

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number: 001-36160 (Brixmor Property Group)
Commission File Number: 333-201464-01 (Brixmor Operating Partnership LP)

Brixmor Property Group Inc.
Brixmor Operating Partnership LP
(Exact Name of Registrant as Specified in Its Charter)

Maryland (Brixmor Property Group Inc.)
Delaware (Brixmor Operating Partnership LP)

45-2433192
80-0831163

(State or Other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

420 Lexington Avenue, New York, New York 10170
(Address of Principal Executive Offices) (Zip Code)

212-869-3000
(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

Brixmor Property Group Inc. Yes ☒ No ☐ Brixmor Operating Partnership LP Yes ☒ No ☐

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

Brixmor Property Group Inc. Yes ☒ No ☐ Brixmor Operating Partnership LP Yes ☒ No ☐

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

Brixmor Property Group Inc.			Brixmor Operating Partnership LP		
Large accelerated filer	☒	Non-accelerated filer	☐	Large accelerated filer	☐
Non-accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☒
Smaller reporting company	☐		☐	Smaller reporting company	☐
				Accelerated filer	☐

(Do not check if a smaller reporting company)

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

Brixmor Property Group Inc. Yes ☐ No ☒ Brixmor Operating Partnership LP Yes ☐ No ☒

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

As of April 1, 2015, Brixmor Property Group Inc. had 298,483,602 shares of common stock outstanding.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the period ended March 31, 2015 of Brixmor Property Group Inc. and Brixmor Operating Partnership LP. Unless stated otherwise or the context otherwise requires, references to the “Parent Company” or “BPG” mean Brixmor Property Group Inc. and its consolidated subsidiaries; and references to the “Operating Partnership” mean Brixmor Operating Partnership LP and its consolidated subsidiaries. The terms the “Company,” “Brixmor,” “we,” “our” and “us” mean the Parent Company and the Operating Partnership, collectively.

The Parent Company is a real estate investment trust (“REIT”) which owns 100% of the common stock of BPG Subsidiary Inc. (“BPG Sub”), which, in turn, is the sole owner of Brixmor OP GP LLC, or the General Partner, the sole general partner of the Operating Partnership. As of March 31, 2015, the Parent Company beneficially owned, through its direct and indirect interest in BPG Sub and the General Partner, approximately 98.1% of the outstanding partnership common units of interest (the “OP Units”) in the Operating Partnership. Certain investments funds affiliated with The Blackstone Group L.P. and certain current and former members of the Company’s management collectively owned the remaining 1.9% interest in the Operating Partnership.

The Company believes combining the quarterly reports on Form 10-Q of the Parent Company and the Operating Partnership into this single report provides the following benefits:

- Enhances investors’ understanding of the Parent Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- Eliminates duplicative disclosure and provides a more streamlined and readable presentation; and
- Creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

Management operates the Parent Company and the Operating Partnership as one business. The management of the Parent Company consists of the same individuals as the management of the Operating Partnership. These individuals are officers of both the Parent Company and the Operating Partnership.

We believe it is important to understand the few differences between the Parent Company and the Operating Partnership in the context of how the Parent Company and the Operating Partnership operate as a consolidated company. The Parent Company is a REIT, whose only material asset is its indirect interest in the Operating Partnership. As a result, the Parent Company does not conduct business itself other than issuing public equity from time to time. The Parent Company does not incur any material indebtedness. The Operating Partnership holds substantially all of our assets. Except for net proceeds from public equity issuances by the Parent Company, which are contributed to the Operating Partnership in exchange for OP Units, the Operating Partnership generates all remaining capital required by the Company’s business. Sources of this capital include the Operating Partnership’s operations, its direct or indirect incurrence of indebtedness, and the issuance of OP Units.

Stockholders’ equity, partners’ capital, and non-controlling interests are the primary areas of difference between the unaudited condensed consolidated financial statements of the Parent Company and those of the Operating Partnership. The Operating Partnership’s capital includes OP Units owned by the Parent Company through BPG Sub and the General Partner as well as OP Units owned by certain investments funds affiliated with The Blackstone Group L.P. and certain current and former members of the our management. OP Units owned by third parties are accounted for in partners’ capital in the Operating Partnership’s financial statements and outside of stockholders’ equity in non-controlling interests in the Parent Company’s financial statements.

In order to highlight the differences between the Parent Company and the Operating Partnership, there are sections in this report that separately discuss the Parent Company and the Operating Partnership, including separate financial statements (but combined footnotes), separate controls and procedures sections, separate certification of periodic report under Section 302 of the Sarbanes-Oxley Act of 2002 and separate certification pursuant to 18 U.S.C Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. In the sections that combine disclosure for the Parent Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company.

The Parent Company consolidates the Operating Partnership for financial reporting purposes, and the Parent Company does not have material assets other than its indirect investment in the Operating Partnership. Therefore, while stockholders’ equity and partners’ capital differ as discussed above, the assets and liabilities of the Parent Company and the Operating Partnership are materially the same on their respective financial statements.

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Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “targets” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in our Form 10-K for the year ended December 31, 2014, as such factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission (the “SEC”), which are accessible on the SEC’s website at www.sec.gov. These factors include (1) changes in national, regional or local economic climates; (2) local conditions, including an oversupply of space in, or a reduction in demand for, properties similar to those in our Portfolio; (3) the attractiveness of properties in our Portfolio to our tenants; (4) the financial stability of tenants, including the ability of tenants to pay rents and expense reimbursements; (5) in the case of percentage rents, our tenants’ sales volumes; (6) competition from other available properties; (7) changes in market rental rates; and (8) changes in the regional demographics of our properties. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other periodic filings. The forward-looking statements speak only as of the date of this report, and we expressly disclaim any obligation or undertaking to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except to the extent otherwise required by law.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited, in thousands, except share information)

	March 31, 2015	December 31, 2014
Assets		
Real estate		
Land	\$ 1,998,924	\$ 2,000,415
Buildings and improvements	8,804,004	8,801,834
	10,802,928	10,802,249
Accumulated depreciation and amortization	(1,628,329)	(1,549,234)
Real estate, net	9,174,599	9,253,015
Investments in and advances to unconsolidated joint ventures	5,056	5,072
Cash and cash equivalents	68,184	60,595
Restricted cash	61,687	53,164
Marketable securities	20,028	20,315
Receivables, net	178,801	182,424
Deferred charges and prepaid expenses, net	117,972	114,758
Other assets	12,852	13,059
Total assets	<u>\$ 9,639,179</u>	<u>\$ 9,702,402</u>
Liabilities		
Debt obligations, net	\$ 6,059,258	\$ 6,042,997
Accounts payable, accrued expenses and other liabilities	627,203	679,102
Total liabilities	<u>6,686,461</u>	<u>6,722,099</u>
Commitments and contingencies (Note 11)		
Equity		
Common stock, \$0.01 par value; authorized 3,000,000,000 shares; 298,483,602 and 296,552,142 shares outstanding	2,985	2,966
Additional paid in capital	3,255,023	3,223,941
Accumulated other comprehensive loss	(6,838)	(4,435)
Distributions and accumulated losses	(355,872)	(318,762)
Total stockholders' equity	2,895,298	2,903,710
Non-controlling interests	57,420	76,593
Total equity	<u>2,952,718</u>	<u>2,980,303</u>
Total liabilities and equity	<u>\$ 9,639,179</u>	<u>\$ 9,702,402</u>

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

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands, except per share data)

	Three Months Ended March 31,	
	2015	2014
Revenues		
Rental income	\$ 243,570	\$ 237,168
Expense reimbursements	69,754	68,594
Other revenues	1,969	1,813
Total revenues	315,293	307,575
Operating expenses		
Operating costs	35,160	34,875
Real estate taxes	44,189	44,434
Depreciation and amortization	108,544	113,220
Provision for doubtful accounts	2,495	2,888
Impairment of real estate assets	807	—
General and administrative	30,715	19,658
Total operating expenses	221,910	215,075
Other income (expense)		
Dividends and interest	94	108
Interest expense	(62,564)	(67,966)
Gain on sale of real estate assets	—	378
Gain (loss) on extinguishment of debt, net	292	(2,276)
Other	(184)	(2,156)
Total other expense	(62,362)	(71,912)
Income before equity in income of unconsolidated joint ventures	31,021	20,588
Equity in income of unconsolidated joint ventures	115	65
Gain on disposition of investments in unconsolidated joint ventures	—	1,820
Income from continuing operations	31,136	22,473
Discontinued operations		
Income from discontinued operations	—	4,841
Gain on disposition of operating properties	—	14,426
Income from discontinued operations	—	19,267
Net income	31,136	41,740
Net income attributable to non-controlling interests	(713)	(26,339)
Net income attributable to common stockholders	\$ 30,423	\$ 15,401
Per common share:		
Income from continuing operations:		
Basic	\$ 0.10	\$ 0.07
Diluted	\$ 0.10	\$ 0.07
Net income attributable to common stockholders:		
Basic	\$ 0.10	\$ 0.07
Diluted	\$ 0.10	\$ 0.07
Weighted average shares:		
Basic	296,189	228,113
Diluted	297,715	229,365

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

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited, in thousands)

	Three Months Ended March 31,	
	2015	2014
Net income	\$ 31,136	\$ 41,740
Other comprehensive income (loss)		
Unrealized loss on interest rate hedges	(4,901)	(2,266)
Amortization of interest rate swaps to interest expense	2,464	2,464
Unrealized gain on marketable securities	34	6
Total other comprehensive income (loss)	(2,403)	204
Comprehensive income	28,733	41,944
Comprehensive income attributable to non-controlling interests	(713)	(26,339)
Comprehensive income attributable to the Company	<u>\$ 28,020</u>	<u>\$ 15,605</u>

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

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited, in thousands)

