Company agrees to be bound by all of the terms and conditions of the Note Purchase Agreement and the Notes as if it had been named as the Company in the Note Purchase Agreement and the Notes.

The Successor Company represents and warrants that immediately before and after giving effect to the Merger, no Default or Event of Default has occurred and is continuing.

The provisions of Section 22 of the Note Purchase Agreement will apply with like effect to this Assumption Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed as of the date first set above.

REGENCY CENTERS CORPORATION

By: /s/ Michael J. Mas
Name: Michael J. Mas
Title: Senior Vice President Capital Markets

[Signature Page – Assumption Agreement]

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1) Registration Statement (Form S-3 No. 333-125858) of Regency Centers Corporation,

2) Registration Statement (Form S-3 No. 333-202971) of Regency Centers Corporation,

3) Registration Statement (Form S-3 ASR No. 333-194301) of Regency Centers Corporation,

4) Registration Statement (Form S-8 No. 333-24971) of Regency Centers Corporation,

5) Registration Statement (Form S-8 No. 333-55062) of Regency Centers Corporation,

6) Registration Statement (Form S-8 No. 333-125857) of Regency Centers Corporation,

7) Registration Statement (Form S-8 No. 333-149872) of Regency Centers Corporation,

8) Registration Statement (Form S-8 No. 333-174662) of Regency Centers Corporation,

9) Registration Statement (Form S-3 ASR No. 333-194301-01) of Regency Centers, L.P.;

of our reports dated February 28, 2017, with respect to the consolidated financial statements and schedules of Equity One, Inc. and subsidiaries, and the effectiveness of internal control over financial reporting of Equity One, Inc. and subsidiaries, included in the Annual Report (Form 10-K) of Equity One, Inc. for the year ended December 31, 2016, and incorporated by reference in this Current Report on Form 8-K.

/s/ Ernst & Young LLP
New York, New York
March 1, 2017

Exhibit 99.1

Regency Centers Stockholders Approve Proposed Merger With Equity One

JACKSONVILLE, FL. (February 24, 2017) – Regency Centers Corporation (NYSE: REG) ("Regency") today announced that its stockholders approved its merger with Equity One, Inc. ("Equity One") (NYSE: EQY) at a special meeting of stockholders held earlier today. Stockholders approved all proposals put forward at the special meeting.

As previously announced, on November 14, 2016, Regency and Equity One entered into a definitive merger agreement (the "Merger Agreement"), pursuant to which Equity One would merge with and into Regency, with Regency continuing as the surviving public company of the merger. Under the terms of the Merger Agreement, each share of Equity One common stock will be converted into 0.45 of a newly issued share of Regency common stock. On a pro forma basis, following the closing of the transaction, Regency stockholders are expected to own approximately 62 percent of the combined company's common stock, and former Equity One stockholders are expected to own approximately 38 percent. Subject to the satisfaction or waiver of certain other customary closing conditions, Regency expects the merger to close on March 1, 2017.

J.P. Morgan Securities LLC is acting as financial advisor, and Wachtell, Lipton, Rosen & Katz is acting as legal advisor, to Regency in connection with the merger.

About Regency Centers Corporation

Regency is the preeminent national owner, operator and developer of neighborhood and community shopping centers. The Company's portfolio of 307 retail properties encompasses over 42.1 million square feet, is primarily anchored by productive grocers and is located in affluent and infill trade areas in the country's most attractive metro areas. Regency has developed 223 shopping centers since 2000, representing an investment at completion of more than $3 billion. Operating as a fully integrated real estate company, Regency is a qualified real estate investment trust that is self-administered and self-managed.

Cautionary Statement Regarding Forward-Looking Information

The information presented herein may contain forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving Regency's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects" or "potential," by future conditional verbs such as "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.

In addition to factors previously disclosed in Regency's reports filed with the Securities and Exchange Commission and those identified elsewhere in this communication, the following factors, among others, could cause actual results to differ materially from forward-looking

statements and historical performance: the occurrence of any event, change or other circumstances that could give rise to right of one or both of the parties to terminate the definitive merger agreement between Regency and Equity One; the outcome of any legal proceedings that may be instituted against Regency or Equity One; the possibility that the anticipated benefits of the transaction are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of changes in the economy and competitive factors in the areas where Regency and Equity One do business; the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management's attention from ongoing business operations and opportunities; potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction; Regency's ability to complete the acquisition and integration of Equity One successfully or fully realize cost savings and other benefits and other consequences associated with mergers, acquisitions and divestitures; changes in asset quality and credit risk; the potential liability for a failure to meet regulatory requirements, including the maintenance of REIT status; material changes in the dividend rates on securities or the ability to pay dividends on common shares or other securities; potential changes to tax legislation; changes in demand for developed properties; adverse changes in financial condition of joint venture partner(s) or major tenants; risks associated with the acquisition, development, expansion, leasing and management of properties; risks associated with the geographic concentration of Regency or Equity One; risks associated with the industry concentration of tenants; the potential impact of announcement of the proposed transactions or consummation of the proposed transactions on relationships, including with tenants, employees, customers and competitors; significant costs related to uninsured losses, condemnation, or environmental issues; the ability to retain key personnel; and changes in local, national and international financial market, insurance rates and interest rates. Regency does not intend, and undertakes no obligation, to update any forward-looking statement.

Contact Information

Regency Investor Contacts

Michael Mas and Patrick Johnson
MichaelMas@regencycenters.com, 904-598-7470
PatrickJohnson@regencycenters.com, 904-598-7422

Exhibit 99.2

Regency Centers and Equity One Announce Closing of Merger

JACKSONVILLE, FL and NEW YORK, NY (March 1, 2017) – Regency Centers Corporation (NYSE: REG) ("Regency") and Equity One, Inc. (NYSE: EQY) ("Equity One") today announced the completion of their previously announced merger, whereby Equity One merged with and into Regency, with Regency continuing as the surviving public company. The merger forms a combined company with a total market capitalization of approximately $16 billion. Beginning March 2, 2017, Regency will be a member of the S&P 500 index.

"We are delighted to announce the completion of our merger with Equity One, further establishing Regency Centers as the preeminent national shopping center REIT," stated Martin E. "Hap" Stein, Jr., Chairman and Chief Executive Officer. "With a high quality portfolio of 429 properties located in many of the country's top markets, featuring outstanding demographics, augmented by a best-in-class development and redevelopment program, we believe Regency offers a unique long-term growth profile. Further, as we have stated before, we expect the transaction to be accretive to core FFO per share while preserving our sector-leading balance sheet. Moving ahead, we look forward to the rapid integration of the two platforms and to creating additional value for our shareholders over the quarters and years to come."

The completion of the transaction follows the satisfaction of all conditions to the closing of the merger, including receipt of approvals of the merger and other merger-related proposals by Regency and Equity One stockholders, which approvals were obtained on February 24, 2017.

Pursuant to the terms of the definitive merger agreement entered into by and between Regency and Equity One on November 14, 2016, Equity One stockholders are entitled to receive 0.45 of a newly issued share of Regency common stock for each share of Equity One common stock that they owned immediately prior to the effective time of the merger. The common stock of the combined company will trade under the symbol "REG" on the NYSE, and the Equity One common stock will be suspended from trading on the NYSE effective as of the opening of trading on March 2, 2017.

In connection with the completion of the merger, the Regency board of directors has appointed Joseph Azrack, Chaim Katzman and Peter Linneman, former Equity One directors, to serve on Regency's board. Mr. Katzman, the former Chairman of Equity One's board, will serve as non-executive Vice Chairman of the Regency board. Regency's current executive officers will continue to serve in their current positions.

Following the merger, Regency now expects the combined portfolio to produce annual Same Property NOI growth for 2017 within a new range of 3.0% to 3.8%. This compares to previous guidance for Regency as a stand-alone entity of 2.25% to 3.00%. Regency expects to realize annualized cost savings of approximately $27 million by 2018, primarily related to the elimination of duplicative corporate and property-level operating costs. The transaction is expected to be accretive to Core FFO, assuming the anticipated full cost benefits, before the positive incremental impacts of merger-related purchase accounting adjustments, and after potential dispositions. Regency will update its guidance more completely when it reports first quarter 2017 results.

J.P. Morgan Securities LLC acted as financial advisor, and Wachtell, Lipton, Rosen & Katz acted as legal advisor, to Regency in connection with the merger. Barclays Capital Inc. acted as lead financial advisor, Citigroup Global Markets Inc. acted as co-financial advisor, and Kirkland & Ellis LLP acted as legal advisor to Equity One in connection with the merger. ICR, LLC served as communications advisor for the transaction.

About Regency Centers Corporation

Regency is the preeminent national owner, operator and developer of neighborhood and community shopping centers which are primarily anchored by productive grocers and located in affluent and infill trade areas in the country's most attractive metro areas. As of December 31, 2016, Regency's portfolio of 307 retail properties encompassed over 42.2 million square feet, which includes properties held in co-investment partnerships. Regency has developed 225 shopping centers since 2000, representing an investment at completion of more than $3.5 billion. Operating as a fully integrated real estate company, Regency is a qualified real estate investment trust that is self-administered and self-managed.

About Equity One, Inc.

As of December 31, 2016, Equity One's portfolio comprised 122 properties, including 101 retail properties and five non-retail properties totaling approximately 12.8 million square feet of gross leasable area, or GLA, 10 development or redevelopment properties with approximately 2.3 million square feet of GLA, and six land parcels. As of December 31, 2016, Equity One's retail occupancy excluding developments and redevelopments was 95.8% and included national, regional and local tenants. Additionally, Equity One had joint venture interests in six retail properties and two office buildings totaling approximately 1.4 million square feet of GLA.

Cautionary Statement Regarding Forward-Looking Information

The information presented herein may contain forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving Regency's or Equity One's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects" or "potential," by future conditional verbs such as "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.

In addition to factors previously disclosed in Regency's and Equity One's reports filed with the Securities and Exchange Commission and those identified elsewhere in this communication, the following factors, among others, could cause actual results to differ materially from forward-looking statements and historical performance: the outcome of any legal proceedings that are or may be instituted against Regency or Equity One; the possibility that the anticipated benefits of the transaction are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of changes in the economy and competitive factors in the areas where Regency and Equity One do business; diversion of management's attention from ongoing business operations and opportunities; potential adverse reactions or changes to business or employee relationships, including those resulting from the completion of the transaction; Regency's ability to complete the integration of Equity One successfully or fully realize cost savings and other benefits and other consequences associated with mergers, acquisitions and divestitures; changes in asset quality and credit risk; the potential liability for a failure to meet regulatory requirements, including the maintenance of REIT status; material changes in the dividend rates on securities or the ability to pay dividends on common shares or other securities; potential changes to tax legislation; changes in demand for developed properties; adverse changes in financial condition of joint venture partner(s) or major tenants; risks associated with the acquisition, development, expansion, leasing and management of properties; risks associated with the geographic concentration of Regency; risks associated with the concentration of tenants; the impact of the transactions on relationships, including with tenants, employees, customers and competitors; significant costs related to uninsured losses, condemnation, or environmental issues; the ability to retain key personnel; and changes in local, national and international financial market, insurance rates and interest rates. Regency does not intend, and undertakes no obligation, to update any forward-looking statement.

Contact Information

Regency Investor Contacts

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Exhibit 99.3

EQUITY ONE, INC. AND SUBSIDIARIES

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Management Report on Internal Control Over Financial Reporting

The management of Equity One, Inc. and subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting for the Company, defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as 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, which requires the use of certain estimates and judgments, and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 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
- 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.

Management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. In designing and evaluating our control system, management recognized that any control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. Further, the design of a control system must reflect the fact that there are resource constraints, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, that may affect our operation have been or will be detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management's override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions that cannot be anticipated at the present time, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2016. In making this assessment, the Company's management used the criteria set forth by the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). Based on this assessment, management has concluded that, as of December 31, 2016, the Company's internal control over financial reporting is effective.

The Company's independent registered public accounting firm has issued a report on the Company's internal control over financial reporting as of December 31, 2016. This report appears on the following page of this Form 10-K.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Equity One, Inc.

We have audited Equity One, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Equity One, Inc. and subsidiaries' management is responsible 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 Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

In our opinion, Equity One, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Equity One, Inc. and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2016 of Equity One, Inc. and subsidiaries and our report dated February 28, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York
February 28, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Equity One, Inc.

We have audited the accompanying consolidated balance sheets of Equity One, Inc. and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, 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(a). These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Equity One, Inc. and subsidiaries at December 31, 2016 and 2015, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Equity One, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 28, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York
February 28, 2017

EQUITY ONE, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2016 and 2015
(In thousands, except share par value amounts)

	December 31, 2016	December 31, 2015
ASSETS		
Properties:		
Income producing	$ 3,509,492	$ 3,337,531
Less: accumulated depreciation	(493,162)	(438,992)
Income producing properties, net	3,016,330	2,898,539
Construction in progress and land	141,829	167,478
Properties held for sale	32,630	2,419
Properties, net	3,190,789	3,068,436
Cash and cash equivalents	16,650	21,353
Restricted cash	250	250
Accounts and other receivables, net	11,699	11,808
Investments in and advances to unconsolidated joint ventures	61,796	64,600
Goodwill	5,719	5,838
Other assets	207,701	203,618
TOTAL ASSETS	$ 3,494,604	$ 3,375,903
LIABILITIES AND EQUITY		
Liabilities:		
Notes payable:		
Mortgage loans	$ 255,646	$ 282,029
Senior notes	500,000	518,401
Term loans	550,000	475,000
Revolving credit facility	118,000	96,000
	1,423,646	1,371,430
Unamortized deferred financing costs and premium/discount on notes payable, net	(8,008)	(4,708)
Total notes payable	1,415,638	1,366,722
Other liabilities:		
Accounts payable and accrued expenses	51,547	46,602
Tenant security deposits	9,876	9,449
Deferred tax liability	14,041	13,276
Other liabilities	163,215	169,703
Total liabilities	1,654,317	1,605,752
Commitments and contingencies	—	—
Stockholders’ equity:		
Preferred stock, $0.01 par value – 10,000 shares authorized but unissued	—	—
Common stock, $0.01 par value – 250,000 shares authorized and 144,861 and 129,106 shares issued and outstanding at December 31, 2016 and 2015, respectively	1,449	1,291
Additional paid-in capital	2,304,395	1,972,369
Distributions in excess of earnings	(461,344)	(407,676)
Accumulated other comprehensive loss	(4,213)	(1,978)
Total stockholders’ equity of Equity One, Inc.	1,840,287	1,564,006
Noncontrolling interests	—	206,145
Total equity	1,840,287	1,770,151
TOTAL LIABILITIES AND EQUITY	$ 3,494,604	$ 3,375,903

See accompanying notes to the consolidated financial statements.

EQUITY ONE, INC. AND SUBSIDIARIES
Consolidated Statements of Income
For the years ended December 31, 2016, 2015 and 2014
(In thousands, except per share data)

	2016	2015	2014
REVENUE:			
Minimum rent	$287,487	$272,204	$268,257
Expense recoveries	81,585	80,737	77,640
Percentage rent	5,126	5,335	5,107
Management and leasing services	1,140	1,877	2,181
Total revenue	375,338	360,153	353,185
COSTS AND EXPENSES:			
Property operating	51,705	51,373	49,332
Real estate taxes	43,041	42,167	40,161
Depreciation and amortization	102,252	92,997	101,345
General and administrative	39,426	36,277	41,174
Total costs and expenses	236,424	222,814	232,012
INCOME BEFORE OTHER INCOME AND EXPENSE, INCOME TAXES AND DISCONTINUED OPERATIONS	138,914	137,339	121,173
OTHER INCOME AND EXPENSE:			
Equity in income of unconsolidated joint ventures	2,711	6,493	10,990
Other income	909	6,200	3,819
Interest expense	(48,603)	(55,322)	(66,427)
Gain on sale of operating properties	3,670	3,952	14,029
Loss on extinguishment of debt	(14,650)	(7,298)	(2,750)
Impairment losses	(3,121)	(16,753)	(21,850)
Merger expenses	(5,505)	—	—
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	74,325	74,611	58,984
Income tax (provision) benefit of taxable REIT subsidiaries	(1,485)	856	(850)
INCOME FROM CONTINUING OPERATIONS	72,840	75,467	58,134
DISCONTINUED OPERATIONS:			
Operations of income producing properties	—	—	(238)
Gain on disposal of income producing properties	—	—	3,222
Income tax provision of taxable REIT subsidiaries	—	—	(27)
INCOME FROM DISCONTINUED OPERATIONS	—	—	2,957
NET INCOME	72,840	75,467	61,091
Net income attributable to noncontrolling interests – continuing operations	—	(10,014)	(12,206)
Net loss attributable to noncontrolling interests – discontinued operations	—	—	12
NET INCOME ATTRIBUTABLE TO EQUITY ONE, INC.	$ 72,840	$ 65,453	$ 48,897
EARNINGS PER COMMON SHARE – BASIC:			
Continuing operations	$ 0.51	$ 0.51	$ 0.37
Discontinued operations	—	—	0.02
	$ 0.51	$ 0.51	$ 0.39
Number of Shares Used in Computing Basic Earnings per Share	142,492	127,957	119,403
EARNINGS PER COMMON SHARE – DILUTED:			
Continuing operations	$ 0.51	$ 0.51	$ 0.37
Discontinued operations	—	—	0.02
	$ 0.51	$ 0.51	$ 0.39
Number of Shares Used in Computing Diluted Earnings per Share	143,167	128,160	119,725
CASH DIVIDENDS DECLARED PER COMMON SHARE	$ 0.88	$ 0.88	$ 0.88

See accompanying notes to the consolidated financial statements.

EQUITY ONE, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2016, 2015 and 2014
(In thousands)

	2016	2015	2014
NET INCOME	$72,840	$ 75,467	$ 61,091
OTHER COMPREHENSIVE (LOSS) INCOME:			
Effective portion of change in fair value of interest rate swaps (1)	(5,417)	(4,379)	(7,086)
Reclassification of net losses on interest rate swaps into interest expense	2,666	3,424	3,480
Reclassification of deferred losses on settled interest rate swaps into interest expense	516	(24)	63
Other comprehensive loss	(2,235)	(979)	(3,543)
COMPREHENSIVE INCOME	70,605	74,488	57,548
Comprehensive income attributable to noncontrolling interests	—	(10,014)	(12,194)
COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY ONE, INC.	$70,605	$ 64,474	$ 45,354

(1) Includes our share of our unconsolidated joint ventures' net unrealized losses of $37, $250 and $545 for the years ended December 31, 2016, 2015 and 2014, respectively.