	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Loss	Distributions and Accumulated Losses	Non-controlling Interests	Total
	Number	Amount					
Beginning balance, January 1, 2015	296,552	\$ 2,966	\$ 3,223,941	\$ (4,435)	\$ (318,762)	\$ 76,593	\$ 2,980,303
Common stock dividends (\$0.225 per common share)	—	—	—	—	(67,533)	(1,328)	(68,861)
Equity based compensation expense	—	—	12,654	—	—	297	12,951
Issuance of common stock and OP Units	29	—	(743)	—	—	765	22
Other comprehensive loss	—	—	—	(2,403)	—	—	(2,403)
Conversion of Operating Partnership units and BPG Sub shares into common stock	1,903	19	19,601	—	—	(19,620)	—
Shared-based awards retained for taxes	—	—	(430)	—	—	—	(430)
Net income	—	—	—	—	30,423	713	31,136
Ending balance, March 31, 2015	298,484	\$ 2,985	\$ 3,255,023	\$ (6,838)	\$ (355,872)	\$ 57,420	\$ 2,952,718

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

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Three Months Ended March 31,	
	2015	2014
Operating activities:		
Net income	\$ 31,136	\$ 41,740
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	108,544	113,699
Debt premium and discount amortization	(5,048)	(5,467)
Deferred financing cost amortization	2,048	2,522
Above- and below-market lease intangible amortization	(13,530)	(11,580)
Provisions of impairment	807	—
Gain on disposition of operating properties, disposition of investments in unconsolidated joint ventures and acquisition of joint venture interest	—	(16,624)
Equity based compensation	12,951	2,117
Other	49	(53)
Gain on extinguishment of debt, net	(297)	(3,831)
Changes in operating assets and liabilities:		
Restricted cash	(6,845)	8,055
Receivables	3,675	9,327
Deferred charges and prepaid expenses	(2,608)	(4,598)
Other assets	(268)	69
Accounts payable, accrued expenses and other liabilities	(17,677)	(48,800)
Net cash provided by operating activities	<u>112,937</u>	<u>86,576</u>
Investing activities:		
Improvements to and investments in real estate assets	(40,411)	(40,475)
Proceeds from sales of real estate assets	9,918	2,778
Distributions from unconsolidated joint venture	—	132
Change in restricted cash attributable to investing activities	(1,678)	1,096
Purchase of marketable securities	(4,200)	(8,156)
Proceeds from sale of marketable securities	4,499	4,851
Net cash used in investing activities	<u>(31,872)</u>	<u>(39,774)</u>
Financing activities:		
Repayment of debt obligations and financing liabilities	(158,568)	(698,011)
Repayment of borrowings under unsecured revolving credit facility	(682,475)	(637,047)
Proceeds from borrowings under unsecured revolving credit facility	163,000	689,874
Proceeds from unsecured term loan and notes	695,156	600,000
Deferred financing costs	(1,899)	(2,953)
Distributions to common stockholders	(67,079)	(29,170)
Distributions to non-controlling interests and other	(21,611)	(27,714)
Net cash used in financing activities	<u>(73,476)</u>	<u>(105,021)</u>
Change in cash and cash equivalents	7,589	(58,219)
Cash and cash equivalents at beginning of period	60,595	113,915
Cash and cash equivalents at end of period	<u>\$ 68,184</u>	<u>\$ 55,696</u>
Supplemental non-cash investing and/or financing activities:		
Net carrying value of properties distributed to non-controlling owners	\$ —	\$ 178,969

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

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands, except unit information)

	March 31, 2015	December 31, 2014
Assets		
Real estate		
Land	\$ 1,998,924	\$ 2,000,415
Buildings and improvements	8,804,004	8,801,834
	10,802,928	10,802,249
Accumulated depreciation and amortization	(1,628,329)	(1,549,234)
Real estate, net	9,174,599	9,253,015
Investments in and advances to unconsolidated joint ventures	5,056	5,072
Cash and cash equivalents	68,147	60,450
Restricted cash	61,687	53,164
Marketable securities	19,818	20,113
Receivables, net	178,801	182,424
Deferred charges and prepaid expenses, net	117,972	114,758
Other assets	12,852	13,059
Total assets	<u>\$ 9,638,932</u>	<u>\$ 9,702,055</u>
Liabilities		
Debt obligations, net	\$ 6,059,258	\$ 6,042,997
Accounts payable, accrued expenses and other liabilities	627,208	679,102
Total liabilities	<u>6,686,466</u>	<u>6,722,099</u>
Commitments and contingencies (Note 11)		
Capital		
Partnership common units: 304,304,887 and 304,246,750 units outstanding	2,959,297	2,984,381
Accumulated other comprehensive loss	(6,831)	(4,425)
Total capital	<u>2,952,466</u>	<u>2,979,956</u>
Total liabilities and capital	<u>\$ 9,638,932</u>	<u>\$ 9,702,055</u>

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

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands, except per unit data)

	Three Months Ended March 31,	
	2015	2014
Revenues		
Rental income	\$ 243,570	\$ 237,168
Expense reimbursements	69,754	68,594
Other revenues	1,969	1,813
Total revenues	315,293	307,575
Operating expenses		
Operating costs	35,160	34,875
Real estate taxes	44,189	44,434
Depreciation and amortization	108,544	113,220
Provision for doubtful accounts	2,495	2,888
Impairment of real estate assets	807	—
General and administrative	30,715	19,658
Total operating expenses	221,910	215,075
Other income (expense)		
Dividends and interest	94	108
Interest expense	(62,564)	(67,966)
Gain on sale of real estate assets	—	378
Gain (loss) on extinguishment of debt, net	292	(2,276)
Other	(184)	(2,156)
Total other expense	(62,362)	(71,912)
Income before equity in income of unconsolidated joint ventures	31,021	20,588
Equity in income of unconsolidated joint ventures	115	65
Gain on disposition of investments in unconsolidated joint ventures	—	1,820
Income from continuing operations	31,136	22,473
Discontinued operations		
Income from discontinued operations	—	4,841
Gain on disposition of operating properties	—	14,426
Income from discontinued operations	—	19,267
Net income	31,136	41,740
Net income attributable to non-controlling interests	—	(322)
Net income attributable to Brixmor Operating Partnership LP	\$ 31,136	\$ 41,418
Net income attributable to:		
Series A interest	\$ —	\$ 21,015
Partnership common units	31,136	20,403
Net income attributable to Brixmor Operating Partnership LP	\$ 31,136	\$ 41,418
Per common unit:		
Income from continuing operations:		
Basic	\$ 0.10	\$ 0.07
Diluted	\$ 0.10	\$ 0.07
Net income attributable to partnership common units:		
Basic	\$ 0.10	\$ 0.07
Diluted	\$ 0.10	\$ 0.07
Weighted average number of partnership common units:		
Basic	303,131	302,149
Diluted	304,657	303,401

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

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited, in thousands)

	Three Months Ended March 31,	
	2015	2014
Net income	\$ 31,136	\$ 41,740
Other comprehensive income (loss)		
Unrealized loss on interest rate hedges	(4,901)	(2,266)
Amortization of interest rate swaps to interest expense	2,464	2,464
Unrealized gain on marketable securities	31	4
Total other comprehensive income (loss)	(2,406)	202
Comprehensive income	28,730	41,942
Comprehensive income attributable to non-controlling interests	—	(322)
Comprehensive income attributable to Brixmor Operating Partnership LP	<u>\$ 28,730</u>	<u>\$ 41,620</u>
Comprehensive income attributable to:		
Series A interest	\$ —	\$ 21,404
Partnership common units	<u>28,730</u>	<u>20,216</u>
Comprehensive income attributable to Brixmor Operating Partnership LP	<u>\$ 28,730</u>	<u>\$ 41,620</u>

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

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL
(Unaudited, in thousands)

	Partnership Common Units	Accumulated Other Comprehensive Loss	Total
Beginning balance, January 1, 2015	\$ 2,984,381	\$ (4,425)	\$ 2,979,956
Distributions to partners	(68,763)	—	(68,763)
Equity based compensation expense	12,951	—	12,951
Other comprehensive loss	—	(2,406)	(2,406)
Issuance of OP Units	22	—	22
Share-based awards retained for taxes	(430)	—	(430)
Net income	31,136	—	31,136
Ending balance, March 31, 2015	<u>\$ 2,959,297</u>	<u>\$ (6,831)</u>	<u>\$ 2,952,466</u>

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

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Three Months Ended March 31,	
	2015	2014
Operating activities:		
Net income	\$ 31,136	\$ 41,740
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	108,544	113,699
Debt premium and discount amortization	(5,048)	(5,467)
Deferred financing cost amortization	2,048	2,522
Above- and below-market lease intangible amortization	(13,530)	(11,580)
Provisions of impairment	807	—
Gain on disposition of operating properties, disposition of investments in unconsolidated joint ventures and acquisition of joint venture interest	—	(16,624)
Equity based compensation	12,951	2,117
Other	49	(53)
Gain on extinguishment of debt, net	(297)	(3,831)
Changes in operating assets and liabilities:		
Restricted cash	(6,845)	8,055
Receivables	3,675	9,327
Deferred charges and prepaid expenses	(2,608)	(4,598)
Other assets	(268)	69
Accounts payable, accrued expenses and other liabilities	(17,670)	(48,753)
Net cash provided by operating activities	<u>112,944</u>	<u>86,623</u>
Investing activities:		
Improvements to and investments in real estate assets	(40,411)	(40,475)
Proceeds from sales of real estate assets	9,918	2,778
Distributions from unconsolidated joint venture	—	132
Change in restricted cash attributable to investing activities	(1,675)	1,096
Purchase of marketable securities	(4,200)	(8,153)
Proceeds from sale of marketable securities	4,499	4,851
Net cash used in investing activities	<u>(31,869)</u>	<u>(39,771)</u>
Financing activities:		
Repayment of debt obligations and financing liabilities	(158,568)	(698,011)
Repayment of borrowings under unsecured revolving credit facility	(682,475)	(637,047)
Proceeds from borrowings under unsecured revolving credit facility	163,000	689,874
Proceeds from unsecured term loan and notes	695,156	600,000
Deferred financing costs	(1,899)	(2,953)
Partner distributions	(68,722)	(56,169)
Distributions to non-controlling interests and other	(19,870)	(323)
Net cash used in financing activities	<u>(73,378)</u>	<u>(104,629)</u>
Change in cash and cash equivalents	7,697	(57,777)
Cash and cash equivalents at beginning of period	<u>60,450</u>	<u>113,006</u>
Cash and cash equivalents at end of period	<u>\$ 68,147</u>	<u>\$ 55,229</u>
Supplemental non-cash investing and/or financing activities:		
Net carrying value of properties distributed to non-controlling owners	\$ —	\$ 178,969

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

BRIXMOR PROPERTY GROUP INC. AND BRIXMOR OPERATING PARTNERSHIP LP
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited, in thousands, unless otherwise stated)

1. Nature of Business and Financial Statement Presentation

Description of Business

Brixmor Property Group Inc. and subsidiaries (collectively, the “Parent Company”) is an internally-managed REIT. Brixmor Operating Partnership LP and subsidiaries (collectively, the “Operating Partnership”) is the entity through which the Parent Company conducts substantially all of its operations and owns substantially all of its assets. The Parent Company owns 100% of the common stock of BPG Subsidiary Inc. (“BPG Sub”), which, in turn, is the sole member of Brixmor OP GP LLC (the “General Partner”), the sole general partner of the Operating Partnership. The Parent Company engages in the ownership, management, leasing, acquisition and development of retail shopping centers through the Operating Partnership, and has no other substantial assets or liabilities other than through its investment in the Operating Partnership. The Parent Company, the Operating Partnership and their controlled subsidiaries on a consolidated basis (collectively the “Company” or “Brixmor”) owns and operates the largest wholly-owned portfolio of grocery-anchored community and neighborhood shopping centers in the United States.

As of March 31, 2015, the Parent Company beneficially owned, through its direct and indirect interest in BPG Sub and the General Partner, 98.1% of the outstanding partnership common units of interest in the Operating Partnership (“OP Units”). Certain investments funds affiliated with The Blackstone Group L.P. (together with such affiliated funds, “Blackstone”) and certain members of the Parent Company’s current and former management collectively owned the remaining 1.9% of the outstanding OP Units. Holders of OP Units (other than the Parent Company, BPG Sub and the General Partner) may redeem their OP Units for cash based upon the market value of an equivalent number of shares of the Parent Company’s common stock or, at the Parent Company’s election, exchange their OP Units for shares of the Parent Company’s common stock on a one-for-one basis subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. The number of OP Units in the Operating Partnership beneficially owned by the Parent Company is equivalent to the number of outstanding shares of the Parent Company’s common stock, and the entitlement of all OP Units to quarterly distributions and payments in liquidation is substantially the same as those of the Parent Company’s common stockholders.

The Company does not distinguish its principal business or group its operations on a geographical basis for purposes of measuring performance. Accordingly, the Company believes it has a single reportable segment for disclosure purposes in accordance with U.S. generally accepted accounting principles (“GAAP”).

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for the fair presentation of the financial position of the Company at March 31, 2015 and the results of operations for the periods presented have been included. The operating results for the period presented are not necessarily indicative of the results that may be expected for a full fiscal year. These financial statements should be read in conjunction with the financial statements for the year ended December 31, 2014 and accompanying notes included in the Company’s annual report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) on February 19, 2015.

Certain prior period balances in the accompanying unaudited Condensed Consolidated Statements of Operations have been reclassified to conform to the current period presentation including for the results of discontinued operations.

Principles of Consolidation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of the Parent Company, the Operating Partnership, each of their wholly owned subsidiaries and all other entities in which they have a controlling financial interest. The portions of consolidated entities not owned by the Parent Company and the Operating Partnership are presented as non-controlling interests as of and during the periods presented. All intercompany transactions have been eliminated.

Subsequent Events

In preparing the unaudited Condensed Consolidated Financial Statements, the Company has evaluated events and transactions occurring after March 31, 2015 for recognition or disclosure purposes. Based on this evaluation, there were no subsequent events from March 31, 2015 through the date the financial statements were issued.

Income Taxes

The Parent Company has elected to qualify as a REIT in accordance with the Internal Revenue Code (the “Code”). To qualify as a REIT, the Parent Company must meet a number of organizational and operational requirements, including a requirement that it currently distribute at least 90% of its adjusted REIT taxable income to its stockholders. It is management’s intention to adhere to these requirements and maintain the Parent Company’s REIT status.

As a REIT, the Parent Company generally will not be subject to federal income tax, provided that distributions to its stockholders equal at least the amount of its REIT taxable income as defined under the Code. If the Parent Company fails to qualify as a REIT in any taxable year, it will be subject to federal 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.

The Parent Company does not have any taxable REIT subsidiaries, but may in the future elect to treat newly formed subsidiaries as taxable REIT subsidiaries which would be subject to income tax. Taxable REIT subsidiaries may participate in non-real estate-related activities and/or perform non-customary services for tenants and are subject to United States federal and state income tax at regular corporate tax rates.

The Operating Partnership is organized as a limited partnership and is generally not subject to federal income tax. Accordingly, no provision for federal income taxes has been reflected in the accompanying unaudited Condensed Consolidated Financial Statements. The Operating Partnership, however, may be subject to certain state and local income taxes or franchise taxes.

The Company has analyzed the tax position taken on income tax returns for the open 2012 through 2014 tax years and has concluded that no provision for income taxes related to uncertain tax positions is required in the Company’s unaudited Condensed Consolidated Financial Statements as of March 31, 2015 and December 31, 2014.

New Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers.” ASU No. 2014-09 contains a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The guidance in ASU No. 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For public entities, ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. The Company is currently in the process of evaluating the impact the adoption of ASU No. 2014-09 will have on the unaudited Condensed Consolidated Financial Statements of the Company.

Any other recently issued accounting standards or pronouncements not disclosed above have been excluded as they either are not relevant to the Company, or they are not expected to have a material effect on the unaudited Condensed Consolidated Financial Statements of the Company.

2. Disposals, Discontinued Operations and Assets Held for Sale

During the three months ended March 31, 2015, the Company disposed of one shopping center for proceeds of \$9.9 million resulting in a \$0.8 million impairment. The Company had no properties held for sale as of March 31, 2015. For purposes of measuring this provision, fair value was determined based upon contracts with buyers, adjusted to reflect associated disposition costs.

As a result of adopting ASU No. 2014-08, “Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity”, there were no discontinued operations for the three months ended March 31, 2015 as none of the current year sales represented a strategic shift in the Company’s business that would qualify as discontinued

operations. The following table provides a summary of revenues and expenses from properties included in discontinued operations during the three months ended March 31, 2014:

	Three Months Ended March 31, 2014
Discontinued operations:	
Revenues	\$ 386
Operating expenses	(1,354)
Other income (expense), net	5,809
Income from discontinued operating properties	4,841
Gain on disposition of operating properties	14,426
Income from discontinued operations	<u>\$ 19,267</u>

Discontinued operations includes the results of 34 shopping centers disposed of during the year ended December 31, 2014.

3. Real Estate

The Company's components of Real estate, net consisted of the following:

	March 31, 2015	December 31, 2014
Land	\$ 1,998,924	\$ 2,000,415
Buildings and improvements:		
Building	7,331,215	7,332,073
Building and tenant improvements	571,986	552,351
Other rental property ⁽¹⁾	900,803	917,410
	<u>10,802,928</u>	<u>10,802,249</u>
Accumulated depreciation and amortization ⁽¹⁾	(1,628,329)	(1,549,234)
Total	<u>\$ 9,174,599</u>	<u>\$ 9,253,015</u>

⁽¹⁾ At March 31, 2015 and December 31, 2014, Other rental property consisted of intangible assets including: (i) \$818.2 million and \$833.3 million, respectively, of in-place lease value, (ii) \$82.6 million and \$84.1 million, respectively, of above-market leases, and (iii) \$562.4 million and \$550.4 million, respectively, of accumulated amortization. These intangible assets are amortized over the term of each related lease.

In addition, at March 31, 2015 and December 31, 2014, the Company had intangible liabilities relating to below-market leases of \$519.6 million and \$528.7 million, respectively, and accumulated amortization of \$210.6 million and \$202.7 million, respectively. These intangible liabilities, which are included in Accounts payable, accrued expenses and other liabilities in the Company's unaudited Condensed Consolidated Balance Sheets, are amortized over the term of each related lease, including any renewal periods, with fixed rentals that are considered to be below market.

Amortization expense associated with the above mentioned intangible assets and liabilities recognized for the three months ended March 31, 2015 and 2014 was \$11.6 million and \$21.7 million, respectively. The estimated net amortization expense associated with the Company's intangible assets and liabilities for the next five years is as follows:

Year Ended December 31,	Estimated net amortization expense
2015 (remaining nine months)	\$ 31,562
2016	22,451
2017	10,518
2018	4,475
2019	2,408

On a continuous basis, management assesses whether there are any indicators, including property operating performance and general market conditions, that the value of the Company's assets (including any related amortizable intangible assets or liabilities) may be impaired. To the extent impairment has occurred, the carrying value of the asset would be

adjusted to an amount to reflect the estimated fair value of the asset.

4. Financial Instruments - Derivatives and Hedging

The Company's use of derivative instruments is limited to the utilization of interest rate agreements or other instruments to manage interest rate risk exposures and not for speculative purposes. In certain situations, the Company may enter into derivative financial instruments such as interest rate swap and interest rate cap agreements to manage interest rate risk exposure arising from variable rate debt transactions that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's objective in using interest rate derivatives is to add stability to interest expense and to manage its exposure to interest rate movements.

Cash Flow Hedges of Interest Rate Risk

The Company uses interest rate swaps to manage its exposure to changes in benchmark interest rates. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without changing the underlying notional amount. During the three months ended March 31, 2015 and 2014, the Company did not enter into any new interest rate swap agreements.

A detail of the Company's interest rate derivatives designated as cash flow hedges outstanding as of March 31, 2015 is as follows:

	<u>Number of Instruments</u>	<u>Notional Amount</u>
Interest Rate Swaps	5	\$ 1,500,000

The Company has elected to present its interest rate derivatives on its unaudited Condensed Consolidated Balance Sheets on a gross basis as interest rate swap assets and interest rate swap liabilities. A detail of the Company's fair value of interest rate derivatives on a gross and net basis as of March 31, 2015 and December 31, 2014, respectively, is as follows:

<u>Interest rate swaps classified as:</u>	<u>Fair Value of Derivative Instruments</u>	
	<u>March 31, 2015</u>	<u>December 31, 2014</u>
Gross derivative assets	\$ —	\$ —
Gross derivative liabilities	(6,860)	(4,423)
Net derivative liability	<u>\$ (6,860)</u>	<u>\$ (4,423)</u>

All of the Company's outstanding interest rate swap agreements for the periods presented were designated as cash flow hedges of interest rate risk. The effective portion of changes in the fair value of derivatives designated as, and that qualify as, cash flow hedges is recorded in other comprehensive income ("OCI") and is reclassified into earnings as interest expense in the period that the hedged forecasted transaction affects earnings. The Company estimates that approximately \$7.1 million will be reclassified from accumulated other comprehensive loss as an increase to interest expense over the next twelve months. No gain or loss was recognized related to hedge ineffectiveness or to amounts excluded from effectiveness testing on the Company's cash flow hedges during the three months ended March 31, 2015 and 2014.