See accompanying notes to the consolidated financial statements.

EQUITY ONE, INC. AND SUBSIDIARIES
Consolidated Statements of Equity
For the years ended December 31, 2016, 2015 and 2014
(In thousands)

	Common Stock		Additional Paid-In Capital	Distributions in Excess of Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity of Equity One, Inc.	Non-controlling Interests	Total Equity
	Shares	Amount						
BALANCE AT JANUARY 1, 2014	117,647	$1,176	$1,693,873	$ (302,410)	$ 2,544	$ 1,395,183	$ 207,743	$1,602,926
Issuance of common stock	6,699	67	145,380	—	—	145,447	—	145,447
Repurchase of common stock	(65)	—	(1,752)	—	—	(1,752)	—	(1,752)
Stock issuance costs	—	—	(591)	—	—	(591)	—	(591)
Share-based compensation costs	—	—	7,498	—	—	7,498	—	7,498
Restricted stock reclassified from liability to equity	—	—	117	—	—	117	—	117
Net income	—	—	—	48,897	—	48,897	12,194	61,091
Dividends declared on common stock	—	—	—	(106,659)	—	(106,659)	—	(106,659)
Distributions to noncontrolling interests	—	—	—	—	—	—	(11,962)	(11,962)
Purchase of noncontrolling interest	—	—	(1,177)	—	—	(1,177)	(786)	(1,963)
Other comprehensive loss	—	—	—	—	(3,543)	(3,543)	—	(3,543)
BALANCE AT DECEMBER 31, 2014	124,281	1,243	1,843,348	(360,172)	(999)	1,483,420	207,189	1,690,609
Issuance of common stock	4,837	48	124,867	—	—	124,915	—	124,915
Repurchase of common stock	(12)	—	(320)	—	—	(320)	—	(320)
Stock issuance costs	—	—	(624)	—	—	(624)	—	(624)
Share-based compensation costs	—	—	5,158	—	—	5,158	—	5,158
Restricted stock reclassified from liability to equity	—	—	108	—	—	108	—	108
Net income	—	—	—	65,453	—	65,453	10,014	75,467
Dividends declared on common stock	—	—	—	(112,957)	—	(112,957)	—	(112,957)
Distributions to noncontrolling interests	—	—	—	—	—	—	(10,010)	(10,010)
Purchase of noncontrolling interest	—	—	(168)	—	—	(168)	(1,048)	(1,216)
Other comprehensive loss	—	—	—	—	(979)	(979)	—	(979)
BALANCE AT DECEMBER 31, 2015	129,106	1,291	1,972,369	(407,676)	(1,978)	1,564,006	206,145	1,770,151
Issuance of common stock	4,461	45	122,000	—	—	122,045	—	122,045
Repurchase of common stock	(64)	(1)	(1,911)	—	—	(1,912)	—	(1,912)
Stock issuance costs	—	—	(1,940)	—	—	(1,940)	—	(1,940)
Share-based compensation costs	—	—	6,917	—	—	6,917	—	6,917
Restricted stock reclassified from liability to equity	—	—	929	—	—	929	—	929
Net income	—	—	—	72,840	—	72,840	—	72,840
Dividends declared on common stock	—	—	—	(126,508)	—	(126,508)	—	(126,508)
Redemption of noncontrolling interests	11,358	114	206,031	—	—	206,145	(206,145)	—
Other comprehensive loss	—	—	—	—	(2,235)	(2,235)	—	(2,235)
BALANCE AT DECEMBER 31, 2016	144,861	$1,449	$2,304,395	$ (461,344)	$ (4,213)	$ 1,840,287	$ —	$1,840,287

See accompanying notes to the consolidated financial statements.

EQUITY ONE, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2016, 2015 and 2014
(In thousands)

	2016	2015	2014
OPERATING ACTIVITIES:			
Net income	$ 72,840	$ 75,467	$ 61,091
Adjustments to reconcile net income to net cash provided by operating activities:			
Straight-line rent	(4,840)	(4,612)	(3,788)
Accretion of below-market lease intangibles, net	(13,439)	(13,793)	(19,650)
Amortization of lease incentive	1,264	1,034	780
Amortization of below-market ground lease intangibles	733	601	601
Equity in income of unconsolidated joint ventures	(2,711)	(6,493)	(10,990)
Remeasurement gain on equity interests in joint ventures	—	(5,498)	(2,807)
Deferred income tax provision (benefit)	939	(856)	877
Increase (decrease) in allowance for losses on accounts receivable	1,787	2,521	(27)
Amortization of deferred financing costs and premium / discount on notes payable, net	2,106	1,051	(4)
Depreciation and amortization	106,017	95,514	103,240
Share-based compensation expense	6,163	5,260	7,267
Amortization of deferred losses on settled interest rate swaps	295	78	63
Gain on sale of operating properties	(3,670)	(3,952)	(17,251)
Loss on extinguishment of debt	14,650	7,298	2,750
Operating distributions from joint ventures	2,975	3,427	3,121
Impairment losses	3,121	16,753	21,850
Changes in assets and liabilities, net of effects of acquisitions and disposals:			
Accounts and other receivables	(1,584)	(2,097)	1,169
Other assets	2,045	(660)	(71)
Accounts payable and accrued expenses	(2,698)	(6,895)	(4,013)
Tenant security deposits	427	765	(244)
Other liabilities	1,216	(148)	131
Net cash provided by operating activities	187,636	164,765	144,095
INVESTING ACTIVITIES:			
Acquisition of income producing properties	(129,560)	(98,300)	(93,447)
Additions to income producing properties	(15,743)	(20,992)	(19,376)
Acquisition of land	—	(1,350)	—
Additions to construction in progress	(85,723)	(63,600)	(77,095)
Deposits for the acquisition of income producing properties	—	(10)	(50)
Proceeds from sale of operating properties	19,568	5,805	145,470
Decrease in cash held in escrow	—	—	10,662
Increase in deferred leasing costs and lease intangibles	(6,900)	(6,838)	(7,440)
Investment in joint ventures	(344)	(23,939)	(9,028)
Advances to joint ventures	—	—	(154)
Distributions from joint ventures	2,241	15,666	16,394
Repayment of loans receivable	—	—	60,526
Collection of development costs tax credit	—	14,258	—
Net cash (used in) provided by investing activities	(216,461)	(179,300)	26,462

	2016	2015	2014
FINANCING ACTIVITIES:			
Repayments of mortgage loans	(60,934)	(51,064)	(132,564)
Purchase of marketable securities for defeasance of mortgage loan	(66,447)	—	—
Borrowings under mortgage loans	98,537	—	—
Deposit for mortgage loan	1,898	(1,898)	—
Net borrowings (repayments) under revolving credit facility	22,000	59,000	(54,000)
Borrowings under senior notes	200,000	—	—
Repayment of senior notes	(230,425)	(220,155)	—
Borrowings under term loan, net	75,000	222,916	—
Payment of deferred financing costs	(7,192)	(168)	(3,638)
Proceeds from issuance of common stock	122,045	124,915	145,447
Repurchase of common stock	(1,912)	(320)	(1,752)
Stock issuance costs	(1,940)	(624)	(591)
Dividends paid to stockholders	(126,508)	(112,957)	(106,659)
Purchase of noncontrolling interests	—	(1,216)	(2,952)
Distributions to noncontrolling interests	—	(10,010)	(11,962)
Net cash provided by (used in) financing activities	24,122	8,419	(168,671)
Net (decrease) increase in cash and cash equivalents	(4,703)	(6,116)	1,886
Cash and cash equivalents at beginning of the year	21,353	27,469	25,583
Cash and cash equivalents at end of the year	$ 16,650	$ 21,353	$ 27,469
SUPPLEMENTAL DISCLOSURE OF CASH AND NON-CASH INFORMATION:			
Cash paid for interest (net of capitalized interest of $2,515, $4,755 and $4,969 in 2016, 2015 and 2014, respectively)	$ 48,989	$ 57,256	$ 67,409
We acquired upon acquisition of certain income producing properties and land:			
Income producing properties and land	$ 131,198	$ 180,285	$ 115,567
Intangible and other assets	13,389	9,629	7,362
Intangible and other liabilities	(15,027)	(18,264)	(12,194)
Net assets acquired	129,560	171,650	110,735
Assumption of mortgage loans	—	(27,750)	(11,353)
Transfer of existing equity interests in joint ventures	—	(44,250)	(5,935)
Cash paid for income producing properties and land	$ 129,560	$ 99,650	$ 93,447

See accompanying notes to the consolidated financial statements.

1. Organization and Basis of Presentation

Organization

We are a real estate investment trust, or REIT, that owns, manages, acquires, develops and redevelops shopping centers and retail properties located primarily in supply constrained suburban and urban communities. We were organized as a Maryland corporation in 1992, completed our initial public offering in 1998, and have elected to be taxed as a REIT since 1995.

As of December 31, 2016, our portfolio comprised 122 properties, including 101 retail properties and five non-retail properties totaling approximately 12.8 million square feet of gross leasable area, or GLA, 10 development or redevelopment properties with approximately 2.3 million square feet of GLA, and six land parcels. As of December 31, 2016, our retail occupancy excluding developments and redevelopments was 95.8% and included national, regional and local tenants. Additionally, we had joint venture interests in six retail properties and two office buildings totaling approximately 1.4 million square feet of GLA.

On November 14, 2016, we entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Regency Centers Corporation (“Regency”) pursuant to which, subject to the satisfaction or waiver of certain conditions, we will merge with and into Regency, with Regency continuing as the surviving corporation (“Merger”). Pursuant to the terms of the Merger Agreement, each share of our common stock outstanding immediately prior to the effective time of the Merger will be converted into the right to receive 0.45 shares (the “Exchange Ratio”) of common stock of Regency (“Regency Common Stock”). The proposed Merger has been unanimously approved by our board of directors and the board of directors of Regency and was approved by our stockholders and the stockholders of Regency. See Note 2 for additional information regarding the proposed merger with Regency.

Basis of Presentation

The consolidated financial statements include the accounts of Equity One, Inc. and its wholly-owned subsidiaries and those other entities in which we have a controlling financial interest, including where we have been determined to be a primary beneficiary of a variable interest entity (“VIE”) in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). Equity One, Inc. and its subsidiaries are hereinafter referred to as the “Company,” “we,” “our,” “us”, “Equity One” or similar terms. All significant intercompany transactions and balances have been eliminated in consolidation. Certain prior-period data have been reclassified to conform to the current period presentation.

The operations of certain properties sold have been classified as discontinued, and the associated results of operations and financial position are separately reported for all periods presented as they were classified as held for sale prior to the adoption of Accounting Standards Update (“ASU”) 2014-08, “Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity” (“ASU 2014-08”). See Notes 3 and 5 for further discussion. Information in these notes to the consolidated financial statements, unless otherwise noted, does not include the accounts of discontinued operations.

2. Proposed Merger with Regency

On November 14, 2016, we entered into a Merger Agreement with Regency pursuant to which, subject to the satisfaction or waiver of certain conditions, we will merge with and into Regency, with Regency continuing as the surviving corporation. Pursuant to the terms of the Merger Agreement, at the effective time of the Merger (“Effective Time”), each issued and outstanding share of our common stock, par value $0.01 per share, will be converted into the right to receive 0.45 shares of Regency Common Stock. Pursuant to, and as further described in the Merger Agreement, the various outstanding share-based payment awards held by employees and non-employee directors at the Effective Time will be similarly converted into newly issued shares of Regency’s common stock, with the vesting of certain awards being accelerated in connection with the transaction. In addition, each option to purchase shares of our common stock that is outstanding and unexercised at the Effective Time will vest in full and be converted into the right to receive an amount of cash as calculated under the provisions of the Merger Agreement.

In connection with the Merger, Regency has agreed to take any necessary actions to cause three of our directors (specifically, Messrs. Katzman, Azrack and Linneman) to become members of the board of directors of Regency immediately after the Effective Time.

On November 14, 2016, Regency also entered into a voting agreement with Gazit-Globe, Ltd. and certain of its affiliated entities (“Gazit”), which collectively beneficially own approximately 34.2% of our common stock, that provides that Gazit’s shareholders will vote their shares of our common stock in favor of the transactions contemplated by the Merger Agreement.

Pursuant to the terms of the Merger Agreement, we made certain representations, warranties and covenants, including a covenant to conduct our business in the ordinary course during the period between the execution of the Merger Agreement and the Effective Time. The Merger Agreement provides that, during the period from the date of the Merger Agreement until the Effective Time or the termination of the Merger Agreement, we will be subject to certain restrictions on our ability to initiate, solicit, propose, knowingly encourage or facilitate competing third-party proposals to effect, among other things, a merger, reorganization, share exchange, consolidation or the acquisition of 15% or more of our stock, consolidated net revenues, net income or total assets, subject to customary exceptions, and on our ability to take certain other actions in connection with conducting our business.

The Merger Agreement provides for certain termination rights for us and for Regency. In connection with the termination of the Merger Agreement, under certain specified circumstances, (i) we may be required to pay Regency a termination fee of $150.0 million or reimburse Regency for transaction expenses in an amount up to $45.0 million and (ii) Regency may be required to pay us a termination fee of $240.0 million or be required to reimburse us for transaction expenses up to $45.0 million.

In light of the proposed merger with Regency, on November 14, 2016, we entered into certain amendments (the “Amendments”) to the employment agreements (the “Employment Agreements”) of David Lukes, Matthew Ostrower, Michael Makinen, Aaron Kitlowski and William Brown. In addition to other payments and benefits to which the applicable executive may be entitled, upon a termination without cause or a resignation for good reason, the executive will, subject to the terms and conditions of his Employment Agreement, be entitled to (a) a lump sum payment equal to 2.9x (for Messrs. Lukes and Ostrower) or 2.0x (for Messrs. Makinen, Kitlowski and Brown) the sum of (x) the executive’s average annual bonus, if any, for the three most recently completed calendar years plus (y) the executive’s then current base salary; (b) a lump-sum cash payment equal to the value of the executive’s target annual bonus for the year in which the qualifying termination occurs, prorated based on the number of days of service completed; (c) a lump-sum cash payment equal to the value of the executive’s accrued and unpaid vacation; and (D) for executive officers other than Mr. Brown, continuation of medical, dental and life insurance benefits substantially similar to those provided to the executive and his dependents immediately prior to the date of termination for up to 18 months following the date of termination.

The completion of the Merger is subject to certain closing conditions, including, among other things, the approval by our stockholders and the stockholders of Regency (which was obtained on February 24, 2017); the approval of the Regency Common Stock to be issued in connection with the Merger for listing on the New York Stock Exchange (“NYSE”); the SEC having declared effective the registration statement and joint proxy statement/prospectus filed by us and Regency, and the registration statement not being the subject of any stop order or proceeding seeking a stop order; no injunction or law prohibiting the Merger; accuracy of representations made by each party as part of the Merger, subject in most cases to materiality or material adverse effect qualifications; material compliance with each party’s covenants; and, receipt by us and by Regency of an opinion to the effect that the Merger will qualify as a “reorganization” within the meaning of Section 368(a) of the Code and of an opinion that each of Regency and Equity One qualify as a REIT under the Code. Completion of the transaction is expected to occur on or about March 1, 2017.

As of December 31, 2016, we have incurred $5.5 million for legal, accounting, advisory and other expenses related to the Merger, which are included in merger expenses in our consolidated statement of income.

For a more complete description of the Merger and related agreements, refer to our Current Report on Form 8-K and related exhibits that were filed with the Securities and Exchange Commission, or the SEC, on November 15, 2016, our joint proxy statement/prospectus filed with the SEC on January 24, 2017 and other documents that we filed with the SEC in connection with the proposed Merger.

3. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Properties

Income producing properties are stated at cost, less accumulated depreciation and amortization. Costs include those related to acquisition, development and construction, including tenant improvements, interest incurred during development, costs of predevelopment and certain direct and indirect costs of development.

Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	30-55 years
Building and land improvements	2-40 years
Tenant improvements	Lesser of minimum lease term or economic useful life
Furniture, fixtures and equipment	3-10 years

Expenditures for ordinary maintenance and repairs are expensed to operations as they are incurred. Significant renovations and improvements that improve or extend the useful lives of assets are capitalized.

Business Combinations

We account for business combinations, including the acquisition of income producing properties, using the acquisition method by recognizing and measuring the identifiable assets acquired, liabilities assumed, and any noncontrolling interests in the acquiree at their acquisition date fair values. As a result, upon the acquisition of income producing properties, we estimate the fair value of the acquired tangible assets (consisting of land, building, building improvements, and tenant improvements), identified intangible assets and liabilities (consisting of the value of above- and below-market leases, in-place leases, and tenant relationships, where applicable), assumed debt, and noncontrolling interests issued at the date of acquisition, where applicable, based on our evaluation of information and estimates available at that date. Based on these estimates, we allocate the purchase price to the identified assets acquired and liabilities assumed. Fair value is determined based on an exit price approach, which contemplates the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If, up to one year from the acquisition date, information regarding fair value of the assets acquired and liabilities assumed is received and estimates are refined, appropriate adjustments are made to the purchase price allocation on a prospective basis. Transaction costs related to business combinations are expensed as incurred and are included in general and administrative expenses in our consolidated statements of income.

In allocating the purchase price of an acquired property to identified intangible assets and liabilities, the value of above-market and below-market leases is estimated based on the present value of the difference between the contractual amounts, including fixed rate below-market lease renewal options, to be paid pursuant to the in-place leases and our estimate of the market lease rates and other lease provisions (i.e., expense recapture, base rental changes, etc.) for comparable leases measured over a period equal to the estimated remaining term of the lease. The capitalized above-market or below-market intangible is amortized to rental revenue over the estimated remaining term of the respective leases, which includes expected renewal option periods, if applicable. If a lease terminates prior to its stated expiration, all unamortized amounts relating to that lease are accelerated and recognized in minimum rent in our consolidated statements of income.