Non-Designated (Mark-to Market) Hedges of Interest Rate Risk

The Company does not use derivatives for trading or speculative purposes. As of March 31, 2015 and December 31, 2014, the Company did not have any material non-designated hedges.

Credit-risk-related Contingent Features

The Company has agreements with its derivative counterparties that contain a provision whereby if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations. If the Company were to breach any of the contractual provisions of the derivative contracts, it would be required to settle its obligations under the agreements at their termination value including accrued interest, or approximately \$7.8 million.

5. Debt Obligations

As of March 31, 2015 and December 31, 2014, the Company had the following indebtedness outstanding:

	Carrying Value as of		Stated Interest Rates	Scheduled Maturity Date
	March 31, 2015	December 31, 2014		
Mortgage and secured loans ⁽¹⁾				
Fixed rate mortgage and secured loans ⁽²⁾	\$ 3,058,313	\$ 3,116,882	5.05% - 8.00%	2015 – 2021
Variable rate mortgage and secured loans	—	—	N/A	N/A
Total mortgage and secured loans	3,058,313	3,116,882		
Net unamortized premium	60,024	66,340		
Total mortgage and secured loans, net	\$ 3,118,337	\$ 3,183,222		
Notes payables				
Unsecured notes ⁽³⁾	\$ 843,453	\$ 243,453	3.85% - 7.97%	2015 - 2029
Net unamortized discount	(2,532)	(3,153)		
Total notes payable, net	\$ 840,921	\$ 240,300		
Unsecured Credit Facility ⁽⁴⁾	\$ 1,500,000	\$ 2,019,475	1.69%	2017 – 2018
Unsecured Term Loan	600,000	600,000	1.59%	2019
Total debt obligations, net	\$ 6,059,258	\$ 6,042,997		

⁽¹⁾ The Company's mortgages and secured loans are collateralized by certain properties and the equity interests of certain subsidiaries. These properties had a carrying value as of March 31, 2015 of approximately \$4.3 billion.

⁽²⁾ The weighted average interest rate on the Company's fixed rate mortgage and secured loans was 5.97% as of March 31, 2015.

⁽³⁾ The weighted average interest rate on the Company's unsecured notes was 4.13% as of March 31, 2015.

⁽⁴⁾ The Unsecured Credit Facility (as defined below) consists of a \$1.25 billion revolving credit facility and a \$1.5 billion term loan facility. The Company has in place five forward starting interest rate swap agreements that convert the floating interest rate on the \$1.5 billion term loan facility to a fixed, combined interest rate of 0.844% plus an interest spread of 150 basis points. In February 2015, the Unsecured Credit Facility was amended to terminate the guarantees and release and discharge the Parent Guarantors from their respective obligations under the guarantees.

2015 Debt Transactions

In January 2015, the Operating Partnership issued \$700.0 million aggregate principal amount of 3.850% Senior Notes due 2025 (the "2025 Notes"), the proceeds of which were used to repay outstanding borrowings under its \$1.25 billion unsecured revolving credit facility that had been used to repay indebtedness and financial liabilities over the course of 2014. The 2025 Notes bear interest at a rate of 3.850% per annum, payable semi-annually on February 1 and August 1 of each year, commencing August 1, 2015. The 2025 Notes will mature on February 1, 2025. The 2025 Notes are the Operating Partnership's unsecured and unsubordinated obligations and rank equally in right of payment with all of the Operating Partnership's existing and future senior unsecured and unsubordinated indebtedness. The Operating Partnership may redeem the 2025 Notes at any time in whole or from time to time in part at the applicable make-whole redemption price specified in the Indenture. If the 2025 Notes are redeemed on or after November 1, 2024 (three months prior to the maturity date), the redemption price will be equal to 100% of the principal amount of the 2025 Notes being redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date.

In addition, during the three months ended March 31, 2015, the Company repaid \$51.5 million of mortgages and secured loans and \$100.0 million of unsecured notes, resulting in a \$0.3 million net gain on extinguishment of debt. These repayments were funded primarily from borrowings under the Company's Unsecured Credit Facility.

Pursuant to the terms of an unsecured \$600.0 million term loan (the "Term Loan"), a \$2.75 billion senior unsecured credit facility (the "Unsecured Credit Facility") and the 2025 Notes, the Company among other things is subject to maintenance of various financial covenants. The Company is currently in compliance with these covenants.

Debt Maturities

As of March 31, 2015 and December 31, 2014, the Company had accrued interest of \$24.6 million and \$20.4 million outstanding, respectively. As of March 31, 2015, scheduled maturities of the Company's outstanding debt obligations were as follows:

Year ending December 31,	
2015 (remaining nine months)	\$ 494,388
2016	1,257,862
2017	349,659
2018	1,519,476
2019	620,126
Thereafter	1,760,255
Total debt maturities	6,001,766
Net unamortized premiums on mortgages	60,024
Net unamortized discount on notes	(2,532)
Total debt obligations	<u>\$ 6,059,258</u>

6. Fair Value Disclosures

All financial instruments of the Company are reflected in the accompanying unaudited Condensed Consolidated Balance Sheets at amounts which, in management's judgment, reasonably approximate their fair values, except those instruments listed below:

	March 31, 2015		December 31, 2014	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Mortgage and secured loans payable	\$ 3,118,337	\$ 3,298,590	\$ 3,183,222	\$ 3,337,250
Notes payable	840,921	847,001	240,300	252,441
Unsecured credit facility and term loan	2,100,000	2,100,000	2,619,475	2,619,475
Total debt obligations	<u>\$ 6,059,258</u>	<u>\$ 6,245,591</u>	<u>\$ 6,042,997</u>	<u>\$ 6,209,166</u>

The valuation methodology used to estimate the fair value of the Company's fixed and variable-rate indebtedness is based on discounted cash flows, with assumptions that include credit spreads, loan amounts and debt maturities. Such fair value estimates are not necessarily indicative of the amounts that would be realized upon disposition.

As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy is included in GAAP that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs that are classified within Level 3 of the hierarchy).

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

At March 31, 2015 and December 31, 2014, the fair values of the Company's marketable securities, valued based on quoted market prices, were classified within Level 1 of the fair value hierarchy. At March 31, 2015 and December 31, 2014, the fair values of the Company's mortgage and secured loans and notes payable, valued based on discounted cash flow or other similar methodologies were classified within Level 3 of the fair value hierarchy.

7. Equity

Common Shares

During the three months ended March 31, 2015 and 2014, the Company declared common stock dividends of \$0.225 per share and \$0.200 per share, respectively.

Non-Controlling Interests

The non-controlling interests presented in these unaudited Condensed Consolidated Financial Statements relate to portions of consolidated subsidiaries held by the non-controlling interest holders.

Certain investments funds affiliated with The Blackstone Group L.P. and certain members of the Company's management collectively owned 1.92% and 2.54% of the Operating Partnership's outstanding vested partnership common units as of March 31, 2015 and December 31, 2014, respectively. During the three months ended March 31, 2015, 1.9 million OP Units were converted to an equal number of the Company's common shares.

8. Stock Based Compensation

In 2011 and 2013 prior to the IPO, certain employees of the Company were granted long-term incentive awards which provided them with equity interests as an incentive to remain in the Company's service and align executives' interests with those of the Company's equity holders. The awards were granted to such employees by the Partnerships, in the form of Class B Units in each of the Partnerships. The awards were granted with service, performance and market conditions. In connection with the IPO, certain of these awards vested and the vested awards were exchanged for a combination of vested common shares of the Company and vested shares of BPG Sub. The remaining unvested Class B Units as of the IPO effective date were exchanged for a combination of unvested restricted common shares of the Company and unvested restricted common shares of BPG Sub, (collectively, the "RSAs"). The RSAs are subject to the same vesting terms as those applicable to the exchanged Class B Units. During the three months ended March 31, 2015, the achievement of the performance condition became probable and the Company recognized \$9.9 million of equity based compensation expense as a component of General and administrative expense in the Consolidated Statements of Operations.

In connection with the IPO, the Board of Directors approved the 2013 Omnibus Incentive Plan (the "Plan"). The Plan provides for a maximum of 15.0 million shares of the Company's common stock to be issued for qualified and non-qualified options, stock appreciation rights, restricted stock and restricted stock units, OP Units in the Operating Partnership, performance awards and other stock-based awards.

During the three months ended March 31, 2015 and year ended December 31, 2014, the Company granted restricted stock units ("RSUs") in the Company to certain employees, or at the election of certain employees, long-term incentive plan units ("LTIP Units") in the Operating Partnership. The RSUs and LTIP Units are divided into multiple tranches, with each tranche subject to separate performance-based vesting conditions, market-based vesting conditions and service-based vesting conditions. Each award contains a threshold, target, and maximum number of units in respect to each tranche. The number of units actually earned for each tranche is determined based on performance during a specified performance period, and the earned units are then further subject to time-based vesting conditions. The aggregate number of RSUs and LTIP Units granted, assuming that the target level of performance is achieved, was 0.6 million and 0.6 million for the three months ended March 31, 2015 and year ended December 31, 2014, respectively, with service periods ranging from one to five years.

The Company recognized \$12.9 million and \$2.1 million of equity based compensation expense for the three months ended March 31, 2015 and 2014, respectively. As of March 31, 2015, the Company had \$19.2 million of total unrecognized compensation cost related to unvested stock compensation expected to be recognized over a weighted average period of approximately 2.6 years.

9. Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing net income attributable to the Company's common stockholders, including participating securities, by the weighted average number of shares outstanding for the period. Certain restricted shares issued pursuant to the Company's share-based compensation program are considered participating securities, as such shares have rights to receive non-forfeitable dividends. Unvested restricted shares are not allocated net losses and/or any excess of dividends declared over net income, as such amounts are allocated entirely

to the common stockholders. Fully-diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into shares of common stock.

The following table provides a reconciliation of the numerator and denominator of the EPS calculations for the three months ended March 31, 2015 and 2014:

	Three Month Ended March 31,	
	2015	2014
<u><i>Computation of Basic Earnings Per Share:</i></u>		
Income from continuing operations	\$ 31,136	\$ 22,473
Income attributable to non-controlling interests	(713)	(7,126)
Non-forfeitable dividends on unvested restricted shares	(4)	(416)
Income from continuing operations attributable to common stockholders	30,419	14,931
Income from discontinued operations, net of non-controlling interests	—	54
Net income attributable to the Company's common stockholders for basic earnings per share	<u>\$ 30,419</u>	<u>\$ 14,985</u>
Weighted average number shares outstanding - basic	<u>296,189</u>	<u>228,113</u>
Basic Earnings Per Share Attributable to the Company's Common Stockholders:		
Income from continuing operations	\$ 0.10	\$ 0.07
Income from discontinued operations	—	—
Net income	<u>\$ 0.10</u>	<u>\$ 0.07</u>
<u><i>Computation of Diluted Earnings Per Share:</i></u>		
Income from continuing operations attributable to common stockholders	\$ 30,419	\$ 14,931
Income from discontinued operations, net of nonconvertible non-controlling interests	—	54
Net income attributable to the Company's common stockholders for diluted earnings per share	<u>\$ 30,419</u>	<u>\$ 14,985</u>
Weighted average shares outstanding - basic	296,189	228,113
Effect of dilutive securities:		
Equity awards	1,526	1,252
Weighted average shares outstanding - diluted	<u>297,715</u>	<u>229,365</u>
Diluted Earnings Per Share Attributable to the Company's Common Stockholders:		
Income from continuing operations	\$ 0.10	\$ 0.07
Income from discontinued operations	—	—
Net income	<u>\$ 0.10</u>	<u>\$ 0.07</u>

10. Earnings per Unit

Basic earnings per unit is calculated by dividing net income attributable to the Operating Partnership's common units, including participating securities, by the weighted average number of partnership common units outstanding for the period. Certain restricted units issued pursuant to the Company's share-based compensation program are considered participating securities. Unvested restricted units are not allocated net losses, as such amounts are allocated entirely to the partnership common units.

The following table provides a reconciliation of the numerator and denominator of the earnings per unit calculations for the three months ended March 31, 2015 and 2014:

	Three Months Ended March 31,	
	2015	2014
<u><i>Computation of Basic Earnings Per Unit:</i></u>		
Income from continuing operations	\$ 31,136	\$ 22,473
Income attributable to non-controlling interests	—	(2,142)
Non-forfeitable dividends on unvested restricted shares	(4)	(416)
Income from continuing operations attributable to partnership common units	31,132	19,915
Income from discontinued operations, net of Series A interest	—	72
Net income attributable to the Operating Partnership's common units for basic earnings per unit	<u>\$ 31,132</u>	<u>\$ 19,987</u>
Weighted average number of common units outstanding - basic	<u>303,131</u>	<u>302,149</u>
Basic Earnings Per Unit Attributable to the Operating Partnership's Common Units:		
Income from continuing operations	\$ 0.10	\$ 0.07
Income from discontinued operations	—	—
Net Income	<u>\$ 0.10</u>	<u>\$ 0.07</u>
<u><i>Computation of Diluted Earnings Per Unit:</i></u>		
Income from continuing operations attributable to partnership common units	\$ 31,132	\$ 19,915
Income from discontinued operations, net of Series A interest	—	19
Net income attributable to the Operating Partnership's common units for diluted earnings per unit	<u>\$ 31,132</u>	<u>\$ 19,934</u>
Weighted average common units outstanding - basic	303,131	302,149
Effect of dilutive securities:		
Equity awards	1,526	1,252
Weighted average common units outstanding - diluted	<u>304,657</u>	<u>303,401</u>
Diluted Earnings Per Unit Attributable to the Operating Partnership's Common Units:		
Income from continuing operations	\$ 0.10	\$ 0.07
Income from discontinued operations	—	—
Net Income	<u>\$ 0.10</u>	<u>\$ 0.07</u>

11. Commitments and Contingencies

Leasing commitments

The Company periodically enters into ground leases for neighborhood and community shopping centers which it operates and enters into office leases for administrative space. During the three months ended March 31, 2015 and 2014, the Company recognized rent expense associated with these leases of \$2.5 million and \$2.4 million, respectively. Minimum annual rental commitments associated with these leases during the next five years and thereafter are as follows:

Year ending December 31,		
2015 (remaining nine months)	\$	5,459
2016		6,986
2017		6,881
2018		6,497
2019		6,352
Thereafter		92,764
Total minimum annual rental commitments	\$	124,939

Environmental matters

Under various federal, state and local laws, ordinances and regulations, the Company may be considered an owner or operator of real property or may have arranged for the disposal or treatment of hazardous or toxic substances. As a result, the Company may be liable for certain costs including removal, remediation, government fines and injuries to persons and property. The Company does not believe that any resulting liability from such matters will have a material adverse effect on the financial position, results of operations or liquidity of the Company.

Other legal matters

The Company is subject to various other legal proceedings and claims that arise in the ordinary course of business. Management believes that the final outcome of such matters will not have a material adverse effect on the financial position, results of operations or liquidity of the Company.

12. Related-Party Transactions

In the ordinary course of conducting its business, the Company enters into customary agreements with its affiliates and unconsolidated joint ventures in relation to the leasing and management of its and/or its related parties' real estate assets.

As of March 31, 2015 and December 31, 2014, receivables from related parties were \$3.8 million and \$4.2 million, respectively, which are included in Receivables, net in the unaudited Condensed Consolidated Balance Sheets. As of March 31, 2015 and December 31, 2014, there were no material payables to related parties.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and the accompanying notes thereto. Historical results and percentage relationships set forth in the unaudited Condensed Consolidated Statements of Operations and contained in the unaudited Condensed Consolidated Financial Statements and accompanying notes, including trends which might appear, should not be taken as indicative of future operations.

Executive Summary

Our Company

We operate the largest wholly-owned portfolio of grocery-anchored community and neighborhood shopping centers in the United States. Our high quality nation portfolio is diversified by geography, tenancy and retail format, and our shopping centers are primarily anchored by market-leading grocers. The Parent Company has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the United States federal income tax laws, commencing with our taxable year ended December 31, 2011, and has maintained such requirements for our taxable year ended December 31, 2014, and expect to satisfy such requirements for subsequent taxable years.

Our primary objective is to maximize total returns to the Parent Company's stockholders through a combination of growth and value-creation at the asset level supported by stable cash flows. We seek to achieve this through ownership of a large, high quality, diversified portfolio of primarily grocery-anchored community and neighborhood shopping centers and by creating meaningful NOI growth from this portfolio. We expect that the major drivers of this growth will be a combination of occupancy increases across both our anchor and small shop space, positive rent spreads from below-market in-place rents and significant near-term lease rollover, annual contractual rent increases across the portfolio and the realization of embedded anchor space repositioning / redevelopment opportunities.

We expect the following set of core competencies to position us to execute on our growth strategies:

- **Anchor Space Repositioning / Redevelopment Expertise** - We have been a top redeveloper over the past decade, according to Chain Store Age magazine, having completed anchor space repositioning / redevelopment projects totaling approximately \$1 billion since January 1, 2003.
- **Expansive Retailer Relationships** - We believe that given the scale of our asset base and our nationwide footprint, we have a competitive advantage in supporting the growth plans of the nation's largest retailers. We believe that we are the largest landlord by gross leasable area ("GLA") to Kroger and TJX Companies, as well as a key landlord to all major grocers and most major retail category leaders. We believe that our strong relationships with leading retailers affords us insight into their strategies and priority access to their expansion plans, enabling us to efficiently provide these retailers with space in multiple locations.
- **Fully-Integrated Operating Platform** - We operate with a fully-integrated, comprehensive platform both leveraging our national presence and demonstrating our commitment to a regional and local presence. We provide our tenants with personalized service through our network of three regional offices in Atlanta, Chicago and Philadelphia, as well as via 12 leasing and property management satellite offices throughout the country. We believe that this strategy enables us to obtain critical market intelligence and to benefit from the regional and local expertise of our workforce.
- **Experienced Management** - Senior members of our management team are experienced real estate operators with deep industry expertise and retailer relationships and have an average of 24 years of experience in the real estate industry and an average tenure of 15 years with the Company.

Factors That May Influence our Future Results

We derive our revenues primarily from rents (including percentage rents based on tenants' sales levels) and expense reimbursements due to us from tenants under existing leases at each of our properties. Expense reimbursements consist of payments made by tenants to us under contractual lease obligations for their proportional share of the property's operating expenses, insurance and real estate taxes and certain capital expenditures related to maintenance of the properties.

The amount of rental income and expense reimbursements we receive is primarily dependent on our ability to maintain or increase rental rates and on our ability to lease available space, including renewing expiring leases. Factors that could affect our rental income include: (1) changes in national, regional or local economic climates; (2) local conditions, including an oversupply of space in, or a reduction in demand for, properties similar to those in our Portfolio; (3) the attractiveness of properties in our Portfolio to our tenants; (4) the financial stability of tenants, including the ability of tenants to pay rents and expense reimbursements; (5) in the case of percentage rents, our tenants' sales volumes; (6) competition from other available properties; (7) changes in market rental rates; and (8) changes in the regional demographics of our properties.

Our operating costs include property-related costs, including repairs and maintenance, roof repair, landscaping, parking lot repair, snow removal, utilities, property insurance costs, security, ground rent expense related to ground lease payments for which we are the lessee and various other property related costs. Increases in our operating expenses, to the extent they are not offset by revenue increases, impact our overall performance. For a further discussion of these and other factors that could impact our future results, performance or transactions, see Item 1A. "Risk Factors" in our annual report on Form 10-K for the fiscal year ended December 31, 2014.