In determining the value of in-place leases, we consider current market conditions and costs to execute similar leases to arrive at an estimate of the carrying costs during the period expected to be required to lease the property from vacant to its existing occupancy. In estimating carrying costs, we include estimates of lost rental and recovery revenue during the expected lease-up

periods and costs to execute similar leases, including lease commissions, legal, and other related costs based on current market demand. The value assigned to in-place leases is amortized to depreciation expense over the estimated remaining term of the respective leases. If a lease terminates prior to its stated expiration, all unamortized amounts relating to that lease are accelerated and recognized in depreciation and amortization expense in our consolidated statements of income.

The results of operations of acquired properties are included in our financial statements as of the dates they are acquired. The intangible assets and liabilities associated with property acquisitions are included in other assets and other liabilities in our consolidated balance sheets.

Construction in Progress and Land

Construction in progress and land are carried at cost, and no depreciation is recorded. Properties undergoing significant renovations and improvements are considered under development. All direct and indirect costs related to development activities are capitalized into construction in progress and land on our consolidated balance sheets, except for certain demolition costs, which are expensed as incurred. Costs incurred include predevelopment expenditures directly related to a specific project, development and construction costs, interest, insurance and real estate taxes. Indirect development costs include employee salaries and benefits, travel and other related costs that are directly associated with the development of the property. Our method of calculating capitalized interest is based upon applying our weighted average borrowing rate to the actual accumulated expenditures. The capitalization of such expenses ceases when the property is ready for its intended use, but no later than one-year from substantial completion of major construction activity. If we determine that a project is no longer viable, all predevelopment project costs are immediately expensed. Similar costs related to properties not under development are expensed as incurred.

Long-lived Assets

Properties Held and Used

We evaluate the carrying value of long-lived assets, including definite-lived intangible assets, when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the Property, Plant and Equipment Topic of the FASB ASC. The carrying value of a long-lived asset is considered impaired when the total projected undiscounted cash flows from such asset are separately identifiable and are less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. The fair value of fixed (tangible) assets and definite-lived intangible assets is determined primarily using either internal projected cash flows discounted at a rate commensurate with the risk involved or an external appraisal. As of December 31, 2016, we reviewed the operating properties, construction in progress, and land for potential indicators of impairment on a property-by-property basis in accordance with the Property, Plant and Equipment Topic of the FASB ASC. For those properties for which an indicator of impairment was identified, we projected future cash flows for each property on an individual basis. The key assumptions underlying these projected future cash flows are dependent on property-specific conditions and are inherently uncertain. The factors that may influence the assumptions include:

- historical and projected property performance, including occupancy, capitalization rates and net operating income;
- competitors' presence and their actions;
- property specific attributes such as location desirability, anchor tenants and demographics;
- current local market economic and demographic conditions; and
- future expected capital expenditures and the period of time before net operating income is stabilized.

After considering these factors, our future cash flows are projected based on management's intention with respect to the holding period of the property and an assumed sale at the final year of the holding period using a projected capitalization rate (reversion value). If the carrying amount of the property exceeded the estimated undiscounted cash flows (including the projected reversion value) from the property, an impairment charge was recognized to reduce the carrying value of the property to its fair value.

Properties Held for Sale

Properties held for sale are recorded at the lower of the carrying amount or the expected sales price less costs to sell. Upon the adoption of ASU 2014-08 on January 1, 2014, operations of properties held for sale and operating properties sold that were not previously classified as held for sale and/or reported as discontinued operations are reported in continuing operations as their disposition does not represent a strategic shift that has or will have a major effect on our operations and financial results. Prior to the adoption of ASU 2014-08, we reported the operations and financial results of properties held for sale and operating properties sold as discontinued operations.

The application of current accounting principles that govern the classification of any of our properties as held for sale on the consolidated balance sheet requires management to make certain significant judgments. In evaluating whether a property meets the held for sale criteria set forth by the Property, Plant and Equipment Topic of the FASB ASC, we make a determination as to the point in time that it is probable that a sale will be consummated. Given the nature of all real estate sales contracts, it is not unusual for such contracts to allow potential buyers a period of time to evaluate the property prior to formal acceptance of the contract. In addition, certain other matters critical to the final sale, such as financing arrangements, often remain pending even upon contract acceptance. As a result, properties under contract may not close within the expected time period or may not close at all. Therefore, any properties categorized as held for sale represent only those properties that management has determined are probable to close within the requirements set forth in the Property, Plant and Equipment Topic of the FASB ASC.

Cash and Cash Equivalents and Restricted Cash

We consider liquid investments with a purchase date life to maturity of three months or less to be cash equivalents.

Restricted cash represents cash that is not immediately available to us and is legally restricted to us as to withdrawal or use.

Accounts and Other Receivables

Accounts receivable includes amounts billed to tenants and accrued expense recoveries due from tenants. We make estimates of the uncollectability of our accounts receivable using the specific identification method. We analyze accounts receivable and historical bad debt levels, tenant credit-worthiness, payment history and industry trends when evaluating the adequacy of the allowance for doubtful accounts. Accounts receivable are written-off when they are deemed to be uncollectable and we are no longer actively pursuing collection. Our reported net income is directly affected by management's estimate of the collectability of accounts receivable.

Investments in Joint Ventures

We analyze our joint ventures under the FASB ASC Topics of Consolidation and Real Estate-General in order to determine whether the respective entities should be consolidated. If it is determined that these investments do not require consolidation because the entities are not VIEs in accordance with the Consolidation Topic of the FASB ASC, we are not considered the primary beneficiary of the entities determined to be VIEs, we do not have voting control, and/or the limited partners (or non-managing members) have substantive participatory rights, then the selection of the accounting method used to account for our investments in unconsolidated joint ventures is generally determined by our voting interests and the degree of influence we have over the entity. Management uses its judgment when determining if we are the primary beneficiary of, or have a controlling financial interest in, an entity in which we have a variable interest. Factors considered in determining whether we have the power to direct the activities that most significantly impact the entity's economic performance include risk and reward sharing, experience and financial condition of the other partners, voting rights, involvement in day-to-day capital and operating decisions and the extent of our involvement in the entity.

We use the equity method of accounting for investments in unconsolidated joint ventures when we own 20% or more of the voting interests and have significant influence but do not have a controlling financial interest, or if we own less than 20% of the voting interests but have determined that we have significant influence. Under the equity method, we record our investments in and advances to these entities in our consolidated balance sheets, and our proportionate share of earnings or losses earned by the joint venture is recognized in equity in income of unconsolidated joint ventures in the accompanying consolidated statements of income. We derive revenue through our involvement with unconsolidated joint ventures in the form of management and leasing services and interest earned on loans and advances. We account for this revenue gross of our ownership interest in each respective joint venture and record our proportionate share of related expenses in equity in income of unconsolidated joint ventures.

The cost method of accounting is used for unconsolidated entities in which we do not have the ability to exercise significant influence and we have virtually no influence over partnership operating and financial policies. Under the cost method, income distributions from the partnership are recognized in other income. Distributions that exceed our share of earnings are applied to reduce the carrying value of our investment, and any capital contributions will increase the carrying value of our investment. The fair value of a cost method investment is not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment.

These joint ventures typically obtain non-recourse third-party financing on their property investments, thus contractually limiting our exposure to losses to the amount of our equity investment, and, due to the lender's exposure to losses, a lender typically will require a minimum level of equity in order to mitigate its risk. Our exposure to losses associated with unconsolidated joint ventures is primarily limited to the carrying value of these investments.

On a periodic basis, we evaluate our investments in unconsolidated entities for impairment in accordance with the Investments-Equity Method and Joint Ventures Topic of the FASB ASC. We assess whether there are any indicators, including underlying property operating performance and general market conditions, that the value of our investments in unconsolidated joint ventures may be impaired. An investment in a joint venture is considered impaired only if we determine that its fair value is less than the net carrying value of the investment in that joint venture on an other-than-temporary basis. Cash flow projections for the investments consider property level factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. We consider various qualitative factors to determine if a decrease in the value of our investment is other-than-temporary. These factors include age of the venture, our intent and ability to retain our investment in the entity, financial condition and long-term prospects of the entity and relationships with our partners and banks. If we believe that the decline in the fair value of the investment is temporary, no impairment charge is recorded. If our analysis indicates that there is an other-than-temporary impairment related to the investment in a particular joint venture, the carrying value of the venture will be adjusted to an amount that reflects the estimated fair value of the investment.

Goodwill

Goodwill reflects the excess of the fair value of the acquired business over the fair value of net identifiable assets acquired in various business acquisitions. We account for goodwill in accordance with the Intangibles – Goodwill and Other Topic of the FASB ASC.

We perform annual, or more frequently in certain circumstances, impairment tests of our goodwill. We have elected to test for goodwill impairment in November of each year. The goodwill impairment test is a two-step process that requires us to make decisions in determining appropriate assumptions to use in the calculation. The first step consists of estimating the fair value of each reporting unit using discounted projected future cash flows and comparing those estimated fair values with the carrying values, which include the allocated goodwill. If the estimated fair value is less than the carrying value, a second step is performed to compute the amount of the impairment, if any, by determining an "implied fair value" of goodwill. The determination of each reporting unit's (each property is considered a reporting unit) implied fair value of goodwill requires us to allocate the estimated fair value of the reporting unit to its assets and liabilities. Any unallocated fair value represents the implied fair value of goodwill which is compared to its corresponding carrying amount.

Deposits

Deposits included in other assets comprise funds held by various institutions for future payments of property taxes, insurance, improvements, utility and other service deposits.

Deferred Costs and Intangibles

Deferred costs, intangible assets included in other assets, and intangible liabilities included in other liabilities consist of deferred financing costs, leasing costs and the value of intangible assets and liabilities when a property was acquired. Deferred financing costs consist of loan issuance costs directly related to financing transactions that are deferred and amortized over the term of the related loan using the effective interest method. As a result of our adoption of ASU 2015-03, "Simplifying the

Presentation of Debt Issuance Costs," unamortized deferred financing costs related to our senior notes, term loans, and mortgage loans are presented as a direct deduction from the carrying amounts of the related debt instruments, while such costs related to our revolving credit facility are included in other assets. Direct salaries, third-party fees and other costs incurred by us to originate a lease are capitalized and are amortized against the respective leases using the straight-line method over the term of the related leases. Intangible assets consist of in-place lease values, tenant origination costs, below-market ground rent obligations and above-market rents that were recorded in connection with the acquisition of the properties. Intangible liabilities consist of above-market ground rent obligations and below-market rents that are also recorded in connection with the acquisition of properties. Both intangible assets and liabilities are amortized and accreted using the straight-line method over the estimated term of the related leases. When a lease is terminated early, any remaining unamortized or unaccreted balances under lease intangible assets or liabilities are charged to earnings. The useful lives of amortizable intangible assets are evaluated each reporting period with any changes in estimated useful lives being accounted for over the revised remaining useful life.

Noncontrolling Interests

Noncontrolling interests represent the portion of equity that we do not own in entities we consolidate, including joint venture units issued by consolidated subsidiaries or VIEs in connection with property acquisitions. We account for and report our noncontrolling interests in accordance with the provisions required under the Consolidation Topic of the FASB ASC.

We identify our noncontrolling interests separately within the equity section on the consolidated balance sheets. Noncontrolling interests that are redeemable for cash at the holder's option or upon a contingent event outside of our control are classified as redeemable noncontrolling interests pursuant to the Distinguishing Liabilities from Equity Topic of the FASB ASC and are presented at redemption value in the mezzanine section between total liabilities and stockholders' equity on the consolidated balance sheets. The amounts of consolidated net income attributable to Equity One, Inc. and to the noncontrolling interests are presented on the consolidated statements of income.

Derivative Instruments and Hedging Activities

Derivative instruments are used at times to manage exposure to variable interest rate risk. We generally enter into interest rate swaps to manage our exposure to variable interest rate risk and forward starting interest rate swaps to manage the risk of interest rates rising prior to the issuance of fixed rate debt. We enter into derivative instruments that qualify as cash flow hedges and do not enter into derivative instruments for speculative purposes. The interest rate swaps associated with our cash flow hedges are recorded at fair value on a recurring basis. We assess the effectiveness of our cash flow hedges both at inception and on an ongoing basis. The effective portion of changes in fair value of the interest rate swaps associated with our cash flow hedges is recorded in accumulated other comprehensive (loss) income and is subsequently reclassified into interest expense in the period that the hedged forecasted transactions affect earnings. Our cash flow hedges become ineffective if critical terms of the hedging instrument and the forecasted transactions do not perfectly match such as notional amounts, settlement dates, reset dates, calculation period and interest rates. In addition, we evaluate the default risk of the counterparty by monitoring the credit worthiness of the counterparty. When ineffectiveness exists, the ineffective portion of changes in fair value of the interest rate swaps associated with our cash flow hedges is recognized in earnings in the period affected. Hedge ineffectiveness has not impacted earnings, and we do not anticipate it will have a significant effect in the future. Derivative instruments and hedging activities require management to make judgments on the nature of its derivatives and their effectiveness as hedges. These judgments determine if the changes in fair value of the derivative instruments are reported in the consolidated statements of income as a component of net income or as a component of comprehensive income and as a component of stockholders' equity on the consolidated balance sheets. While management believes its judgments are reasonable, a change in a derivative's effectiveness as a hedge could materially affect expenses, net income and equity. See Note 12 for further detail on derivative activity.

Fair Value of Assets and Liabilities

The Fair Value Measurements and Disclosures Topic of FASB ASC establishes a framework for measuring fair value and requires the categorization of financial assets and liabilities, based on the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to the quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable inputs. The various levels of the fair value hierarchy are described as follows:

- Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that we have the ability to access.

- Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability.
- Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The Fair Value Measurements and Disclosures Topic of FASB ASC requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Revenue Recognition

Revenue includes minimum rents, expense recoveries, percentage rental payments and management and leasing services. Generally, our leases contain fixed escalations which occur at specified times during the term of the lease. Minimum rents are recognized on an accrual basis over the terms of the related leases on a straight-line basis. As part of the leasing process, we may provide the lessee with an allowance for the construction of leasehold improvements. Leasehold improvements are capitalized and recorded as tenant improvements and depreciated over the shorter of the useful life of the improvements or the lease term. If the allowance represents a payment for a purpose other than funding leasehold improvements, or in the event we are not considered the owner of the improvements, the allowance is considered a lease incentive and is recognized over the lease term as a reduction to revenue. Factors considered during this evaluation include, among others, the type of improvements made, who holds legal title to the improvements, and other controlling rights provided by the lease agreement. Lease revenue recognition commences when the lessee is given possession of the leased space, when the asset is substantially complete in the case of leasehold improvements, and when there are no contingencies offsetting the lessee’s obligation to pay rent.

Many of the lease agreements contain provisions that require the payment of additional rents based on the respective tenants’ sales volume (contingent or percentage rent), and substantially all contain provisions that require reimbursement of the tenants’ allocable real estate taxes, insurance and common area maintenance costs (“CAM”). Revenue based on a percentage of tenants’ sales is recognized only after the tenant exceeds its sales breakpoint. Revenue from tenant reimbursements of real estate taxes, insurance and CAM is recognized in the period that the applicable costs are incurred in accordance with the lease agreements.

We recognize gains or losses on sales of real estate in accordance with the Property, Plant and Equipment Topic of the FASB ASC. Profits are not recognized until (a) a sale has been consummated; (b) the buyer’s initial and continuing investments are adequate to demonstrate a commitment to pay for the property; (c) our receivable, if any, is not subject to future subordination; and (d) we have transferred to the buyer the usual risks and rewards of ownership and do not have a substantial continuing involvement with the property. Recognition of gains from sales to unconsolidated joint ventures is recorded on only that portion of the sales not attributable to our ownership interest.

We are engaged by certain joint ventures to provide asset management, property management, leasing and investing services for such venture’s respective assets. We receive fees for our services, including a property management fee calculated as a percentage of gross revenue received, and recognize these fees as the services are rendered.

Earnings Per Share

Under the Earnings Per Share Topic of the FASB ASC, unvested share-based payment awards that entitle their holders to receive non-forfeitable dividends, such as our restricted stock awards, are classified as “participating securities.” As participating securities, our shares of restricted stock will be included in the calculation of basic and diluted earnings per share. Because the awards are considered participating securities under the provisions of the Earnings Per Share Topic of the FASB ASC, we are required to apply the two-class method of computing basic and diluted earnings per share. The two-class method is an earnings allocation formula that treats a participating security as having rights to earnings that would otherwise have been available to common stockholders. Under the two-class method, earnings for the period are allocated between common stockholders and other security holders based on their respective rights to receive dividends.

Share-Based Compensation

We grant restricted stock and stock option awards to our officers, directors and employees. The term of each award is determined by our compensation committee, but in no event can be longer than ten years from the date of grant. The vesting schedule of each award is determined by the compensation committee, in its sole and absolute discretion, at the date of grant of the award. Dividends are paid on certain shares of unvested restricted stock, which makes such shares participating securities under the Earnings Per Share Topic of the FASB ASC. Certain stock options, restricted stock and other share awards provide for accelerated vesting if there is a change in control, as defined in the 2000 Plan.

The fair value of each stock option awarded is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. Expected volatilities, dividend yields and employee exercises are primarily based on historical data. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The shortcut method described in the Share Compensation Topic of the FASB ASC is used for determining the expected life used in the valuation method.

Compensation expense for restricted stock awards is based on the fair value of our common stock at the date of the grant and is recognized ratably over the vesting period. For grants with a graded vesting schedule that are only subject to service conditions, we have elected to recognize compensation expense on a straight-line basis.

Segment Reporting

We invest in properties through direct ownership or through joint ventures. It is our intent that all properties will be owned or developed for investment purposes; however, we may decide to sell all or a portion of a development upon completion. Our revenue and net income are generated from the operation of our investment property. We also earn fees from third parties for services provided to manage and lease retail shopping centers owned through joint ventures.