Portfolio and Financial Highlights

- As of March 31, 2015, we owned interests in 520 shopping centers (the "Portfolio"), including 519 wholly owned shopping centers and one shopping center held through an unconsolidated joint venture.
- Billed occupancy for the Portfolio was 90.3% and 90.5% as of March 31, 2015 and 2014, respectively. Leased occupancy for the Portfolio was 92.4% and 92.3% at March 31, 2015 and 2014, respectively.
- During the three months ended March 31, 2015, we executed 485 leases in our Portfolio totaling 2.8 million square feet of GLA, including 169 new leases totaling 0.8 million square feet of GLA and 316 renewals totaling 2.0 million square feet of GLA. The average annualized cash base rent ("ABR") under the new leases increased 39.4% from the prior tenant's ABR and increased 13.7% for both new and renewal leases on comparable space from the ABR under the prior leases. The average ABR per leased square foot of these new leases in our Portfolio is \$15.45 and the average ABR per leased square foot of these new and renewal leases in our Portfolio is \$13.67. The cost per square foot for tenant improvements and leasing commissions for new leases was \$17.40 and \$2.42, respectively. The cost per square foot for tenant improvements and leasing commissions for renewal leases was \$0.66 and \$0.02, respectively.
- During the three months ended March 31, 2014, we executed 525 leases in our Portfolio totaling 2.9 million square feet of GLA, including 202 new leases totaling 0.7 million square feet of GLA and 323 renewals totaling 2.2 million square feet of GLA. The ABR under the new leases increased 21.0% from the prior tenant's ABR and increased 11.3% for both new and renewal leases on comparable space from the ABR under the prior leases. The average ABR per leased square foot of these new leases in our Portfolio is \$15.18 and the average ABR per leased square foot of these new and renewal leases in our Portfolio is \$12.96. The cost per square foot for tenant improvements and leasing commissions for new leases was \$21.05 and \$2.83, respectively. The cost per square foot for tenant improvements and leasing commissions for renewal leases was \$1.14 and \$0.04, respectively.

Disposition Activity

- During the three months ended March 31, 2015, we disposed of one shopping center for net proceeds of \$9.9 million.

Results of Operations

The results of operations discussion is combined for the Parent Company and the Operating Partnership because there are no material differences in the results of operations between the two reporting entities.

Comparison of the Three Months Ended March 31, 2015 to the Three Months Ended March 31, 2014

Revenues (in thousands)

	Three Months Ended March 31,		\$ Change
	2015	2014	
Revenues			
Rental income	\$ 243,570	\$ 237,168	\$ 6,402
Expense reimbursements	69,754	68,594	1,160
Other revenues	1,969	1,813	156
Total revenues	\$ 315,293	\$ 307,575	\$ 7,718

Rental income

The increase in rental income for the three months ended March 31, 2015 of \$6.4 million, as compared to the corresponding period in 2014, was primarily due to a \$4.7 million increase in ABR driven primarily by an increase in leasing spreads of 13.7% for both new and renewal leases.

Expense reimbursements

The increase in expense reimbursements for the three months ended March 31, 2015 of \$1.2 million, as compared to the corresponding period in 2014, was primarily due to an increase in the recovery percentage for our properties to 87.9% for 2015, as compared to 86.5% for the same period in 2014. The increased percentage of recoveries from tenants is primarily attributable to increased recovery from year-end billings.

Other revenues

Other revenues remained approximately the same for the three months ended March 31, 2015 as compared to the corresponding period in 2014.

Operating Expenses (in thousands)

	Three Months Ended March 31,		\$ Change
	2015	2014	
Operating expenses			
Operating costs	\$ 35,160	\$ 34,875	\$ 285
Real estate taxes	44,189	44,434	(245)
Depreciation and amortization	108,544	113,220	(4,676)
Provision for doubtful accounts	2,495	2,888	(393)
Impairment of real estate assets	807	—	807
General and administrative	30,715	19,658	11,057
Total operating expenses	\$ 221,910	\$ 215,075	\$ 6,835

Operating costs

The increase in operating costs for the three months ended March 31, 2015 of \$0.3 million, as compared to the corresponding period in 2014, was primarily due to increased snow removal costs, partially offset by decreased maintenance and repair costs.

Real estate taxes

Real estate taxes remained approximately the same for the three months ended March 31, 2015 as compared to the corresponding period in 2014.

Depreciation and amortization

The decrease in depreciation and amortization for the three months ended March 31, 2015 of \$4.7 million, as compared to the corresponding period in 2014, was primarily due to a decrease in intangible asset amortization due to tenant lease expirations and lease terminations.

Provision for doubtful accounts

The decrease in provisions for doubtful accounts for the three months ended March 31, 2015 of \$0.4 million, as compared to the corresponding period in 2014, was primarily due to a decrease in tenant receivables.

Impairment of real estate assets

During the three months ended March 31, 2015, we disposed of one shopping center resulting in an impairment of \$0.8 million.

General and administrative

The increase in general and administrative costs for the three months ended March 31, 2015 of \$11.1 million, as compared to the corresponding period in 2014, was primarily due to a \$10.8 million increase in equity based compensation expense. This increase is a result of a performance condition associated with the vesting of shares becoming probable resulting in a charge of \$9.9 million.

During the three months ended March 31, 2015 and 2014, we capitalized personnel costs of \$1.6 million and \$1.4 million respectively, to building and improvements for anchor space repositioning and redevelopment projects and \$3.8 million and \$3.7 million, respectively, to deferred charges and prepaid expenses, net for deferred leasing costs.

Other Income and Expenses (in thousands)

	Three Months Ended March 31,		\$ Change
	2015	2014	
Other income (expense)			
Dividends and interest	\$ 94	\$ 108	\$ (14)
Interest expense	(62,564)	(67,966)	5,402
Gain on sale of real estate assets and acquisition of joint venture interest	—	378	(378)
Gain (loss) on extinguishment of debt, net	292	(2,276)	2,568
Other	(184)	(2,156)	1,972
Total other income (expense)	\$ (62,362)	\$ (71,912)	\$ 9,550

Dividends and interest

Dividends and interest remained approximately the same for the three months ended March 31, 2015, as compared to the corresponding period in 2014.

Interest expense

The decrease in interest expense for the three months ended March 31, 2015 of \$5.4 million, as compared to the corresponding period in 2014, was primarily due to the 2014 repayment of \$1.0 billion of debt with a weighted-average interest rate of 5.59%, and the 2015 repayment of \$151.5 million of debt with a weighted-average interest rate of 5.25%, which decreased interest expense by \$10.9 million, partially offset by an increase of \$5.8 million of interest expense on our Term Loan and the 2025 Notes. The secured mortgage loan and unsecured note repayments were financed primarily from proceeds of borrowings under our Unsecured Credit Facility, Term Loan and the issuance of the 2025 Notes which had a weighted average interest rate of 2.56% as of March 31, 2015.

Gain on sale of real estate assets and acquisition of joint venture interest

During the three months ended March 31, 2014, we disposed of one building for net proceeds of \$2.8 million resulting in a gain of \$0.4 million.

Gain (loss) on extinguishment of debt, net

During the three months ended March 31, 2015, we repaid \$51.5 million of mortgages and secured loans and \$100.0 million of unsecured notes, resulting in a \$0.3 million net gain on extinguishment of debt. During the three months ended March 31, 2014, we repaid \$569.6 million of mortgages and repaid \$60.0 million of unsecured notes resulting in a \$2.3 million loss on extinguishment of debt.

Other

The decrease in other for the three months ended March 31, 2015 of \$2.0 million, as compared to the corresponding period in 2014, was primary due to a \$1.4 million expense in 2014 related to a litigation settlement.

Equity in Income of Unconsolidated Joint Ventures (in thousands)

	Three Months Ended March 31,			\$ Change
	2015	2014		
Equity in income of unconsolidated joint ventures	\$ 115	\$ 65	\$	50
Gain on disposition of investments in unconsolidated joint ventures	\$ —	\$ 1,820	\$	(1,820)

Equity in income of unconsolidated joint ventures

Equity in income of unconsolidated joint ventures remained approximately the same for the three months ended March 31, 2015 as compared to the corresponding period in 2014.

Gain on disposition of investments in unconsolidated joint ventures

During the three months ended March 31, 2014 we disposed of our interests in three unconsolidated joint ventures resulting in a gain on disposition of \$1.8 million.

Discontinued Operations (in thousands)

	Three Months Ended March 31,			\$ Change
	2015	2014		
Discontinued operations				
Income from discontinued operations	\$ —	\$ 4,841	\$	(4,841)
Gain on disposition of operating properties	—	14,426		(14,426)
Income from discontinued operations	<u>\$ —</u>	<u>\$ 19,267</u>	<u>\$</u>	<u>(19,267)</u>

Discontinued Operations

As a result of adopting ASU No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity", there were no disposals classified as discontinued operations for the three months ended March 31, 2015.

Results from discontinued operations for the three months end March 31, 2014 include the results of 34 shopping centers disposed of during the year ended December 31, 2014.

Liquidity and Capital Resources

We anticipate that our cash flows from the sources listed below will provide adequate capital for the next 12 months for all anticipated uses, including all scheduled principal and interest payments on our outstanding indebtedness, current and anticipated tenant improvements, stockholder distributions to maintain the Parent Company's qualification as a REIT and other capital obligations associated with conducting our business.

Our primary expected sources and uses and capital are as follows:

Sources

- cash and cash equivalent balances;
- operating cash flow;
- available borrowings under our existing revolving credit facility;
- issuance of long-term debt; and
- asset sales.

Uses

Short term:

- leasing costs and tenant improvements allowances;
- active anchor space repositioning/redevelopments;
- recurring maintenance capital expenditures;
- debt repayment requirements;
- corporate and administrative costs; and
- dividend/distribution payments.

Long term:

- major active redevelopments, renovation or expansion programs at individual properties;
- acquisitions; and
- debt maturities.

Our cash flow activities are summarized as follows (dollars in thousands):

Brixmor Property Group Inc.

	Three Months Ended March 31,	
	2015	2014
Cash flows provided by operating activities	\$ 112,937	\$ 86,576
Cash flows used in investing activities	\$ (31,872)	\$ (39,774)
Cash flows used in financing activities	\$ (73,476)	\$ (105,021)

Brixmor Operating Partnership LP

	Three Months Ended March 31,	
	2015	2014
Cash flows provided by operating activities	\$ 112,944	\$ 86,623
Cash flows used in investing activities	\$ (31,869)	\$ (39,771)
Cash flows used in financing activities	\$ (73,378)	\$ (104,629)

Operating Activities

Cash and cash equivalents for the Parent Company were \$68.2 million and \$55.7 million as of March 31, 2015 and March 31, 2014, respectively. Cash and cash equivalents for the Operating Partnership were \$68.1 million and \$55.2 million as of March 31, 2015 and March 31, 2014, respectively.

Our net cash flow provided by operating activities primarily consist of cash inflows from tenant rental payments and tenant expense reimbursements and cash outflows for property operating expenses, real estate taxes, general and administrative expenses and interest payments.

For the three months ended March 31, 2015, the Company's net cash flow provided by operating activities increased \$26.4 million as compared to the corresponding period in 2014. The increase is primarily due to (i) an increase in Same Property NOI, (ii) a decrease in interest expense due to a decrease in the weighted average interest rate on

outstanding indebtedness, and (iii) an increase working capital due to an increase in accounts payable accrued expenses and other liabilities due to timing of payments, partially offset by a reduction in cash flows from receivables and restricted cash.

Investing Activities

Net cash flow used in investing activities is impacted by the nature, timing and extent of improvements made to our shopping centers, allowances provided to our tenants, and our acquisition and disposition programs. Capital used to fund these activities, and the source thereof, can vary significantly from period to period based on, for example, negotiations with tenants and their willingness to pay higher base rents over the terms of their respective leases as well as the availability of operating cash flows. Net cash flow used in investing activities is also impacted by the level of recurring property capital expenditures in a given period.

For the three months ended March 31, 2015, the Company's net cash flow used in investing activities decreased \$7.9 million as compared to the corresponding period in 2014. The decrease was primarily due to (i) a \$7.1 million increase in proceeds from sales of real estate assets and (ii) a \$3.6 million increase in proceeds from marketable securities net of purchases, partially offset by (iii) a \$2.8 million reduction in restricted cash attributable to investing activities.

Improvements to and investments in real estate assets

During the three months ended March 31, 2015 and 2014, the Company expended \$40.4 million and \$40.5 million, respectively, on improvements to and investments in real estate assets.

Recurring capital expenditures are costs to maintain properties and their common areas including new roofs and paving of parking lots. Recurring capital expenditures per square foot for the three months ended March 31, 2015 and 2014, were \$0.03 and \$0.01, respectively.

In addition to recurring capital expenditures, we evaluate our Portfolio on an ongoing basis to identify value-creating anchor space repositioning / redevelopment opportunities. These efforts are tenant-driven and focus on renovating, re-tenanting and repositioning assets and generally present higher risk-adjusted returns than new developments. Such initiatives are focused on upgrading our centers with strong, best-in-class anchors and transforming such properties' overall merchandise mix and tenant quality. Potential new projects include value-creation opportunities that have been previously identified within the Portfolio, as well as new opportunities created by the lack of meaningful community and neighborhood shopping center development in the United States. We may occasionally seek to acquire non-owned anchor spaces and land parcels at or adjacent to our shopping centers in order to facilitate redevelopment projects. In addition, as we own a vast majority of our anchor spaces greater than 35,000 sq. ft., we have important operational control over the positioning of our shopping centers in the event an anchor ceases to operate and flexibility in working with new and existing anchor tenants as they seek to expand or reposition their stores. Currently, our anchor space repositioning/redevelopments in our Portfolio relate to 32 projects for which we anticipate incurring approximately \$106.6 million in improvements, of which \$66.8 million had not yet been incurred as of March 31, 2015.

Acquisitions of and proceeds from sales of real estate assets

Although we expect that the major drivers of our growth will come from our existing Portfolio, we will continue to evaluate the market for available properties and may acquire properties when we believe strategic opportunities exist. We may also dispose of properties when we feel growth has been maximized. During the three months ended March 31, 2015, we did not acquire any properties and we disposed of one property.

Financing Activities

Our net cash flow used in financing activities is impacted by the nature, timing and extent of issuances of debt and equity, principal and other payments associated with our outstanding indebtedness and prevailing market conditions associated with each source of capital.

For the three months ended March 31, 2015, the Parent Company's net cash used in financing activities decreased \$31.5 million as compared to the corresponding period in 2014. The decrease was due to (i) an increase of \$62.3 million in proceeds from borrowings net of debt obligation repayments and (ii) a decrease of \$6.1 million in

distributions to non-controlling interests, partially offset by (iii) an increase of \$37.9 million in distributions to common stockholders.

For the three months ended March 31, 2015, the Operating Partnership's net cash used in financing activities decreased \$31.3 million as compared to the corresponding period in 2014. The decrease was due to (i) an increase of \$62.3 million in proceeds from borrowings net of debt obligation repayments, partially offset by (ii) an increase of \$19.5 million in distributions to non-controlling interests and (iii) an increase of \$12.6 million in partner distributions.

Our current capital structure provides us with financial flexibility and capacity to fund our current capital needs as well as future growth opportunities. We have an Unsecured Credit Facility consisting of a \$1.5 billion term loan and a \$1.25 billion revolving credit facility, with a lending group comprised of top-tier financial institutions under which we had \$1.25 billion of undrawn capacity as of March 31, 2015. We believe we have strong access to multiple forms of capital, including unsecured corporate level debt, preferred equity and additional credit facilities. We continue to maintain the investment grade credit ratings from all three major credit rating agencies received during 2014. We intend to continue to enhance our financial and operating flexibility through ongoing commitment to ladder and extend the duration of our debt, and further expand our unencumbered asset pool.

During the three months ended March 31, 2015, the Operating Partnership issued \$700.0 million aggregate principal amount of the 2025 Notes, the proceeds of which were used to repay outstanding borrowings under its \$1.25 billion senior unsecured revolving credit facility. In addition, during the three months ended March 31, 2015, we repaid \$51.5 million of mortgages and secured loans and \$100.0 million of unsecured notes. These repayments were funded primarily from borrowings under the Company's Unsecured Credit Facility. During the remainder of 2015, we have \$471.9 million of mortgage loans and notes scheduled to mature and we have \$22.5 million of scheduled mortgage amortization payments. We currently intend to repay the scheduled maturities and amortization payments with operating cash and borrowings on our Unsecured Credit Facility.

In connection with our intention to continue to qualify as a REIT for federal income tax purposes, we expect to continue paying regular dividends to our stockholders. Our Board of Directors will continue to evaluate the dividend policy on a quarterly basis as the Board of Directors monitors sources of capital and evaluates the impact of the economy and capital markets availability on operating fundamentals. Since cash used to pay dividends reduces amounts available for capital investment, we generally intend to maintain a conservative dividend payout ratio, reserving such amounts as the Board of Directors considers necessary for the expansion and renovation of shopping centers in our portfolio, debt reduction, the acquisition of interests in new properties and other investments as suitable opportunities arise and such other factors as the Board of Directors considers appropriate. Cash dividends paid to common stockholders and OP Unit holders for the three months ended March 31, 2015 and 2014 were \$68.5 million and \$60.9 million, respectively. Our Board of Directors declared a quarterly cash dividend of \$0.225 per common share and OP Unit for the first quarter of 2015. The dividend was paid on April 15, 2015 to shareholders of record on April 6, 2015. Our Board of Directors declared a quarterly cash dividend of \$0.225 per common share and OP Unit for the second quarter of 2015. The dividend is payable on July 15, 2015 to shareholders of record on July 6, 2015.

Contractual Obligations

Our contractual debt obligations relate to our notes payable, mortgages and secured loans with maturities ranging from one year to 15 years, and non-cancelable operating leases pertaining to our shopping centers and corporate offices.

The following table summarizes our debt maturities (excluding options and fair market debt adjustments) and obligations under non-cancelable operating leases as of March 31, 2015.

Contractual Obligations		Payment due by period					
(in thousands)	2015 (Remaining Nine Months)	2016	2017	2018	2019	Thereafter	Total
Debt ⁽¹⁾	\$ 494,388	\$ 1,257,862	\$ 349,659	\$ 1,519,476	\$ 620,126	\$ 1,760,255	\$ 6,001,766
Interest payments ⁽²⁾	190,862	214,031	158,936	128,282	99,149	211,305	\$ 1,002,565
Operating leases	5,459	6,986	6,881	6,497	6,352	92,764	124,939
Total	<u>\$ 690,709</u>	<u>\$ 1,478,879</u>	<u>\$ 515,476</u>	<u>\$ 1,654,255</u>	<u>\$ 725,627</u>	<u>\$ 2,064,324</u>	<u>\$ 7,129,270</u>

⁽¹⁾ Debt includes scheduled principal amortization and scheduled maturities for mortgages and secured loans, credit facilities and notes payable.

⁽²⁾ We incur variable rate interest on \$600.0 million of debt related to the Term Loan. The margin associated with the Term Loan is based on a total leverage based grid and ranges from 0.35% to 0.75%, for base rate loans, and 1.35% to 1.75% for LIBOR rate loans. The rate on the Term Loan was 1.59% as of March 31, 2015.

Same Property Net Operating Income

Same Property NOI is calculated (using properties owned as of the end of both reporting periods and for the entirety of both periods excluding properties classified as discontinued operations), as rental income (minimum rent, percentage rents, tenant recoveries and other property income) less rental operating expenses (property operating expenses, real estate taxes and bad debt expense) of the properties owned by us. Same Property NOI excludes corporate level income (including transaction and other fees), lease termination income, straight-line rent and amortization of above- and below-market leases of the same property pool from the prior year reporting period to the current year reporting period.

Same Property NOI is a supplemental, non-GAAP financial measure utilized to evaluate the operating performance of real estate companies and is frequently used by securities analysts, investors and other interested parties in understanding business and operating results regarding the underlying economics of our business operations. It includes only the net operating income of properties owned for the full period presented, which eliminates disparities in net income due to the acquisition or disposition of properties during the period presented, and therefore provides a more consistent metric for comparing the performance of properties. Management uses Same Property NOI to review operating results for comparative purposes with respect to previous periods or forecasts, and also to evaluate future prospects. Same Property NOI is not intended to be a performance measure that should be regarded as an alternative to, or more meaningful than, net income (determined in accordance with GAAP) or other GAAP financial measures. Non-GAAP financial measures have limitations as they do not include all items of income and expense that affect operations, and accordingly, should always be considered as supplemental to financial results presented in accordance with GAAP. Computation of Same Property NOI may differ in certain respects from the methodology utilized by other REITs and, therefore, may not be comparable to such other REITs.