Our portfolio is primarily located in coastal markets throughout the United States with none of our properties located outside of the United States. Additionally, our chief operating decision maker reviews operating and financial data for each property on an individual basis and does not distinguish or group our operations on a geographical basis for purposes of allocating resources or measuring performance. Therefore, each of our individual properties has been deemed a separate operating segment, and, as no individual property constitutes more than 10% of our revenue, net income, or assets, the individual properties have been aggregated into one reportable segment based upon their similarities with regard to both the nature and economics of the centers, tenants, and operational processes, as well as long-term average financial performance.

Concentration of Credit Risk

A concentration of credit risk arises in our business when a national or regionally based tenant occupies a substantial amount of space in multiple properties owned by us. In that event, if the tenant suffers a significant downturn in its business, it may become unable to make its contractual rent payments to us, exposing us to potential losses in rental revenue, expense recoveries, and percentage rent. Further, the impact may be magnified if the tenant is renting space in multiple locations. Generally, we do not obtain security from our nationally-based or regionally-based tenants in support of their lease obligations to us. We regularly monitor our tenant base to assess potential concentrations of credit risk. As of December 31, 2016, no tenant accounted for more than 10% of our GLA or annual revenues.

Recent Accounting Pronouncements

The following table provides a brief description of recent accounting pronouncements that could have a material effect on our financial statements:

Standard	Description	Date of adoption	Effect on the financial statements or other significant matters
Standards that are not yet adopted			
ASU 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business	The standard amends the existing guidance and clarifies the definition of a business. The amendments provide guidance to assist entities with evaluating when a set of transferred assets and activities meets the definition of a business. The standard requires an entity to apply the provisions prospectively to any transactions occurring within the period of adoption.	January 2018	We are currently evaluating the alternative methods of adoption and the effect on our financial statements and related disclosures.
ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments and ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash	These standards amend the existing guidance and addresses specific cash flow issues with the objective of reducing existing diversity in practice. ASU 2016-15 addresses eight specific cash flow issues and ASU 2016-18 specifically addresses restricted cash and restricted cash equivalents. These standards require a retrospective transition method to each period presented. If it is impracticable to apply the amendments retrospectively for some of the issues, entities may apply the amendments prospectively as of the earliest date practicable.	January 2018	We are currently evaluating the alternative methods of adoption and the effect on our financial statements and related disclosures.
ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments	The standard amends the existing guidance and impacts how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. Depending on the instrument, the standard requires a modified-retrospective or prospective transition approach.	January 2020	We are currently evaluating the alternative methods of adoption and the effect on our financial statements and related disclosures.
ASU 2016-06, Derivatives and Hedging (Topic 815)	The standard amends the existing guidance and eliminates diversity in practice in assessing embedded contingent call (put) options in debt instruments. The standard clarifies that an entity performing this assessment is required to assess the embedded call (put) options solely in accordance with the four-step decision sequence within the guidance. Early adoption of this standard is permitted. The standard requires a modified retrospective transition approach for existing debt instruments as of the beginning of the fiscal year for which the amendments are effective.	January 2017	We do not expect the adoption and implementation of this standard to have a material impact on our results of operations, financial condition or cash flows.
ASU 2016-02, Leases (Topic 842)	The standard amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. Early adoption of this standard is permitted. The standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief.	January 2019	We are currently evaluating the alternative methods of adoption and the effect on our financial statements and related disclosures.

Standard	Description	Date of adoption	Effect on the financial statements or other significant matters
ASU 2016-01, Financial Instruments - Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities	The standard amends the guidance to classify equity securities with readily-determinable fair values into different categories and requires equity securities to be measured at fair value with changes in the fair value recognized through net income. The standard requires a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. Equity investments accounted for under the equity method are not included in the scope of this amendment. Early adoption of this amendment is not permitted.	January 2018	We do not expect the adoption and implementation of this standard to have a material impact on our results of operations, financial condition or cash flows.
ASU 2014-09, Revenue from Contracts with Customers (Topic 606), as clarified and amended by ASU 2016-08, ASU 2016-10, ASU 2016-12 and ASU 2016-20	The standard will replace existing revenue recognition standards and significantly expand the disclosure requirements for revenue arrangements. It may be adopted either retrospectively or on a modified retrospective basis to new contracts and existing contracts with remaining performance obligations as of the effective date.	January 2018	We are currently evaluating the alternative methods of adoption and the effect on our financial statements and related disclosures.
Standards that were adopted			
ASU 2016-09, Compensation - Stock Compensation (Topic 718)	The standard simplifies several aspects of the existing guidance for accounting for share-based payment transactions, including classification of awards as either equity or liabilities and an option to recognize stock compensation forfeitures as they occur. Early adoption of this standard is permitted. Depending on the specific amendment, the standard requires prospective, retrospective or a modified retrospective transition approach.	September 2016	We elected to early adopt the provisions of ASU 2016-09 and made a policy election to account for forfeitures when they occur (previously, we estimated the number of awards that were expected to vest primarily based on historical data). The adoption and implementation of this standard did not have a material impact on our results of operations, financial condition or cash flows.
ASU 2015-02, Consolidation (Topic 810), Amendments to the Consolidation Analysis	The standard amends the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. It may be adopted either retrospectively or on a modified retrospective basis.	January 2016	The adoption and implementation of this standard did not have an impact on our results of operations, financial condition or cash flows.

4. Income Producing Properties

The following table is a summary of the composition of income producing properties in the consolidated balance sheets:

	December 31, 2016	December 31, 2015
	(In thousands)	
Land and land improvements	$1,562,278	$1,494,510
Building and building improvements	1,722,029	1,652,714
Tenant and other improvements	225,185	190,307
	3,509,492	3,337,531
Less: accumulated depreciation	(493,162)	(438,992)
Income producing properties, net	$3,016,330	$2,898,539

Capitalized Costs

We capitalized external and internal costs related to development and redevelopment activities of $74.5 million and $2.3 million, respectively, in 2016 and $40.6 million and $2.1 million, respectively, in 2015. We capitalized external and internal costs related to tenant and other property improvements and capital expenditures of $31.3 million and $557,000, respectively, in 2016 and $42.7 million and $1.1 million, respectively, in 2015. We capitalized external and internal costs related to successful leasing activities of $2.6 million and $4.3 million, respectively, in 2016 and $3.5 million and $4.1 million, respectively, in 2015.

5. Acquisition and Disposition Activity

Acquisition Activity

The following table provides a summary of acquisition activity during the year ended December 31, 2016:

Date Purchased	Property Name	City	State	Square Feet	Purchase Price (In thousands)
November 2, 2016	Pablo Plaza Outparcel	Jacksonville	FL	4,000	$ 2,560
October 25, 2016	San Carlos Marketplace (1) (2)	San Carlos	CA	153,510	97,000(3)
June 30, 2016	Walmart at Norwalk (2)	Norwalk	CT	142,222	30,000
Total					$ 129,560

(1) The purchase price has been preliminarily allocated to real estate assets acquired and liabilities assumed, as applicable, in accordance with our accounting policies for business combinations. The purchase price and related accounting will be finalized after our valuation studies are complete.

(2) Acquired through a reverse Section 1031 like-kind exchange agreement with a third party intermediary. See Note 9 for further discussion.

(3) We also paid $3.4 million for the prepayment penalty on the existing mortgage loan encumbering the property, which was not assumed in the acquisition.

The aggregate purchase price of the above property acquisitions has been preliminarily allocated as follows:

	Amount	Weighted Average Amortization Period
	(In thousands)	(In years)
Land	$ 60,688	N/A
Land improvements	2,779	9.6
Buildings	66,142	36.9
Tenant improvements	1,589	22.8
In-place leases	12,003	20.5
Leasing commissions	1,355	24.2
Lease origination costs	31	21.9
Below-market leases	(15,027)	9.0
	$ 129,560	

During the year ended December 31, 2016, we did not recognize any material measurement period adjustments related to prior or current year acquisitions.

During the year ended December 31, 2015, we acquired six shopping centers, one outparcel and one land parcel for an aggregate purchase price of $171.7 million, including a mortgage assumed of $27.8 million.

During the years ended December 31, 2016, 2015 and 2014, we expensed $4.4 million, $903,000 and $1.8 million, respectively, of transaction-related costs in connection with completed or pending property acquisitions which are included in general and administrative expenses in the consolidated statements of income. The purchase price related to the 2016 acquisitions listed in the above table was funded by the use of proceeds from our delayed draw term loan, line of credit and cash on hand.

Disposition Activity

The following table provides a summary of disposition activity during the year ended December 31, 2016:

Date Sold	Property Name	City	State	Square Feet	Gross Sales Price
					(in thousands)
December 22, 2016	Thomasville Commons	Thomasville	NC	148,754	$ 2,700
May 11, 2016	Wesley Chapel	Decatur	GA	164,153	7,094
May 11, 2016	Hairston Center	Decatur	GA	13,000	431
February 18, 2016	Sherwood South	Baton Rouge	LA	77,489	3,000
February 18, 2016	Plaza Acadienne	Eunice	LA	59,419	1,775
February 11, 2016	Beauclerc Village	Jacksonville	FL	68,966	5,525
					$ 20,525

In connection with the acquisition of the Westwood Complex located in Bethesda, Maryland, we acquired a 211,020 square foot apartment building that is subject to a master lease pursuant to which the tenant has the option to purchase the building for $20.0 million in 2017. As of December 31, 2016, the tenant had exercised its option, and the property met the criteria to be classified as held for sale.

During the year ended December 31, 2015, we sold two properties for an aggregate of $12.8 million. As a result of the adoption of ASU 2014-08 on January 1, 2014, the results of operations for all the properties sold during the years ended December 31, 2016 and 2015, and 19 of the 22 properties sold during the year ended December 31, 2014, are included in continuing

operations in the consolidated statements of income for all periods presented as they do not qualify as discontinued operations under the amended guidance. The results of operations for three of the properties sold during the year ended December 31, 2014 (Stanley Marketplace, Oak Hill Village and Summerlin Square) are presented as discontinued operations in the consolidated statements of income as they were classified as held for sale prior to the adoption of ASU 2014-08.

6. Impairments

The following is a summary of the composition of impairment losses included in the consolidated statements of income:

	Year Ended December 31,		
	2016	2015	2014
		(In thousands)	
Goodwill (1)	$ —	$ 200	$ —
Land held and used (2)	—	3,667	2,230
Operating properties held and used (3)	—	1,579	15,111
Properties sold (4)	2,454	11,307	4,509
Other (5)	667	—	—
Total impairment losses	$3,121	$16,753	$21,850

(1) The fair value of each reporting unit, which was estimated using discounted projected future cash flows, was less than its carrying value.

(2) The projected undiscounted cash flows of each land parcel, which were primarily comprised of the fair value of the respective parcel, were less than its carrying value.

(3) The projected undiscounted probability weighted cash flows of each property, which considered the estimated holding period of the property and the exit price in the event of disposition, were less than its carrying value. As a result of management's updated dispositions plans with respect to these properties, our projected cash flows for each property were updated to reflect an increased likelihood that the holding periods for these properties may be shorter than previously estimated.

(4) The fair value of each property, which was primarily based on a sales contract, was less than its carrying value.

(5) In September 2016, we recognized an impairment loss of $667,000, which represented the carrying amount of one of our joint venture investments, as a result of our decision to withdraw from the joint venture. See Note 8 for further discussion.

7. Accounts and Other Receivables

The following is a summary of the composition of accounts and other receivables included in the consolidated balance sheets:

	December 31,	
	2016	2015
	(In thousands)	
Tenants	$12,871	$14,430
Other	1,011	1,258
Allowance for doubtful accounts	(2,183)	(3,880)
Total accounts and other receivables, net	$11,699	$11,808

For the years ended December 31, 2016, 2015 and 2014, we recognized bad debt expense of $1.8 million, $2.5 million and $97,000, respectively, which is included in property operating expenses in the accompanying consolidated statements of income. Excluding the reversal of $1.1 million in the allowance for doubtful accounts for certain historical real estate tax billings for which a settlement was reached with the tenants, we recognized bad debt expense of $1.2 million during the year ended December 31, 2014.

8. Investments in Joint Ventures

The following is a summary of the composition of investments in and advances to unconsolidated joint ventures included in the consolidated balance sheets:

Joint Venture (1)	Number of Properties	Location	Ownership	Investment Balance as of December 31, 2016	2015
				(In thousands)	
G&I Investment South Florida Portfolio, LLC	1	FL	20.0%	$ 3,503	$ 3,719
Madison 2260 Realty LLC	1	NY	8.6%	526	526
Madison 1235 Realty LLC	1	NY	20.1%	820	820
Parnassus Heights Medical Center	1	CA	50.0%	19,067	19,263
Equity One JV Portfolio, LLC (2)	6	FL, MA, NJ	30.0%	37,533	39,501
Other Equity Investment (3)			—	—	329
Total				61,449	64,158
Advances to unconsolidated joint ventures				347	442
Investments in and advances to unconsolidated joint ventures				$61,796	$64,600

(1) All unconsolidated joint ventures are accounted for under the equity method except for the Madison 2260 Realty LLC and Madison 1235 Realty LLC joint ventures, which are accounted for under the cost method.

(2) The investment balance as of December 31, 2016 and 2015 is presented net of a deferred gain of approximately $376,000 associated with the disposition of assets by us to the joint venture.

(3) In 2015, we entered into a joint venture to explore a potential development opportunity in the Northeast. In 2016, we recognized an impairment loss of $667,000, which represented the carrying amount of the investment, as a result of our decision to withdraw from the joint venture.

Equity in income of unconsolidated joint ventures totaled $2.7 million, $6.5 million and $11.0 million for the years ended December 31, 2016, 2015 and 2014, respectively. Management fees and leasing fees earned by us associated with these joint ventures, which are included in management and leasing services revenue in the accompanying consolidated statements of income, totaled $1.1 million, $1.9 million and $2.2 million for the years ended December 31, 2016, 2015 and 2014, respectively.

As of December 31, 2016 and 2015, the aggregate carrying amount of the debt of our unconsolidated joint ventures accounted for under the equity method was $144.3 million and $146.2 million, respectively, of which our aggregate proportionate share was $43.3 million and $43.9 million, respectively. Although we have not guaranteed the debt of these joint ventures, we have agreed to customary environmental indemnifications and nonrecourse carve-outs (e.g., guarantees against fraud, misrepresentation and bankruptcy) on certain of the loans of the joint ventures.

G&I Investment South Florida Portfolio, LLC (the "DRA JV")

During 2015, the DRA JV closed on the sale of two properties for an aggregate sales price of $51.4 million. In connection with the disposals, the joint venture recognized an aggregate gain on sale of $14.6 million, of which our proportionate share was $2.9 million, which is included in equity in income of unconsolidated joint ventures in our consolidated statement of income for the year ended December 31, 2015.

In January 2017, the DRA JV entered into a contract to sell its remaining property, an office building located in Boca Raton, Florida, which had a net carrying value of $17.1 million as of December 31, 2016, for a gross sales price of $21.0 million.

GRI Joint Venture (the "GRI JV")

During 2015, we entered into an agreement with Global Retail Investors, LLC, our joint venture partner in the GRI JV, in which the parties agreed to dissolve the joint venture and, as part of the dissolution, distribute certain properties in kind to the existing members of the joint venture. In connection with the transaction, we purchased an additional 11.3% interest in the joint venture for $23.5 million, which increased our membership interest in the joint venture from 10.0% to 21.3%. The joint venture then redeemed our membership interest by distributing three operating properties totaling 351,602 square feet (Concord Shopping Plaza, Shoppes of Sunset and Shoppes of Sunset II) to us. In connection with the redemption, we remeasured the carrying value of our equity interest in the joint venture to fair value using a discounted cash flow analysis and recognized a gain of $5.5 million, which is included in other income in our consolidated statement of income for the year ended December 31, 2015. Additionally, we recognized a gain of $3.3 million from the deferred gains associated with the 2008 sale of certain properties by us to the joint venture, which is included in gain on sale of operating properties in our consolidated statement of income for the year ended December 31, 2015.

Equity One/Vestar Joint Ventures

In 2010, we acquired ownership interests in two properties located in California through partnerships (the "Equity One/Vestar JVs") with Vestar Development Company ("Vestar"). In both of these joint ventures, we held a 95% interest, and they were consolidated. Each Equity One/Vestar JV held a 50.5% ownership interest in each of the properties through two separate joint ventures with Rockwood Capital. The Equity One/Vestar JVs' ownership interests in the properties were accounted for under the equity method.

During 2014, we acquired Rockwood Capital's and Vestar's interests in Talega Village Center JV, LLC, the owner of Talega Village Center, for an additional investment of $6.2 million. Immediately prior to acquisition, we remeasured the fair value of our equity interest in the joint venture using a discounted cash flow analysis and recognized a gain of $2.8 million, including $561,000 attributable to a noncontrolling interest, which is included in other income in our consolidated statement of income for the year ended December 31, 2014.

During 2014, the property held by Vernola Marketplace JV, LLC was sold for $49.0 million, including the assumption of the existing mortgage of $22.9 million by the buyer. In connection with the sale, the joint venture recognized a gain of $14.7 million, of which our proportionate share was $7.4 million, including $1.6 million attributable to the noncontrolling interest, and we received distributions totaling $13.7 million, including $1.9 million that was distributed to the noncontrolling interest.

9. Variable Interest Entities

In conjunction with the acquisitions of Walmart at Norwalk and San Carlos Marketplace, we entered into reverse Section 1031 like-kind exchange agreements with third party intermediaries, which, for a maximum of 180 days, allow us to defer for tax purposes, gains on the sale of other properties identified and sold within this period. Until the earlier of the termination of the exchange agreements or 180 days after the respective acquisition date, the third party intermediaries are the legal owners of the entities that own these properties. The agreements that govern the operations of these entities provide us with the power to direct the activities that most significantly impact the entity's economic performance. These entities were deemed VIEs primarily because they may not have sufficient equity at risk to finance their activities without additional subordinated financial support from other parties. We determined that we are the primary beneficiaries of the VIEs as a result of having the power to direct the activities that most significantly impact their economic performance and the obligation to absorb losses, as well as the right to receive benefits, that could be potentially significant to the VIEs. Accordingly, we consolidated the properties and their operations as of the respective acquisition dates.

The majority of the operations of the VIEs were funded with cash flows generated from the properties. We did not provide financial support to the VIEs which we were not previously contractually required to provide; our contractual commitments consisted primarily of funding any expenditures, which were deemed necessary to continue to operate the entities and any operating cash shortfalls that the entities may have experienced.

In December 2016 and February 2017, we took legal ownership of Walmart at Norwalk and San Carlos Marketplace, respectively, from the qualified intermediaries.

10. Goodwill

The following table presents goodwill activity during the years ended December 31, 2016 and 2015:

	December 31, 2016	December 31, 2015
	(In thousands)	
Balance at beginning of the year	$5,838	$6,038
Impairment	—	(200)
Allocated to properties held for sale	(119)	—
Balance at end of the year	$5,719	$5,838

11. Other Assets

The following is a summary of the composition of other assets included in the consolidated balance sheets:

	December 31, 2016	December 31, 2015
	(In thousands)	
Lease intangible assets, net	$101,867	$101,010
Leasing commissions, net	44,039	41,211
Prepaid expenses and other receivables	14,938	13,074
Straight-line rent receivables, net	33,606	28,910
Deposits and mortgage escrows	1,738	7,980
Deferred financing costs, net	5,261	3,419
Furniture, fixtures and equipment, net	2,271	3,255
Fair value of interest rate swaps	200	835
Deferred tax asset	3,781	3,924
Total other assets	$207,701	$203,618

In connection with our development of The Gallery at Westbury Plaza in Nassau County, New York, we remediated various environmental matters that existed when we acquired the property in November 2009. The site was eligible for participation in New York State's Brownfield Cleanup Program, which provides for refundable New York State franchise tax credits for costs incurred to remediate and develop a qualified site. We applied for participation in the program and subsequently received a certificate of completion from the New York State Department of Environmental Conservation in August 2012. The certificate of completion confirmed our adherence to the cleanup requirements and ability to seek reimbursement for a portion of qualified costs incurred as part of the environmental remediation and development of the property. As of December 31, 2016 and 2015, we have a receivable of $7.7 million for both periods, which is included in other assets in our consolidated balance sheets for the reimbursable costs that are expected to be paid to us subject to statutory deferrals over the next two years. During 2015, we received $14.3 million in connection with this program.

The following is a summary of the composition of intangible assets and accumulated amortization included in the consolidated balance sheets:

	December 31,	
	2016	2015
	(In thousands)	
Lease intangible assets:		
Above-market leases	$ 19,611	$ 19,742
In-place leases	132,128	126,987
Below-market ground leases	34,094	34,094
Lease origination costs	2,709	2,797
Lease incentives	12,527	9,371
Total intangibles	201,069	192,991
Accumulated amortization:		
Above-market leases	13,892	12,644
In-place leases	76,023	71,577
Below-market ground leases	2,597	1,995
Lease origination costs	2,221	2,173
Lease incentives	4,469	3,592
Total accumulated amortization	99,202	91,981
Lease intangible assets, net	$101,867	$101,010

The following is a summary of amortization expense included in the consolidated statements of income related to lease intangible assets:

	December 31,		
	2016	2015	2014
	(In thousands)		
Above-market lease amortization (1)	$ 1,850	$ 2,118	$ 2,605
In-place lease amortization (2)	11,074	11,350	14,824
Below-market ground lease amortization (3)	601	601	601
Lease origination cost amortization (2)	166	253	298
Lease incentive amortization (1)	1,264	1,035	780
Total lease intangible asset amortization	$14,955	$15,357	$19,108

(1) Amounts are recognized as a reduction of minimum rent.
(2) Amounts are included in depreciation and amortization expenses.
(3) Amounts are included in property operating expenses.

As of December 31, 2016, the estimated amortization of lease intangible assets for the next five years is as follows:

Year Ending December 31,	Amount
	(In thousands)
2017	$ 15,703
2018	9,111
2019	7,136
2020	6,319
2021	5,732

12. Borrowings

Mortgage Loans

The following table is a summary of the mortgage loans included in the consolidated balance sheets:

	December 31,	
	2016	2015
	(In thousands)	
Fixed rate mortgage loans	$227,896	$254,279
Variable rate mortgage loan	27,750	27,750
Total mortgage loans	255,646	282,029
Unamortized deferred financing costs and premium/discount, net	(1,502)	1,430
Total	$254,144	$283,459
Weighted average interest rate, excluding unamortized premium	4.92%	5.61%

As of December 31, 2016, the net book value of the properties collateralizing the mortgage loans totaled $516.9 million.

During the years ended December 31, 2016 and 2015, we prepaid $44.0 million and $44.3 million in mortgage loans with a weighted average interest rate of 6.08% and 5.61% per annum, respectively. We recognized losses on extinguishment of debt in conjunction with the prepayments of $22,700 and $247,000 for the years ended December 31, 2016 and 2015, respectively.

In August 2016, we legally defeased the mortgage loan that was secured by Culver Center located in Culver City, California. The mortgage loan had a principal balance of $64.0 million, bore interest at a rate of 5.58% per annum, and was scheduled to mature in May 2017. The cash outlay required for the defeasance of approximately $66.4 million was based on the purchase price of U.S. government securities that will generate sufficient cash flows to fund the remaining payment obligations under the loan from the effective date of the defeasance through the maturity date in May 2017. In connection with the defeasance, the mortgage and other liens on the property were extinguished, and all existing collateral was released. As a result of the transaction, we recognized a loss on the early extinguishment of debt of $1.6 million, which is the difference between the value of the U.S. government securities that were transferred to the successor borrower and the carrying amount of the loan, including the related unamortized premium balance, at the date of the defeasance.

In June 2016, in order to effectuate a substitution of collateral, we repaid a mortgage loan having a principal balance of $10.6 million and an interest rate of 5.01% secured by Talega Village Center located in San Clemente, California. Concurrent with the repayment of the Talega Village Center mortgage loan, we entered into a new mortgage loan secured by Circle Center West located in Long Beach, California which carries the same terms as the previous Talega Village Center mortgage loan.

In January 2016, we entered into a mortgage loan secured by Westbury Plaza located in Nassau County, New York. The mortgage loan has a principal balance of $88.0 million, bears interest at a rate of 3.76% per annum, and matures on February 1, 2026.

In connection with the redemption of our interest in the GRI JV in June 2015, we assumed a mortgage loan for Concord Shopping Plaza with a principal balance of $27.8 million. The loan bears interest at one-month LIBOR plus 1.35% per annum and has a stated maturity date of June 28, 2018.

Senior Notes

Our outstanding senior notes in the consolidated balance sheets consisted of the following:

	December 31,	
	2016	2015
	(In thousands)	
6.25% Senior notes, due 1/15/17	—	101,403
6.00% Senior notes, due 9/15/17	—	116,998
3.75% Senior notes, due 11/15/22	300,000	300,000
3.81% Series A senior notes, due 5/11/2026	100,000	—
3.91% Series B senior notes, due 8/11/2026	100,000	—
Total senior notes	500,000	518,401
Unamortized deferred financing costs and discount, net	(3,758)	(3,029)
Total	$496,242	$515,372
Weighted average interest rate, excluding unamortized discount	3.79%	4.75%

In 2016, we redeemed our 6.00% and 6.25% senior notes which had principal balances of $117.0 million and $101.4 million, respectively, each at a redemption price equal to the principal amount of the notes, accrued and unpaid interest, and required make-whole premiums totaling $12.0 million. In connection with the redemptions, we recognized a loss on the early extinguishment of debt totaling $12.6 million, which was comprised of the aforementioned make-whole premiums and deferred fees and costs associated with the notes.

In 2016, we completed a private placement of 3.81% series A senior notes with an aggregate principal balance of $100.0 million that mature in May 2026 and 3.91% series B senior notes with an aggregate principal balance of $100.0 million that mature in August 2026. Our obligations under the notes are guaranteed by certain of our subsidiaries. We may prepay the notes, in whole or in part, at any time at a price equal to the outstanding principal amount of such notes plus a make-whole premium.

In 2015, we redeemed our 5.375% and 6.00% senior notes which had principal balances of $107.5 million and $105.2 million, respectively, each at a redemption price equal to the principal amount of the notes, accrued and unpaid interest, and required make-whole premiums totaling $7.4 million. In connection with the redemptions, we recognized a loss on the early extinguishment of debt totaling $7.5 million, which was comprised of the aforementioned make-whole premiums and unamortized discounts and deferred fees and costs associated with the notes.

The indentures under which our senior notes were issued have several covenants that limit our ability to incur debt, require us to maintain an unencumbered asset to unsecured debt ratio above a specified level and limit our ability to consolidate, sell, lease, or convey substantially all of our assets to, or merge with, any other entity. These notes have also been guaranteed by many of our subsidiaries.

Revolving Credit Facility

In September 2016, we closed on an $850.0 million unsecured revolving credit facility which replaced our $600.0 million credit facility. The credit facility is with a syndicate of banks and can be increased through an accordion feature up to an aggregate of $1.7 billion, subject to bank participation. The facility bears interest at applicable LIBOR plus a margin of 0.825% to 1.550% per annum and includes a facility fee applicable to the aggregate lending commitments thereunder which varies from 0.125% to 0.300% per annum, both depending on the credit ratings of our senior notes. The facility expires on February 1, 2021, with two six-month extensions at our option, subject to certain conditions. As of December 31, 2016, the interest rate

margin applicable to amounts outstanding under the facility was 1.00% per annum and the facility fee was 0.20% per annum. The facility includes a competitive bid option which allows us to conduct auctions among the participating banks for borrowings at any one time outstanding of up to 50% of the lender commitments then in effect, a $50.0 million letter of credit commitment and a $75.0 million multi-currency subfacility. As of December 31, 2016, we had drawn $118.0 million against the facility, which bore interest at a weighted average rate of 1.77% per annum. As of December 31, 2015, we had drawn $96.0 million, which bore interest at a weighted average rate of 1.47% per annum.

As of December 31, 2016, giving effect to the financial covenants applicable to the credit facility, the maximum available to us thereunder was approximately $850.0 million, less outstanding borrowings of $118.0 million and outstanding letters of credit with an aggregate face amount of $1.4 million.

The facility contains a number of customary restrictions on our business and also includes various financial covenants, including maximum unencumbered and total leverage ratios, a maximum secured indebtedness ratio, a minimum fixed charge coverage ratio and a minimum unencumbered interest coverage ratio. The facility also contains customary affirmative covenants and events of default, including a cross default to our other material indebtedness and the occurrence of a change of control. If a material default under the facility were to arise, our ability to pay dividends is limited to the amount necessary to maintain our status as a REIT unless the default is a payment default or bankruptcy event in which case we are prohibited from paying any dividends. The facility is guaranteed on an unsecured senior basis by the same subsidiaries which guaranty our senior notes and term loan facilities.

Term Loans

Our $250.0 million unsecured term loan bears interest, at our option, at the base rate plus a margin of 0.00% to 0.80% or one month LIBOR plus a margin of 0.90% to 1.80%, depending on the credit ratings of our senior notes, and matures on February 13, 2019. In connection with the interest rate swaps discussed below, we have elected, and will continue to elect, the one month LIBOR option, which as of December 31, 2016 resulted in a margin of 2.62%. The loan agreement also calls for other customary fees and charges. The loan agreement contains customary restrictions on our business, financial and affirmative covenants and events of default and remedies which are generally the same as those provided in our $850.0 million revolving credit facility.

In December 2015, we entered into an unsecured delayed draw term loan facility pursuant to which we could borrow up to $300.0 million in aggregate principal amount in one or more borrowings and which has a maturity date of December 2, 2020. As of December 31, 2016, we had drawn $300.0 million against the facility. At our request, the principal amount of the facility may be increased up to an aggregate of $500.0 million, subject to the availability of additional commitments from lenders. Borrowings under the facility will bear interest, at our option, at one-month, two-month, three-month or six-month LIBOR plus 0.90% to 1.75%, depending on the credit ratings of our senior notes, which as of December 31, 2016 resulted in an effective interest rate of 1.71%. The loan agreement also calls for other customary fees and charges. The loan agreement contains customary restrictions on our business, financial and affirmative covenants, events of default and remedies which are generally the same as those provided in our $850.0 million revolving credit facility and $250.0 million term loan facility.

Interest Rate Swaps

As of December 31, 2016 and 2015, we had three interest rate swaps which convert the LIBOR rate applicable to our $250.0 million term loan to a fixed interest rate, providing an effective weighted average fixed interest rate under the loan agreement of 2.62% per annum. The interest rate swaps are designated and qualified as cash flow hedges and have been recorded at fair value. The interest rate swap agreements mature on February 13, 2019, which is the maturity date of the term loan. As of December 31, 2016 and 2015, the fair value of one of our interest rate swaps consisted of an asset of $200,000 and $217,000, respectively, which is included in other assets in our consolidated balance sheets, while the fair value of the two remaining interest rate swaps consisted of a liability of $1.2 million and $2.0 million, respectively, which is included in accounts payable and accrued expenses in our consolidated balance sheets. The effective portion of changes in fair value of the interest rate swaps associated with our cash flow hedges is recorded in accumulated other comprehensive income and is subsequently reclassified into interest expense as interest is incurred on the related variable rate debt. Within the next 12 months, we expect to reclassify $1.3 million as an increase to interest expense.

As of December 31, 2015, we had entered into a forward starting interest rate swap with a notional amount of $50.0 million to mitigate the risk of adverse fluctuations in interest rates with respect to fixed rate indebtedness expected to be issued in 2016. The forward starting interest rate swap had a mandatory settlement date of October 4, 2016 and could be settled at any time prior to that date. The forward starting interest rate swap was designated and qualified as a cash flow hedge and recorded at fair value. As of December 31, 2015, the fair value of our forward starting interest rate swap consisted of an asset of $618,000, which is included in other assets in our consolidated balance sheet. In February 2016, we terminated and settled the forward starting interest rate swap in connection with the pricing of our $200.0 million senior notes due 2026, resulting in a cash payment of $3.1 million to the counterparty. The settlement value of the forward starting interest rate swap, which is reflected in accumulated other comprehensive loss, will amortize through interest expense over the life of the senior notes that were issued in May 2016. Within the next 12 months, we expect to reclassify $308,000 as an increase to interest expense.

Principal maturities of borrowings outstanding as of December 31, 2016, including mortgage loans, senior notes, term loans and the revolving credit facility are as follows:

Year Ending December 31,	Amount (In thousands)
2017	$ 6,567
2018	89,271
2019	273,872
2020	305,471
2021	135,979
Thereafter	612,486
Total	$ 1,423,646

Interest costs incurred, excluding amortization and accretion of discounts and premiums and deferred financing costs, were $49.0 million, $59.0 million and $71.4 million in the years ended December 31, 2016, 2015 and 2014, respectively, of which $2.5 million, $4.8 million and $5.0 million, respectively, were capitalized.

13. Other Liabilities

The following is a summary of the composition of other liabilities included in the consolidated balance sheets:

	December 31,	
	2016	2015
	(In thousands)	
Lease intangible liabilities, net	$151,761	$159,665
Prepaid rent	10,468	9,361
Other	986	677
Total other liabilities	$163,215	$169,703

As of December 31, 2016 and 2015, the gross carrying amount of our lease intangible liabilities, which are composed of below-market leases, was $243.4 million and $240.1 million, respectively, and the accumulated amortization was $91.6 million and $80.5 million, respectively.

Included in the consolidated statements of income as an increase to minimum rent for the years ended December 31, 2016, 2015 and 2014 is $15.3 million, $16.1 million and $22.3 million, respectively, of accretion related to lease intangible liabilities.

As of December 31, 2016, the estimated accretion of lease intangible liabilities for the next five years is as follows:

Year Ending December 31,	Amount (In thousands)
2017	$ 14,941
2018	12,740
2019	11,416
2020	10,601
2021	10,251

14. Income Taxes

We elected to be taxed as a REIT under the Code, commencing with our taxable year ended December 31, 1995. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement that we currently distribute at least 90% of our REIT taxable income (excluding net capital gains) to our stockholders. The difference between net income available to common stockholders for financial reporting purposes and taxable income before dividend deductions relates primarily to temporary differences, such as real estate depreciation and amortization, deduction of deferred compensation and deferral of gains on sold properties utilizing like kind exchanges. Also, at least 95% of our gross income in any year must be derived from qualifying sources. It is our intention to adhere to the organizational and operational requirements to maintain our REIT status. As a REIT, we generally will not be subject to corporate level federal income tax, provided that distributions to our stockholders equal at least the amount of our taxable income (including net capital gains). We distributed sufficient taxable income for the year ended December 31, 2016; therefore, we anticipate that no federal income or excise taxes will be incurred. We distributed sufficient taxable income for the years ended December 31, 2015 and 2014; therefore, no federal income or excise taxes were incurred. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income taxes at regular corporate rates (including any applicable alternative minimum tax) and may not be able to qualify as a REIT for four subsequent taxable years. Even if we qualify for taxation as a REIT, we may be subject to state income or franchise taxes in certain states in which some of our properties are located and excise taxes on our undistributed taxable income. We are required to pay U.S. federal and state income taxes on our net taxable income, if any, from the activities conducted by our TRSs. Accordingly, the only provision for federal and state income taxes in our consolidated financial statements relates to our consolidated TRSs.

Further, we believe that we have appropriate support for the tax positions taken on our tax returns and that our accruals for tax liabilities are adequate for all years still subject to tax audit, which include all years after 2012.

The following table reconciles GAAP net income to taxable income:

	Year Ended December 31,		
	2016	2015	2014
		(In thousands)	
GAAP net income attributable to Equity One	$ 72,840	$ 65,453	$ 48,897
Net income attributable to taxable REIT subsidiaries	(2,239)	(411)	(1,214)
GAAP net income from REIT operations	70,601	65,042	47,683
Book/tax differences:			
Joint ventures	4,019	(1,653)	(2,403)
Depreciation	24,436	15,809	21,712
Sale of property	(11,299)	(12,031)	(12,533)
Exercise of stock options and restricted shares	(2,280)	371	(3,387)
Interest expense	928	2,544	1,908
Deferred/prepaid/above and below-market rents, net	(4,499)	(4,487)	(7,907)
Impairment losses	3,121	12,109	21,620
Inclusion from foreign taxable REIT subsidiary	4,204	2,975	—
Brownfield tax credits (see Note 11)	1,817	5,450	9,225
Amortization	(989)	(1,696)	(842)
Acquisition costs	9,743	1,372	1,771
Other, net	(785)	1,109	(1,671)
Adjusted taxable income (1)	$ 99,017	$ 86,914	$ 75,176

(1) Adjusted taxable income subject to 90% dividend requirements.

The following summarizes the tax status of dividends paid:

	Year Ended December 31,		
	2016	2015	2014
Dividend paid per share	$ 0.88	$ 0.88	$ 0.88
Ordinary income	78.50%	79.98%	68.84%
Return of capital	21.50%	20.02%	28.51%
Capital gains	—	—	2.65%

Taxable REIT Subsidiaries

We are required to pay U.S. federal and state income taxes on our net taxable income, if any, from the activities conducted by our TRSs, which include IRT Capital Corporation II (“IRT”), DIM Vastgoed N.V. (“DIM”) and C&C Delaware, Inc. During August 2015, another TRS, Southeast US Holdings, B.V., merged into DIM. Although DIM is organized under the laws of the Netherlands, it pays U.S. corporate income tax based on its operations in the United States. Pursuant to the tax treaty between the U.S. and the Netherlands, DIM is entitled to the avoidance of double taxation on its U.S. income. Thus, it pays no income taxes in the Netherlands.

Income taxes have been provided for on the asset and liability method as required by the Income Taxes Topic of the FASB ASC. Under the asset and liability method, deferred income taxes are recognized for the temporary differences between the financial reporting bases and the tax bases of the TRS assets and liabilities. A deferred tax asset valuation allowance is recorded when it has been determined that it is more-likely-than-not that the deferred tax asset will not be realized. If a valuation allowance is needed, a subsequent change in circumstances in future periods that causes a change in judgment about the realization of the related deferred tax amount could result in the reversal of the deferred tax valuation allowance.

Our total pre-tax income and income tax benefit (provision) relating to our TRSs and taxable entities which have been consolidated for accounting reporting purposes are summarized as follows:

	Year Ended December 31,		
	2016	2015	2014
	(In thousands)		
U.S. income before income taxes	$ 3,727	$ 168	$2,212
Foreign loss before income taxes	(3)	(613)	(190)
Income (loss) from continuing operations before income taxes	3,724	(445)	2,022
Less income tax (provision) benefit:			
Current federal and state	(545)	(54)	10
Deferred federal and state	(940)	910	(860)
Total income tax (provision) benefit	(1,485)	856	(850)
Income from continuing operations from taxable REIT subsidiaries	2,239	411	1,172
Income from discontinued operations from taxable REIT subsidiaries, net of tax	—	—	42
Net income from taxable REIT subsidiaries	$ 2,239	$ 411	$1,214

We recorded no tax provision from discontinued operations for the years ended December 31, 2016 and December 31, 2015 and $27,000 during the year ended December 31, 2014. The tax provisions relate to taxable income generated by the disposition of properties.

The total income tax benefit (provision) differs from the amount computed by applying the statutory federal income tax rate to net income before income taxes as follows:

	Year Ended December 31,		
	2016	2015	2014
	(In thousands)		
Federal (provision) benefit at statutory tax rate (1)	$(1,316)	$767	$(681)
State taxes, net of federal (provision) benefit	(136)	99	(80)
Foreign tax rate differential	—	—	(19)
Other	(33)	(10)	(63)
Valuation allowance increase	—	—	(7)
Total income tax (provision) benefit from continuing operations	(1,485)	856	(850)
Income tax provision from discontinued operations	—	—	(27)
Total income tax (provision) benefit	$(1,485)	$856	$(877)

(1) Rate of 34% or 35% used, dependent on the taxable income levels of our TRSs.

Our deferred tax assets and liabilities were as follows:

	December 31, 2016	December 31, 2015
	(In thousands)	
Deferred tax assets:		
Disallowed interest	$ 2,594	$ 2,719
Net operating loss	662	1,675
Other	633	673
Total deferred tax assets	3,889	5,067
Deferred tax liabilities:		
Other real estate investments	(14,144)	(14,009)
Mortgage revaluation	—	(168)
Other	(5)	(242)
Total deferred tax liabilities	(14,149)	(14,419)
Net deferred tax liability	$(10,260)	$ (9,352)

As of December 31, 2016, the net deferred tax liability of $10.3 million consisted of a $3.8 million deferred tax asset associated with IRT included in other assets in the accompanying consolidated balance sheet and a $14.1 million deferred tax liability associated with DIM. As of December 31, 2015, the net deferred tax liability of $9.4 million consisted of a $3.9 million deferred tax asset associated with IRT included in other assets in the accompanying consolidated balance sheet and a $13.3 million deferred tax liability associated with DIM.

The tax deduction for interest paid by the TRS to the REIT is subject to certain limitations pursuant to U.S. federal tax law. Such interest may only be deducted in any tax year in which the TRS' income exceeds certain thresholds. Such disallowed interest may be carried forward and utilized in future years, subject to the same limitation. As of December 31, 2016, IRT had approximately $6.9 million of disallowed interest carryforwards, with a tax value of $2.6 million, which do not expire. IRT expects to realize the benefits of its net deferred tax asset of approximately $3.8 million as of December 31, 2016, primarily from identified tax planning strategies, as well as projected taxable income. Since acquiring IRT on February 12, 2003, we have filed our tax returns consistent with our intent for IRT to be taxed as a TRS for federal income tax purposes. We recently identified that there is no evidence that a valid TRS election was filed with the IRS when we acquired IRT. The IRS has agreed that the appropriate curative action for this missed election is to request a private letter ruling pursuant to IRS regulation section 301.9100-3 to grant us additional time to file a joint election to treat IRT as a TRS. Based on our discussions with the IRS and the items they have specifically requested and management has agreed to provide, including the administrative practice by the IRS of granting relief in these matters, we are at a more-likely-than-not position that the IRS will grant us relief and no valuation allowance is necessary to be placed on IRT's deferred tax assets. In the event such relief is not obtained, Equity One would still continue to qualify as a REIT. As of December 31, 2016, IRT had federal and state net operating loss carryforwards of approximately $1.8 million and $1.5 million, respectively, which begin to expire in 2030.

15. Noncontrolling Interests

CapCo

In 2011, we acquired a controlling ownership interest in C&C (US) No. 1, Inc., which we refer to as CapCo, through a joint venture with Liberty International Holdings Limited ("LIH"). At the time of the acquisition, CapCo, which was previously wholly-owned by LIH, owned a portfolio of 13 properties in California totaling approximately 2.6 million square feet of GLA. Upon consolidation, we recorded $206.1 million of noncontrolling interest, which represented the fair value of the portion of CapCo's equity that we did not own upon acquisition, which is reflected as permanent equity in the equity section of our consolidated balance sheet as of December 31, 2015.

At the closing of the transaction, LIH contributed all of the outstanding shares of CapCo's common stock to the joint venture in exchange for 11.4 million Class A Shares in the joint venture, representing an approximate 22% interest in the joint venture, and we contributed a shared appreciation promissory note to the joint venture in the amount of $600.0 million and an additional

$84.3 million in exchange for an approximate 78% interest in the joint venture consisting of Class A Shares and Class B Shares. The joint venture shares received by LIH were redeemable for cash or, solely at our option, our common stock on a one-for-one basis, subject to certain adjustments. LIH's ability to participate in the earnings of CapCo was limited to their right to receive distributions payable on their Class A Shares. These distributions consisted of a non-elective distribution equivalent to the dividend paid on our common stock and, if the return on our Class B Shares exceeded a certain threshold, a voluntary residual distribution paid on both Class A Shares and Class B Shares. As such, earnings attributable to the noncontrolling interest as reflected in our consolidated statement of income were limited to distributions made to LIH on its Class A joint venture shares.

In January 2016, LIH exercised its redemption right with respect to all of its outstanding Class A Shares in the CapCo joint venture, and we elected to satisfy the redemption through the issuance of approximately 11.4 million shares of our common stock to LIH. LIH subsequently sold the shares of common stock in a public offering that closed on January 19, 2016. As a result, we now own 100% of CapCo and LIH holds no remaining interests in the Company or our subsidiaries. Prior to the redemption, we also repaid the $600.0 million shared appreciation promissory note to the joint venture.

We did not make any distributions to LIH for the year ended December 31, 2016. Distributions to LIH for the years ended December 31, 2015 and 2014 were $10.0 million, which were equivalent to the per share dividends declared on our common stock.

16. Stockholders' Equity and Earnings Per Share

During each quarter of 2016, our Board of Directors declared cash dividends of $0.22 per share on our common stock. These dividends were paid in March, June, September and December 2016. Pursuant to the terms of the Merger Agreement, we are expected to continue our ordinary course dividend policy during the pendency of the merger.

In August 2016, we entered into distribution agreements with various financial institutions as part of our implementation of a new continuous equity offering program ("ATM Program") under which we may sell up to 8.5 million shares of our common stock, par value of $0.01 per share. The ATM Program replaces our prior continuous equity offering program, and the related distribution agreements supersede the agreements under the prior program. Pursuant to the respective distribution agreements, we may sell shares of our common stock in various forms of negotiated transactions in which the financial institutions will act as our agents for the offer and sale of the shares, and the respective agent arranging such a sale will be entitled to a commission of no more than 2.0% of the gross proceeds from each transaction. Concurrently, we entered into master forward sale confirmations with four of the financial institutions under which we may enter into forward sale agreements for shares of our common stock. Pursuant to the respective distribution agreements and master forward sale confirmations, the respective agent arranging a forward sale will be entitled to a commission of no more than 2.0% of the proceeds from the sale of such shares in the form of a reduced initial forward sale price. Additionally, although we expect to physically settle any forward sale agreement entered into as part of the offering, the agreements provide that we may elect to cash settle or net share settle such transactions. Under the ATM Program, we have no obligation to sell any shares of our common stock pursuant to the distribution agreements and may terminate one or all of the distribution agreements at our discretion.

Concurrent with the execution of the distribution agreements, we also entered into a common stock purchase agreement with MGN America, LLC ("MGN"), an affiliate of Gazit, which may be deemed to be controlled by Chaim Katzman, the Chairman of our Board of Directors. Pursuant to this agreement, MGN has the option to purchase directly from us in private placements up to 20% of the number of shares of common stock sold by us pursuant to the distribution agreements (excluding any shares sold pursuant to any forward sale agreements unless otherwise agreed to in writing by us and MGN) during each calendar quarter, up to an aggregate maximum of 1.4 million shares over the duration of the ATM Program, at a per share purchase price equal to the volume weighted average gross price per share of the shares sold under the distribution agreements during the applicable quarter.

During the year ended December 31, 2016, we issued an aggregate of 3.7 million shares of our common stock under the current and prior continuous equity offering programs at a weighted average price of $30.23 per share for cash proceeds of approximately $112.9 million before expenses. The commissions paid to distribution agents during the year ended December 31, 2016 were approximately $1.4 million. During the year ended December 31, 2016, we did not enter into any forward sale agreements for sales of our common stock, and MGN did not purchase any of the shares issued under the current

and prior continuous equity offering programs. As of December 31, 2016, the remaining capacity under the current ATM Program was approximately 7.5 million shares of our common stock. As of November 14, 2016, in connection with the Merger Agreement, we have ceased any further issuances of common stock under the ATM Program and common stock purchase agreement with MGN.

In March 2015, we completed an underwritten public offering and concurrent private placement totaling 4.5 million shares of our common stock at a price to the public and in the private placement of $27.05 per share. In the concurrent private placement, 600,000 shares were purchased by Gazit First Generation LLC, an affiliate of Gazit, which may be deemed to be controlled by Chaim Katzman, the Chairman of our Board of Directors. The offerings generated net proceeds to us of approximately $121.3 million before expenses. The stock issuance costs and underwriting discounts were approximately $589,000. We used the net proceeds to fund the redemption of our 5.375% senior notes due October 2015 and for general corporate purposes, including the repayment of other secured and unsecured debt.

In September 2014, we completed an underwritten public offering and concurrent private placement totaling 4.5 million shares of our common stock at a price to the public and in the private placement of $23.30 per share. In the concurrent private placement, 675,000 shares were purchased by Gazit First Generation LLC. The offerings generated net proceeds to us of approximately $104.6 million before expenses. The stock issuance costs and underwriting discounts were approximately $561,000. We used the net proceeds to fund development and redevelopment activities, to repay secured and unsecured debt and for general corporate purposes.

Earnings per Share

The following summarizes the calculation of basic and diluted earnings per share ("EPS") and provides a reconciliation of the amounts of net income available to common stockholders and shares of common stock used in calculating basic and diluted EPS:

	Year Ended December 31,		
	2016	2015	2014
	(In thousands, except per share amounts)		
Income from continuing operations	$ 72,840	$ 75,467	$ 58,134
Net income attributable to noncontrolling interests - continuing operations	—	(10,014)	(12,206)
Income from continuing operations attributable to Equity One, Inc.	72,840	65,453	45,928
Allocation of continuing income to participating securities	(362)	(423)	(1,759)
Income from continuing operations available to common stockholders	72,478	65,030	44,169
Income from discontinued operations	—	—	2,957
Net loss attributable to noncontrolling interests - discontinued operations	—	—	12
Income from discontinued operations available to common stockholders	—	—	2,969
Net income available to common stockholders	$ 72,478	$ 65,030	$ 47,138
Weighted average shares outstanding – Basic	142,492	127,957	119,403
Convertible units held by LIH using the if-converted method	372	—	—
Stock options using the treasury method	108	119	222
Non-participating restricted stock using the treasury method	10	10	40
Long term incentive plan shares using the treasury method	185	74	60
Weighted average shares outstanding – Diluted	143,167	128,160	119,725
Basic earnings per share available to common stockholders:			
Continuing operations	$ 0.51	$ 0.51	$ 0.37
Discontinued operations	—	—	0.02
Earnings per common share — Basic	$ 0.51	$ 0.51	$ 0.39
Diluted earnings per share available to common stockholders:			
Continuing operations	$ 0.51	$ 0.51	$ 0.37
Discontinued operations	—	—	0.02
Earnings per common share — Diluted	$ 0.51	$ 0.51	$ 0.39

No shares of common stock issuable upon the exercise of outstanding options were excluded from the computation of diluted EPS for the years ended December 31, 2016 and 2015 as the prices applicable to all options then outstanding were less than the average market price of our common shares during the respective periods. The computation of diluted EPS for the year ended December 31, 2014 did not include 532,000 shares of common stock issuable upon the exercise of outstanding options, at prices ranging from $24.12 to $26.66, because the option prices were greater than the average market price of our common shares during the period.

The computation of diluted EPS for the years ended December 31, 2015 and 2014 did not include the 11.4 million joint venture units held by LIH as of such date, which were redeemable by LIH for cash or, solely at our option, shares of our common stock on a one-for-one basis, subject to certain adjustments. These convertible units were not included in the diluted weighted average share count because their inclusion would have been anti-dilutive. In January 2016, LIH exercised its redemption right for all of their convertible units. See Note 15 for further discussion.

17. Share-Based Payments

The Equity One Amended and Restated 2000 Executive Incentive Compensation Plan (the “2000 Plan”) provides for grants of stock options, stock appreciation rights, restricted stock, and deferred stock, other stock-related awards and performance or annual incentive awards that may be settled in cash, stock or other property. The persons eligible to receive an award under the 2000 Plan are our officers, directors, employees and independent contractors. The total number of shares of common stock that may be issuable under the 2000 Plan is 13.5 million shares, plus (i) the number of shares with respect to which options previously granted under the 2000 Plan that terminate without being exercised, and (ii) the number of shares that are surrendered in payment of the exercise price for any awards or any tax withholding requirements. The 2000 Plan will terminate on the earlier of May 2, 2021 or the date on which all shares reserved for issuance under the 2000 Plan have been issued. As of December 31, 2016, 5.6 million shares were available for issuance.

Stock Options

The following table presents information regarding stock option activity during the year ended December 31, 2016:

	Shares Under Option (In thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In years)	Aggregate Intrinsic Value (In thousands)
Outstanding at beginning of the year	651	$ 20.72		
Exercised	(451)	$ 19.77		
Outstanding at end of the year	200	$ 22.87	7.4	$ 1,564
Exercisable at end of the year	100	$ 22.87	7.4	$ 782

The total cash or other consideration received from options exercised during the years ended December 31, 2016, 2015 and 2014 was $8.9 million, $3.0 million and $40.4 million, respectively. The total intrinsic value of options exercised during the years ended December 31, 2016, 2015 and 2014 was $4.9 million, $1.5 million and $6.1 million, respectively.

During the year ended December 31, 2014, the fair value of the 200,000 options granted was estimated on the grant date using the Black-Scholes-Merton pricing model with the following assumptions:

Dividend yield	3.8%
Risk-free interest rate	2.0%
Expected option life	6.3 years
Expected volatility	39.8%

The options were granted with an exercise price equivalent to the current stock price on the grant date. No options were granted during the years ended December 31, 2016 and 2015.

Pursuant to, and as further described in the Merger Agreement, each option to purchase shares of our common stock, whether vested or unvested, that is outstanding and unexercised immediately prior to the Effective Time will vest in full and be converted into the right to receive an amount in cash equal to the excess of (i)(x) the value of a share of Regency Common Stock as of the last complete trading day prior to the closing multiplied by (y) the Exchange Ratio, over (ii) the exercise price of such stock option.

Restricted Stock

The following table presents information regarding restricted stock activity during the year ended December 31, 2016:

	Shares (In thousands)	Weighted Average Grant-Date Fair Value
Unvested at beginning of the year	410	$ 23.72
Granted (1)	186	$ 28.33
Vested	(267)	$ 25.24
Forfeited or cancelled	(36)	$ 26.50
Unvested at end of the year	293	$ 24.92

(1) Includes 56,000 shares of restricted stock that were granted to certain executives in December 2016 and were vested immediately in contemplation of the proposed merger with Regency.

The weighted average grant-date fair value of restricted stock granted during the years ended December 31, 2015 and 2014 was $23.63 and $22.95, respectively. Shares of restricted stock granted during the year ended December 31, 2016 are subject to forfeiture and vest over periods from 0 to 4 years. We measure compensation expense for restricted stock awards based on the fair value of our common stock at the date of grant and charge such amounts to expense ratably over the vesting period on a straight-line basis. During the year ended December 31, 2016, the total grant-date value of the approximately 267,000 shares of restricted stock that vested was approximately $6.7 million.

Pursuant to, and as further described in the Merger Agreement, each award of restricted shares of our common stock that is outstanding immediately prior to the Effective Time will be assumed by Regency and will be converted into an award of restricted shares of Regency Common Stock with respect to a number of shares of Regency Common Stock ("Regency Restricted Stock Award") equal to the product obtained by multiplying the number of shares of our common stock subject to such restricted stock award as of immediately prior to the Effective Time by the Exchange Ratio, with restricted stock held by our directors and employees whose employment is expected to be terminated as of the Effective Time vesting in full. The Regency Restricted Stock Awards that do not vest as of the Effective Time will continue to have the same terms and conditions as the restricted stock award to which it relates, except that in the event a holder's employment with Regency is terminated by Regency without cause, by the holder for good reason, or due to the holder's death or disability, the Regency Restricted Stock Award will vest in full as of the date of the applicable termination.

Long Term Incentive Plan Awards

In connection with the execution of certain executive employment agreements in 2014 and 2015, we granted Long Term Incentive Plan ("LTIP") awards that provide each executive with a target number of shares of our common stock. The target number of shares for each executive is divided equally into four components, and the number of shares that will ultimately be issued under each component is based on our performance during each executive's respective four-year employment period. The performance metrics for three of the components are based on our absolute total shareholder return ("Absolute TSR"), total shareholder return relative to specified peer companies ("Relative TSR"), and growth in core funds from operations per share ("Core FFO Growth"), while the performance under the fourth component will be determined by the compensation committee at its sole discretion. For each of these four components, the executive can earn 0%, 50%, 100%, or 200% of the portion of the target award allocated to such component based on our actual performance compared to specified targets assigned to each component. Shares earned pursuant to the LTIP awards will be issued to each executive following the completion of their respective 4-year performance period, subject to their continued employment through the end of such period. The aggregate number of target awards for these executives is 226,364 shares of our common stock.

The Absolute TSR and Relative TSR components of the LTIP awards are considered market-based awards. Accordingly, the probability of meeting the market criteria was considered when calculating the estimated fair value of the awards on the applicable grant dates using Monte Carlo simulations. Furthermore, compensation expense associated with these awards is being recognized over the requisite service period as long as the requisite service is provided, regardless of whether the market criteria are achieved and the awards are ultimately earned. The aggregate estimated fair value of these components on the respective grant dates was $2.2 million. The following summarizes the ranges of significant assumptions used in determining such values on the applicable grant dates:

Volatility of our common stock	21.9% - 24.3%
Volatility of the common stock of peer companies	13.7% - 28.6%
Risk-free interest rate	1.3% - 1.4%

The Recurring FFO Growth component of the LTIP awards is considered a performance-based award that is earned subject to future performance measurement. The awards were valued based on the fair value of our common stock on the respective grant dates less the present value of the dividends expected to be paid on our common stock during the requisite service period. Compensation expense associated with these awards is being recognized over the requisite service period based on management's periodic estimate of the likelihood that the performance criteria will be met.

No compensation expense will be recognized for the discretionary component of the LTIP awards prior to the completion of the performance period.

Pursuant to, and as further described in the Merger Agreement, in addition, each LTIP award that is outstanding immediately prior to the Effective Time shall vest in full (based on the actual achievement of any applicable performance goals, and without proration) and be converted into a number of fully vested shares of Regency Common Stock equal to the product obtained by multiplying the number of shares of our common stock subject to such LTIP award immediately prior to the Effective Time by the Exchange Ratio.

2004 Employee Stock Purchase Plan

Our amended and restated Employee Stock Purchase Plan (the "ESPP") provides a convenient means by which eligible employees could purchase shares of our common stock on a quarterly basis through payroll deductions and voluntary cash investments. Under the ESPP, the quarterly purchase price per share paid by employees is 85% of the average closing price per share of our common stock on the five trading days that immediately precede the last trading day of the quarter, provided, however, that in no event may the purchase price be less than the lower of (i) 85% of the closing price on the first trading day of the quarter or (ii) 85% of the closing price on the last trading day of the quarter. Shares purchased under the amended and restated ESPP are subject to a six-month holding requirement, subject to exceptions for hardship.

Discounts offered to participants under our 2004 Employee Stock Purchase Plan represent the difference between the market value of our stock on the purchase date and the purchase price of shares as provided under the plan.

Effective January 1, 2017, due to the proposed Merger with Regency described in Note 2, employees will not be eligible to further enroll or purchase shares of our common stock under the ESPP.

Share-Based Compensation Expense

Share-based compensation expense, which is included in general and administrative expenses in the accompanying consolidated statements of income, is summarized as follows:

	Year Ended December 31,		
	2016	2015	2014
	(In thousands)		
Restricted stock and long term incentive plan awards (1)	$ 6,565	$4,785	$6,818
Stock options	312	337	650
Employee stock purchase plan discount	40	36	30
Total equity-based compensation costs	6,917	5,158	7,498
Restricted stock classified as a liability	460	655	289
Total share-based compensation costs	7,377	5,813	7,787
Less: Amount capitalized	(147)	(553)	(520)
Less: Merger costs (1)	(1,067)	—	—
Net share-based compensation expense	$ 6,163	$5,260	$7,267

(1) Includes $1.1 million of merger costs associated with the acceleration of restricted stock granted to certain executives in December 2016 in contemplation of the proposed merger with Regency that are attributable and will be recognized by the combined entity.

As of December 31, 2016, we had $6.5 million of total unrecognized compensation expense related to unvested and restricted share-based payment arrangements (unvested options, restricted shares and LTIPs) granted under our 2000 Plan. This expense is expected to be recognized over a weighted average period of 1.6 years.

401(k) Plan

We have a 401(k) defined contribution plan (the “401(k) Plan”) covering substantially all of our officers and employees which permits participants to defer compensation up to the maximum amount permitted by law. We match 100% of each employee’s contribution up to 3.0% of the employee’s annual compensation and, thereafter, match 50% of the next 3.0% of the employee’s annual compensation. Employees’ contributions and our matching contributions vest immediately. Our contributions to the 401(k) Plan for the years ended December 31, 2016, 2015 and 2014 were $469,000, $446,000 and $424,000, respectively.

18. Future Minimum Rental Income

Our properties are leased to tenants under operating leases that expire at various dates through the year 2040. Future minimum rents under non-cancelable operating leases as of December 31, 2016, excluding tenant reimbursements of operating expenses and percentage rent based on tenants’ sales volume are as follows:

Year Ending December 31,	Amount
	(In thousands)
2017	$ 267,418
2018	242,836
2019	213,912
2020	186,137
2021	157,826
Thereafter	685,182
Total	$ 1,753,311

19. Commitments and Contingencies

As of December 31, 2016, we had provided letters of credit having an aggregate face amount of $1.4 million as additional security for financial and other obligations.

As of December 31, 2016, we have invested an aggregate of approximately $144.5 million in active development or redevelopment projects at various stages of completion and anticipate that these projects will require an additional $89.8 million to complete, based on our current plans and estimates, which we anticipate will be primarily expended over the next two to three years. We have other significant projects for which we expect to expend an additional $13.7 million in the next one to two years based on our current plans and estimates. These capital expenditures are generally due as the work is performed and are expected to be financed by funds available under our revolving credit facility, proceeds from property dispositions and available cash.

We are subject to litigation in the normal course of business. However, we do not believe that any of the litigation outstanding as of December 31, 2016 will have a material adverse effect on our financial condition, results of operations or cash flows.

Certain of our shopping centers are subject to non-cancelable long-term ground leases that expire at various dates through the year 2076 and in most cases provide for renewal options. In addition, we have non-cancelable operating leases for office space and equipment that expire at various dates through the year 2021. As of December 31, 2016, future minimum rental payments under non-cancelable operating leases are as follows:

Year Ending December 31,	Amount (In thousands)
2017	$ 1,722
2018	1,753
2019	1,752
2020	1,663
2021	1,189
Thereafter	33,941
Total	$ 42,020

During the years ended December 31, 2016, 2015 and 2014, we recognized approximately $1.7 million, $1.6 million and $1.5 million, respectively, of rental expense related to our non-cancelable operating leases.

20. Environmental Matters

We are subject to numerous environmental laws and regulations. The operation of dry cleaning and gas station facilities at our shopping centers are the principal environmental concerns. We require that the tenants who operate these facilities do so in material compliance with current laws and regulations and we have established procedures to monitor dry cleaning operations. Where available, we have applied and been accepted into state sponsored environmental programs. Several properties in the portfolio will require or are currently undergoing varying levels of environmental remediation. We have environmental insurance policies covering most of our properties which limits our exposure to some of these conditions, although these policies are subject to limitations and environmental conditions known at the time of acquisition are typically excluded from coverage. Management believes that the ultimate disposition of currently known environmental matters will not have a material adverse effect on our financial condition, results of operations or cash flows.

21. Fair Value Measurements

Recurring Fair Value Measurements

As of December 31, 2016 and 2015, we had three interest rate swap agreements with a notional amount of $250.0 million that are measured at fair value on a recurring basis. As of December 31, 2016 and 2015, the fair value of one of our interest rate swaps consisted of an asset of $200,000 and $217,000, respectively, which is included in other assets in our consolidated balance sheets, while the fair value of the two remaining interest rate swaps consisted of a liability of $1.2 million and $2.0 million, respectively, which is included in accounts payable and accrued expenses in our consolidated balance sheets. The net unrealized loss on our interest rate derivatives, included in accumulated other comprehensive loss, was $2.9 million and $910,000 for the years ended December 31, 2016 and 2015, respectively.

Additionally, as of December 31, 2015, we had a forward starting interest rate swap with a notional amount of $50.0 million and the fair value of our forward starting interest rate swap consisted of an asset of $618,000, which is included in other assets in our consolidated balance sheets. The forward starting interest rate swap was terminated and settled in February 2016. See Note 12 for further discussion.

The fair values of the interest rate swaps are based on the estimated amounts we would receive or pay to terminate the contract at the reporting date and are determined using interest rate pricing models and observable inputs. The interest rate swaps are classified within Level 2 of the valuation hierarchy.

The following are assets and liabilities measured at fair value on a recurring basis as of December 31, 2016 and 2015:

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
	(In thousands)			
December 31, 2016				
Interest rate derivatives:				
Classified as an asset in other assets	$ 200	$ —	$ 200	$ —
Classified as a liability in accounts payable and accrued expenses	$1,150	$ —	$1,150	$ —
December 31, 2015				
Interest rate derivatives:				
Classified as an asset in other assets	$ 835	$ —	$ 835	$ —
Classified as a liability in accounts payable and accrued expenses	$1,991	$ —	$1,991	$ —

Valuation Methods

The fair values of our interest rate swaps were determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of the derivative financial instrument. This analysis reflected the contractual terms of the derivative, including the period to maturity, and used observable market-based inputs, including interest rate market data and implied volatilities in such interest rates. While it was determined that the majority of the inputs used to value the derivatives fall within Level 2 of the fair value hierarchy under authoritative accounting guidance, the credit valuation adjustments associated with the derivatives also utilized Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default. However, as of December 31, 2016, the significance of the impact of the credit valuation adjustments on the overall valuation of the derivative financial instruments was assessed and it was determined that these adjustments were not significant to the overall valuation of the derivative financial instruments. As a result, it was determined that the derivative financial instruments in their entirety should be classified in Level 2 of the fair value hierarchy. The net unrealized loss included in other comprehensive gain/loss was primarily attributable to the net change in unrealized gains or losses related to the interest rate swaps that remained outstanding as of December 31, 2016, none of which were reported in the consolidated statements of income because they were documented and qualified as hedging instruments and there was no ineffectiveness in relation to the hedges.

Non-Recurring Fair Value Measurements

During 2016, we recorded an impairment loss of $3.1 million, consisting of $2.5 million related to an operating property sold and $667,000 related to our equity investment in a joint venture. See Note 6 for further discussion.

The following table presents our hierarchy for those assets measured and recorded at fair value on a non-recurring basis as of December 31, 2015:

Assets:	Total	Level 1	Level 2	Level 3	Total Losses(1)
			(In thousands)		
Operating properties held and used	$ 700	$ —	$ —	$ 700(2)	$ 1,579
Land held and used	8,550	—	—	8,550(3)	3,667
Total	$9,250	$ —	$ —	$9,250	$ 5,246

(1) Total losses exclude impairments of $11.3 million recognized related to properties sold during the year ended December 31, 2015 and a goodwill impairment loss of $200,000 related to an operating property. See Note 6 for further discussion.

(2) Represents the fair value of the property on the date it was impaired during the fourth quarter of 2015.

(3) Impairments were recognized on a land parcel due to our reconsideration of our plans which increased the likelihood that the holding period may be shorter than previously estimated due to updated disposition plans and on another land parcel due to the total projected undiscounted cash flows being less than its carrying value.

On a non-recurring basis, we evaluate the carrying value of investment property and investments in and advances to unconsolidated joint ventures, when events or changes in circumstances indicate that the carrying value may not be recoverable. Impairments, if any, typically result from values established by Level 3 valuations. The carrying value of a property is considered impaired when the total projected undiscounted cash flows from the property are separately identifiable and are less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the property as determined by purchase price offers or by discounted cash flows using the income or market approach. These cash flows are comprised of unobservable inputs which include contractual rental revenue and forecasted rental revenue and expenses based upon market conditions and expectations for growth. Capitalization rates and discount rates utilized in these models are based upon observable rates that we believe to be within a reasonable range of current market rates for the respective properties. Based on these inputs, we determined that the valuation of these investment properties and investments in unconsolidated joint ventures are classified within Level 3 of the fair value hierarchy.

The following are ranges of key inputs used in determining the fair value of income producing properties measured using Level 3 inputs:

	December 31, 2015
Overall capitalization rates	10.0%
Terminal capitalization rates	10.5%
Discount rates	12.5%

During the year ended December 31, 2015, we recognized $1.6 million of impairment losses on operating properties. The estimated fair values related to the impairment assessments were primarily based on discounted cash flow analyses and, therefore, are classified within Level 3 of the fair value hierarchy.

During the year ended December 31, 2015, we recognized impairment losses of $3.7 million on land parcels. The estimated fair values related to the impairment assessments were based on appraisals and, therefore, are classified within Level 3 of the fair value hierarchy.

We also performed annual, or more frequent in certain circumstances, impairment tests of our goodwill. Impairments, if any, resulted from values established by Level 3 valuations. We estimated the fair value of the reporting unit using discounted projected future cash flows, which approximated a current sales price. If the results of this analysis indicated that the carrying value of the reporting unit exceeded its fair value, an impairment was recognized to reduce the carrying value of the goodwill to fair value. During the year ended December 31, 2015, we recognized a goodwill impairment loss of $200,000.

22. Fair Value of Financial Instruments

All financial instruments are reflected in our consolidated balance sheets at amounts which, in our estimation, reasonably approximates their fair values, except for the following:

	December 31, 2016		December 31, 2015	
	Carrying Amount (1)	Fair Value	Carrying Amount (1)	Fair Value
	(In thousands)			
Financial liabilities:				
Mortgage loans	$254,144	$258,219	$283,459	$296,067
Senior notes	$496,242	$507,672	$515,372	$528,041
Term loans	$547,252	$550,271	$471,891	$475,393

(1) The carrying amount consists of principal, net of unamortized deferred financing costs and premium/discount.

The above fair values approximate the amounts that would be paid to transfer those liabilities in an orderly transaction between market participants as of December 31, 2016 and December 31, 2015. These fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the liability at the measurement date, the fair value measurement reflects our judgments about the assumptions that market participants would use in pricing the liability.

We develop our judgments based on the best information available at the measurement date, including expected cash flows, risk-adjusted discount rates, and available observable and unobservable inputs. As considerable judgment is often necessary to estimate the fair value of these financial instruments, the fair values presented above are not necessarily indicative of amounts that we could realize in a current market exchange. The use of different market assumptions and/or estimation methods may have a material effect on the estimated fair value amounts.

The fair market value calculations of our debt as of December 31, 2016 and December 31, 2015 include assumptions as to the effects that prevailing market conditions would have on existing secured or unsecured debt. The calculations use a market rate spread over the risk-free interest rate. This spread is determined by using the remaining life to maturity coupled with loan-to-value considerations of the respective debt. Once determined, this market rate is used to discount the remaining debt service payments in an attempt to reflect the present value of this stream of cash flows. While the determination of the appropriate market rate is subjective in nature, recent market data gathered suggest that the composite rates used for mortgage loans, senior notes and term loans are consistent with current market trends.

The following methods and assumptions were used to estimate the fair value of these financial instruments:

Mortgage Loans

The fair value of our mortgage loans is estimated by discounting future cash flows of each instrument at rates that reflect the current market rates available to us for debt of the same terms and maturities. Fixed rate loans assumed in connection with real estate acquisitions are recorded in the accompanying consolidated financial statements at fair value at the time the property is acquired. The fair value of the mortgage loans was determined using Level 2 inputs of the fair value hierarchy.

Senior Notes

The fair value of our senior notes is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to us for debt of the same remaining maturities. The fair value of the senior notes was determined using Level 2 inputs of the fair value hierarchy.

Term Loans

The fair value of our term loans is calculated based on the net present value of payments over the term of the loans using estimated market rates for similar notes and remaining terms. The fair value of the term loans was determined using Level 2 inputs of the fair value hierarchy.

Interest Rate Swap Agreements

We measure our interest rate swaps at fair value on a recurring basis. See Notes 12 and 21 for further discussion.

23. Condensed Consolidating Financial Information

Many of our subsidiaries that are 100% owned, either directly or indirectly, have guaranteed our indebtedness under our senior notes, term loans and revolving credit facility. The guarantees are joint and several and full and unconditional.

The statements below set forth condensed consolidating financial information with respect to guarantors of our 3.75% senior notes due 2022 in accordance with SEC Regulation S-X Rule 3-10, *Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered*. Certain prior-period data have been reclassified to conform to the current period presentation, including the impact of changes in subsidiaries that guarantee these notes.

The following statements set forth consolidating financial information with respect to guarantors of our senior notes:

Condensed Consolidating Balance Sheet As of December 31, 2016	Equity One, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Entries	Consolidated
			(In thousands)		
ASSETS					
Properties, net	$ 126,107	$1,512,625	$1,552,057	$ —	$3,190,789
Investment in affiliates	2,787,777	—	—	(2,787,777)	—
Other assets	110,406	101,806	179,010	(87,407)	303,815
TOTAL ASSETS	$3,024,290	$1,614,431	$1,731,067	$(2,875,184)	$3,494,604
LIABILITIES					
Total notes payable	$1,161,493	$ 24,414	$ 315,748	$ (86,017)	$1,415,638
Other liabilities	22,510	66,994	150,565	(1,390)	238,679
TOTAL LIABILITIES	1,184,003	91,408	466,313	(87,407)	1,654,317
EQUITY	1,840,287	1,523,023	1,264,754	(2,787,777)	1,840,287
TOTAL LIABILITIES AND EQUITY	$3,024,290	$1,614,431	$1,731,067	$(2,875,184)	$3,494,604

Condensed Consolidating Balance Sheet As of December 31, 2015	Equity One, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Entries	Consolidated
			(In thousands)		
ASSETS					
Properties, net	$ 137,695	$1,495,211	$1,435,613	$ (83)	$3,068,436
Investment in affiliates	2,741,292	—	—	(2,741,292)	—
Other assets	403,661	94,018	802,755	(992,967)	307,467
TOTAL ASSETS	$3,282,648	$1,589,229	$2,238,368	$(3,734,342)	$3,375,903
LIABILITIES					
Total notes payable	$1,683,262	$ 42,903	$ 574,495	$ (933,938)	$1,366,722
Other liabilities	35,380	70,042	192,720	(59,112)	239,030
TOTAL LIABILITIES	1,718,642	112,945	767,215	(993,050)	1,605,752
EQUITY	1,564,006	1,476,284	1,471,153	(2,741,292)	1,770,151
TOTAL LIABILITIES AND EQUITY	$3,282,648	$1,589,229	$2,238,368	$(3,734,342)	$3,375,903

Condensed Consolidating Statement of Comprehensive Income for the year ended December 31, 2016	Equity One Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Entries	Consolidated
			(In thousands)		
Total revenue	$ 24,009	$ 193,193	$ 158,136	$ —	$ 375,338
Equity in subsidiaries' earnings	157,074	—	—	(157,074)	—
Total costs and expenses	48,283	99,707	89,468	(1,034)	236,424
INCOME BEFORE OTHER INCOME AND EXPENSE AND INCOME TAXES	132,800	93,486	68,668	(156,040)	138,914
Other income and (expense)	(59,834)	2,516	(5,328)	(1,943)	(64,589)
INCOME BEFORE INCOME TAXES	72,966	96,002	63,340	(157,983)	74,325
Income tax provision of taxable REIT subsidiaries	—	(143)	(1,342)	—	(1,485)
NET INCOME	72,966	95,859	61,998	(157,983)	72,840
Other comprehensive (loss) gain	(2,361)	—	126	—	(2,235)
COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY ONE, INC.	$ 70,605	$ 95,859	$ 62,124	$(157,983)	$ 70,605

Condensed Consolidating Statement of Comprehensive Income for the year ended December 31, 2015	Equity One Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Entries	Consolidated
			(In thousands)		
Total revenue	$ 23,512	$ 182,424	$ 154,217	$ —	$ 360,153
Equity in subsidiaries' earnings	169,423	—	—	(169,423)	—
Total costs and expenses	45,115	91,708	87,110	(1,119)	222,814
INCOME BEFORE OTHER INCOME AND EXPENSE AND INCOME TAXES	147,820	90,716	67,107	(168,304)	137,339
Other income and (expense)	(82,436)	(3,183)	24,795	(1,904)	(62,728)
INCOME BEFORE INCOME TAXES	65,384	87,533	91,902	(170,208)	74,611
Income tax benefit (provision) of taxable REIT subsidiaries	—	1,618	(762)	—	856
NET INCOME	65,384	89,151	91,140	(170,208)	75,467
Other comprehensive loss	(910)	—	(69)	—	(979)
COMPREHENSIVE INCOME	64,474	89,151	91,071	(170,208)	74,488
Comprehensive income attributable to noncontrolling interests	—	—	(10,014)	—	(10,014)
COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY ONE, INC.	$ 64,474	$ 89,151	$ 81,057	$(170,208)	$ 64,474

Condensed Consolidating Statement of Comprehensive Income for the year ended December 31, 2014	Equity One Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminating Entries	Consolidated
			(In thousands)		
Total revenue	$ 23,898	$ 181,030	$ 148,257	$ —	$ 353,185
Equity in subsidiaries' earnings	158,824	—	—	(158,824)	—
Total costs and expenses	50,548	94,237	88,194	(967)	232,012
INCOME BEFORE OTHER INCOME AND EXPENSE, INCOME TAXES AND DISCONTINUED OPERATIONS	132,174	86,793	60,063	(157,857)	121,173
Other income and (expense)	(83,650)	(6,717)	29,996	(1,818)	(62,189)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	48,524	80,076	90,059	(159,675)	58,984
Income tax provision of taxable REIT subsidiaries	—	(84)	(766)	—	(850)
INCOME FROM CONTINUING OPERATIONS	48,524	79,992	89,293	(159,675)	58,134
(Loss) income from discontinued operations	(19)	3,040	(72)	8	2,957
NET INCOME	48,505	83,032	89,221	(159,667)	61,091
Other comprehensive loss	(3,151)	—	(392)	—	(3,543)
COMPREHENSIVE INCOME	45,354	83,032	88,829	(159,667)	57,548
Comprehensive income attributable to noncontrolling interests	—	—	(12,194)	—	(12,194)
COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY ONE, INC.	$ 45,354	$ 83,032	$ 76,635	$(159,667)	$ 45,354

Condensed Consolidating Statement of Cash Flows for the year ended December 31, 2016	Equity One, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated
	(In thousands)			
Net cash (used in) provided by operating activities	$ (62,234)	$ 138,116	$ 111,754	$ 187,636
INVESTING ACTIVITIES:				
Acquisition of income producing properties	—	(32,560)	(97,000)	(129,560)
Additions to income producing properties	(1,672)	(8,000)	(6,071)	(15,743)
Additions to construction in progress	(2,076)	(37,218)	(46,429)	(85,723)
Proceeds from sale of operating properties	9,819	9,749	—	19,568
Increase in deferred leasing costs and lease intangibles	(637)	(4,290)	(1,973)	(6,900)
Investment in joint ventures	—	—	(344)	(344)
Distributions from joint ventures	—	—	2,241	2,241
Repayments from subsidiaries, net	1,100	(48,884)	47,784	—
Net cash provided by (used in) investing activities	6,534	(121,203)	(101,792)	(216,461)
FINANCING ACTIVITIES:				
Repayments of mortgage loans	—	(18,276)	(42,658)	(60,934)
Purchase of marketable securities for defeasance of mortgage loan	—	—	(66,447)	(66,447)
Borrowings under mortgage loans	—	—	98,537	98,537
Deposit for mortgage loan	—	—	1,898	1,898
Net borrowings under revolving credit facility	22,000	—	—	22,000
Borrowings under senior notes	200,000	—	—	200,000
Repayment of senior notes	(230,425)	—	—	(230,425)
Borrowings under term loan, net	75,000	—	—	75,000
Payment of deferred financing costs	(5,470)	—	(1,722)	(7,192)
Proceeds from issuance of common stock	122,045	—	—	122,045
Repurchase of common stock	(1,912)	—	—	(1,912)
Stock issuance costs	(1,940)	—	—	(1,940)
Dividends paid to stockholders	(126,508)	—	—	(126,508)
Net cash provided by (used in) financing activities	52,790	(18,276)	(10,392)	24,122
Net decrease in cash and cash equivalents	(2,910)	(1,363)	(430)	(4,703)
Cash and cash equivalents at beginning of the year	7,628	1,525	12,200	21,353
Cash and cash equivalents at end of the year	$ 4,718	$ 162	$ 11,770	$ 16,650

Condensed Consolidating Statement of Cash Flows for the year ended December 31, 2015	Equity One, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated
	(In thousands)			
Net cash (used in) provided by operating activities	$ (92,636)	$ 128,370	$ 129,031	$ 164,765
INVESTING ACTIVITIES:				
Acquisition of income producing properties	—	(13,300)	(85,000)	(98,300)
Additions to income producing properties	(2,851)	(11,091)	(7,050)	(20,992)
Acquisition of land	—	(1,350)	—	(1,350)
Additions to construction in progress	(7,249)	(33,826)	(22,525)	(63,600)
Deposits for the acquisition of income producing properties	(10)	—	—	(10)
Proceeds from sale of operating properties	—	4,526	1,279	5,805
Increase in deferred leasing costs and lease intangibles	(1,459)	(3,718)	(1,661)	(6,838)
Investment in joint ventures	(329)	—	(23,610)	(23,939)
Distributions from joint ventures	—	—	15,666	15,666
Collection of development costs tax credit	—	14,258	—	14,258
Repayments from subsidiaries, net	34,347	(56,517)	22,170	—
Net provided by (cash used) in investing activities	22,449	(101,018)	(100,731)	(179,300)
FINANCING ACTIVITIES:				
Repayments of mortgage loans	—	(27,039)	(24,025)	(51,064)
Deposit for mortgage loan	—	—	(1,898)	(1,898)
Net borrowings under revolving credit facility	59,000	—	—	59,000
Repayment of senior notes	(220,155)	—	—	(220,155)
Borrowings under term loan, net	222,916	—	—	222,916
Payment of deferred financing costs	(168)	—	—	(168)
Proceeds from issuance of common stock	124,915	—	—	124,915
Repurchase of common stock	(320)	—	—	(320)
Stock issuance costs	(624)	—	—	(624)
Dividends paid to stockholders	(112,957)	—	—	(112,957)
Purchase of noncontrolling interests	—	—	(1,216)	(1,216)
Distributions to noncontrolling interests	—	—	(10,010)	(10,010)
Net cash provided by (used in) financing activities	72,607	(27,039)	(37,149)	8,419
Net increase (decrease) in cash and cash equivalents	2,420	313	(8,849)	(6,116)
Cash and cash equivalents at beginning of the year	5,208	1,212	21,049	27,469
Cash and cash equivalents at end of the year	$ 7,628	$ 1,525	$ 12,200	$ 21,353

Condensed Consolidating Statement of Cash Flows for the year ended December 31, 2014	Equity One, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated
		(In thousands)		
Net cash (used in) provided by operating activities	$(100,853)	$ 121,044	$ 123,904	$ 144,095
INVESTING ACTIVITIES:				
Acquisition of income producing properties	—	(82,650)	(10,797)	(93,447)
Additions to income producing properties	(1,360)	(9,156)	(8,860)	(19,376)
Additions to construction in progress	(5,420)	(55,942)	(15,733)	(77,095)
Deposits for the acquisition of income producing properties	(50)	—	—	(50)
Proceeds from sale of operating properties	41,730	80,764	22,976	145,470
Decrease in cash held in escrow	10,662	—	—	10,662
Increase in deferred leasing costs and lease intangibles	(611)	(3,651)	(3,178)	(7,440)
Investment in joint ventures	—	—	(9,028)	(9,028)
Advances to joint ventures	—	—	(154)	(154)
Distributions from joint ventures	—	—	16,394	16,394
Repayment of loans receivable	—	—	60,526	60,526
Repayments from subsidiaries, net	78,191	(18,319)	(59,872)	—
Net cash provided by (used in) investing activities	123,142	(88,954)	(7,726)	26,462
FINANCING ACTIVITIES:				
Repayments of mortgage loans	—	(29,859)	(102,705)	(132,564)
Net repayments under revolving credit facility	(54,000)	—	—	(54,000)
Payment of deferred financing costs	(3,638)	—	—	(3,638)
Proceeds from issuance of common stock	145,447	—	—	145,447
Repurchase of common stock	(1,752)	—	—	(1,752)
Stock issuance costs	(591)	—	—	(591)
Dividends paid to stockholders	(106,659)	—	—	(106,659)
Purchase of noncontrolling interests	—	(2,191)	(761)	(2,952)
Distributions to noncontrolling interests	—	—	(11,962)	(11,962)
Net cash used in financing activities	(21,193)	(32,050)	(115,428)	(168,671)
Net increase in cash and cash equivalents	1,096	40	750	1,886
Cash and cash equivalents at beginning of the year	4,112	1,172	20,299	25,583
Cash and cash equivalents at end of the year	$ 5,208	$ 1,212	$ 21,049	$ 27,469

24. Quarterly Financial Data (unaudited)

2016	First Quarter (1)	Second Quarter	Third Quarter (2)	Fourth Quarter (3)
	(In thousands, except per share data)			
Total revenue	$ 94,477	$92,531	$ 93,755	$ 94,575
Net income	$ 21,066	$21,582	$ 12,561	$ 17,631
Net income attributable to Equity One, Inc.	$ 21,066	$21,582	$ 12,561	$ 17,631
Earnings per share data (4)				
Basic	$ 0.15	$ 0.15	$ 0.09	$ 0.12
Diluted	$ 0.15	$ 0.15	$ 0.09	$ 0.12

(1) During the first quarter of 2016, we recognized a loss on extinguishment of debt of $5.0 million. See Note 12 for further discussion.

(2) During the third quarter of 2016, we recognized impairment losses of $3.1 million and a loss on extinguishment of debt of $9.4 million. See Notes 6 and 12 for further discussion.

(3) During the fourth quarter of 2016, we incurred merger expenses of $5.5 million.

(4) The sum of the individual quarters per share data may not foot to the year-to-date totals due to the rounding of individual calculations.

2015	First Quarter (1)	Second Quarter (2)	Third Quarter	Fourth Quarter
	(In thousands, except per share data)			
Total revenue	$ 88,479	$ 90,735	$90,439	$90,500
Net income	$ 10,508	$ 29,561	$19,459	$15,939
Net income attributable to Equity One, Inc.	$ 8,006	$ 27,054	$16,961	$13,432
Earnings per share data (3)				
Basic	$ 0.06	$ 0.21	$ 0.13	$ 0.10
Diluted	$ 0.06	$ 0.21	$ 0.13	$ 0.10

(1) During the first quarter of 2015, we recognized impairment losses of $11.3 million. See Note 6 for further discussion.

(2) During the second quarter of 2015, in connection with the redemption of our interest in the GRI JV, we remeasured the carrying value of our equity interest in the joint venture to fair value and recognized a gain of $5.5 million. Additionally, we recognized a gain of $3.3 million from the deferred gains associated with the 2008 sale of certain properties by us to the joint venture. See Note 8 for further discussion.

(3) The sum of the individual quarters per share data may not foot to the year-to-date totals due to the rounding of individual calculations.

25. Related Parties

Refer to Note 16 for a discussion of the private placements in 2015 and 2014 to Gazit First Generation LLC. Also refer to Note 16 with respect to our arrangement with MGN related to sales of common stock under our ATM Program.

We received rental income from affiliates of Gazit of approximately $258,000, $253,000 and $240,000 for the years ended December 31, 2016, 2015 and 2014, respectively.

General and administrative expenses incurred by us on behalf of Gazit with respect to the provision of IFRS financial statements and related matters, which are reimbursed, totaled approximately $974,000, $886,000 and $958,000 for the years ended December 31, 2016, 2015 and 2014, respectively. The balance due from Gazit, which is included in accounts and other receivables, was approximately $254,000 and $242,000 as of December 31, 2016 and 2015, respectively.

We reimbursed MGN Icarus, Inc., an affiliate of Gazit, for certain travel expenses incurred by the Chairman of our Board of Directors. The amounts reimbursed totaled approximately $375,000, $500,000 and $271,000 for the years ended December 31, 2016, 2015 and 2014, respectively. The balance due to MGN Icarus, Inc., which is included in accounts payable and accrued expenses, was approximately $160,000 and $175,000 as of December 31, 2016 and 2015, respectively.

In June 2016, we entered into an assignment agreement with Promed Manhattan, LLC (“Promed”), an affiliate of Gazit, whereby we assumed Promed’s lease with a third party landlord commencing September 1, 2016. The leased premises consists of office space located in the same building in New York City where we maintain our corporate headquarters. Concurrently with the lease assignment, we entered into a license agreement with Gazit Group USA, Inc. (“Gazit Group”), an affiliate of Gazit, whereby Gazit Group has the right to use a designated portion of the office space subject to certain limitations. As part of the license agreement, Gazit Group reimburses us for its pro-rata portion of the costs due to the landlord of the office space, which totaled $20,000 for the year ended December 31, 2016.

In December 2015, Gazit First Generation LLC, and MGN (USA), Inc., affiliates of Gazit, completed an underwritten public offering of 4.8 million shares of our common stock that were previously owned by them. We did not receive any proceeds from the offering, and pursuant to existing agreements with these affiliates, we incurred expenses of $245,000 in connection with the offering which are included in general and administrative costs in the consolidated statement of income for the year ended December 31, 2015.

26. Subsequent Events

Pursuant to the Subsequent Events Topic of the FASB ASC, we have evaluated subsequent events and transactions that occurred after our December 31, 2016 consolidated balance sheet date for potential recognition or disclosure in our consolidated financial statements and have also included such events in the footnotes.

In January 2017, we closed on the sale of two properties which had an aggregate net carrying value of $13.3 million and were classified as held for sale as of December 31, 2016, for an aggregate gross sales price of $23.5 million. Additionally, in February 2017, we closed on the sale of one property, which had a net carrying value of $5.9 million as of December 31, 2016 and met the criteria to be classified as held for sale subsequent to year-end, for a gross sales price of $10.6 million.

In February 2017, our Board of Directors declared a prorated quarterly dividend of $0.18089 per share on our common stock. These dividends were paid on February 28, 2017 to stockholders of record on February 24, 2017.

In February 2017, in connection with the pending Merger, we terminated and settled our three interest rate swaps, resulting in an aggregate net cash payment of approximately $939,000 to the respective counterparties. The settlement value of the interest rate swaps was reimbursed by Regency.