Comparison of the Three Months Ended March 31, 2015 to the Three Months Ended March 31, 2014

	Three Months Ended March 31,		Change
	2015	2014	
Number of properties	520	520	—
Percent billed	90.3%	90.6%	(0.3%)
Percent leased	92.4%	92.4%	—
Revenues			
Rental income	\$ 226,508	\$ 220,805	\$ 5,703
Expense reimbursements	69,882	68,594	1,288
Percentage rents	1,485	1,417	68
	<u>297,875</u>	<u>290,816</u>	<u>7,059</u>
Operating expenses			
Operating costs	(35,402)	(34,820)	(582)
Real estate taxes	(44,166)	(44,331)	165
Provision for doubtful accounts	(2,431)	(2,867)	436
	<u>(81,999)</u>	<u>(82,018)</u>	<u>19</u>
Same property NOI	<u>\$ 215,876</u>	<u>\$ 208,798</u>	<u>\$ 7,078</u>

Same Property NOI increased \$7.1 million or 3.4% for the three months ended March 31, 2015, as compared to the same period in 2014, primarily due to an increase in ABR from same store properties and an increase in expense recovery percentage from 86.7% in 2014 to 87.8% in 2015.

The following table provides a reconciliation of Net income (loss) attributable to Brixmor Property Group Inc. to Same Property NOI for the periods presented (dollars in thousands):

	Three Months Ended March 31,	
	2015	2014
Net income (loss) attributable to Brixmor Property Group Inc.	\$ 30,423	\$ 15,401
Adjustments:		
Revenue adjustments ⁽¹⁾	(17,792)	(16,881)
Depreciation and amortization	108,544	113,220
Impairment of real estate assets	807	—
General and administrative	30,715	19,658
Total other (income) expense	62,362	71,912
Equity in income of unconsolidated joint ventures	(115)	(65)
Gain on disposition of investments in unconsolidated joint ventures	—	(1,820)
Pro rata share of same property NOI of unconsolidated joint ventures	180	189
(Income) loss from discontinued operations	—	(19,267)
Net income (loss) attributable to non-controlling interests	713	26,339
Non-same property NOI	39	112
Same property NOI	<u>\$ 215,876</u>	<u>\$ 208,798</u>

⁽¹⁾ Includes adjustments for lease settlement income, straight-line rents, above- and below-market rent amortization, net and fee income from managed properties and unconsolidated joint ventures.

Funds From Operations

FFO is a supplemental non-GAAP financial measure utilized to evaluate the operating performance of real estate companies. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as net income (loss) in accordance with GAAP excluding (i) gain (loss) on disposition of operating properties, and (ii) extraordinary items, plus (iii) depreciation and amortization of operating properties, (iv) impairment of operating properties and real estate equity investments, and (v) after adjustments for joint ventures calculated to reflect funds from operations on the same basis.

FFO attributable to stockholders and non-controlling interests convertible into common stock is FFO as further adjusted to exclude net income (loss) attributable to non-controlling interests not convertible into common stock. We believe FFO attributable to stockholders and non-controlling interests convertible into common stock is a meaningful supplemental measure that is more reflective of our operating performance by excluding FFO attributable to non-controlling interests not convertible into common stock.

We present FFO and FFO attributable to stockholders and non-controlling interests convertible into common stock as we consider them important supplemental measures of our operating performance and we believe they are frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. FFO and FFO attributable to stockholders and non-controlling interests convertible into common stock should not be considered as alternatives to net income (determined in accordance with GAAP) as indicators of financial performance and are not alternatives to cash flow from operating activities (determined in accordance with GAAP) as measures of liquidity. Non-GAAP financial measures have limitations as they do not include all items of income and expense that affect operations, and accordingly, should always be considered as supplemental to financial results presented in accordance with GAAP. Computation of FFO and FFO attributable to stockholders and non-controlling interests convertible into common stock may differ in certain respects from the methodology utilized by other REITs and, therefore, may not be comparable to similarly titled measures presented by such other REITs. Investors are cautioned that items excluded from FFO and FFO attributable to stockholders and non-controlling interests convertible into common stock are significant components in understanding and addressing financial performance.

Our reconciliation of Brixmor Property Group Inc's net income (loss) to FFO and FFO attributable to stockholders and non-controlling interest convertible into common stock for the three months ended March 31, 2015 and 2014 is as follows (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2015	2014
Net income (loss)	\$ 31,136	\$ 41,740
Gain on disposition of operating properties	—	(14,804)
Gain on disposition of unconsolidated joint ventures	—	(1,820)
Depreciation and amortization-real estate related-continuing operations	107,190	112,536
Depreciation and amortization-real estate related-discontinued operations	—	480
Depreciation and amortization-real estate related-unconsolidated joint ventures	22	102
Impairment of operating properties	807	—
FFO	139,155	138,234
Adjustments attributable to non-controlling interests not convertible into common stock	—	(5,556)
FFO attributable to stockholders and non-controlling interests convertible into common stock	<u>\$ 139,155</u>	<u>\$ 132,678</u>
FFO per share/OP Unit - diluted	<u>\$ 0.46</u>	<u>\$ 0.44</u>
Weighted average shares/OP Units outstanding - basic and diluted ⁽¹⁾	<u>304,670</u>	<u>304,231</u>

⁽¹⁾ Basic and diluted shares/OP Units outstanding reflects an assumed conversion of certain BPG Sub shares and OP Units to common stock of the Company and the vesting of certain restricted stock awards.

Inflation

The majority of leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions contain clauses enabling us to receive percentage rents, which generally increase as prices rise but may be adversely

impacted by tenant sales decreases, and/or escalation clauses which are typically related to increases in the consumer price index or similar inflation indices. In addition, we believe that many of our existing lease rates are below current market levels for comparable space and that upon renewal or re-rental such rates may be increased to be consistent with, or closer to, current market rates. This belief is based upon an analysis of relevant market conditions, including a comparison of comparable market rental rates, and upon the fact that many of our leases have been in place for a number of years and may not contain escalation clauses sufficient to match the increase in market rental rates over such time. Most of our leases require the tenant to pay its share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. In addition, we periodically evaluate our exposure to interest rate fluctuations, and may enter into interest rate protection agreements which mitigate, but do not eliminate, the effect of changes in interest rates on our floating rate loans.

Off-Balance Sheet Arrangements

We had no material off-balance sheet arrangements as of March 31, 2015.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes from the quantitative and qualitative disclosures about market risk disclosed in Item 7A of Part II of our Form 10-K for the year ended December 31, 2014.

Item 4. Controls and Procedures

Controls and Procedures (Brixmor Property Group Inc.)

Evaluation of Disclosure Controls and Procedures

The Parent Company maintains disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in its reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. The Parent Company's management, with the participation of its principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Parent Company's principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the design and operation of the Parent Company's disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in the Parent Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2015 that have materially affected, or that are reasonably likely to materially affect, the Parent Company's internal control over financial reporting.

Controls and Procedures (Brixmor Operating Partnership LP)

Evaluation of Disclosure Controls and Procedures

The Operating Partnership maintains disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in its reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. The Operating Partnership's management, with the participation of its principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Operating Partnership's principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the design and operation of the Operating Partnership's disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in the Operating Partnership's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2015 that have

materially affected, or that are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are not presently involved in any material litigation arising outside the ordinary course of our business. However, we are involved in routine litigation arising in the ordinary course of business, none of which we believe, individually or in the aggregate, taking into account existing reserves, will have a material impact on our results of operations or financial condition.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in our Form 10-K, dated December 31, 2014 and filed with the SEC on February 19, 2015 pursuant to Rule 424(b)(4) under the Securities Act.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 ("ITRSHRA"), which added Section 13(r) of the Exchange Act, we hereby incorporate by reference herein Exhibit 99.1 of this report, which includes disclosures publicly filed and/or provided to Blackstone by Travelport Limited, which may be considered our affiliate.

Item 6. Exhibits

The exhibits listed on the accompanying Exhibit Index are filed as part of this report and such Exhibit Index is incorporated herein by reference.

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Date of Filing	Exhibit Number	
10.1	Form of Restricted Stock Unit Agreement of Brixmor Property Group Inc.	—	—	—	—	x
10.2	Form of LTIP Unit Agreement of Brixmor Operating Partnership LP	—	—	—	—	x
10.3	Amendment No. 1 to Revolving Credit and Term Loan Agreement, dated as of February 5, 2015, among Brixmor Operating Partnership LP, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.	8-K	333-201464-01	2/9/15	10.1	
10.4	Amendment No. 1 to Term Loan Agreement, dated as of February 5, 2015, among Brixmor Operating Partnership LP, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.	8-K	333-201464-01	2/9/15	10.2	
31.1	Brixmor Property Group Inc. Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x
31.2	Brixmor Property Group Inc. Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x
31.3	Brixmor Operating Partnership LP Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x
31.4	Brixmor Operating Partnership LP Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x
32.1	Brixmor Property Group Inc. Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x
32.2	Brixmor Operating Partnership LP Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Date of Filing	Exhibit Number	
99.1	Section 13(r) Disclosure	—	—	—	—	x
101.INS	XBRL Instance Document	—	—	—	—	x
101.SCH	XBRL Taxonomy Extension Schema Document	—	—	—	—	x
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	—	—	—	—	x
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	—	—	—	—	x
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	—	—	—	—	x
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	—	—	—	—	x

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

BRIXMOR PROPERTY GROUP INC.

Dated: April 27, 2015

By: /s/Michael A. Carroll
Michael A. Carroll
Chief Executive Officer and Director
(Principal Executive Officer)

Dated: April 27, 2015

By: /s/Michael V. Pappagallo
Michael V. Pappagallo
President and Chief Financial Officer
(Principal Financial Officer)

Dated: April 27, 2015

By: /s/Steven A. Splain
Steven A. Splain
Executive Vice President
(Principal Accounting Officer)

BRIXMOR OPERATING PARTNERSHIP LP

Dated: April 27, 2015

By: /s/Michael A. Carroll
Michael A. Carroll
Chief Executive Officer and Director
(Principal Executive Officer)

Dated: April 27, 2015

By: /s/Michael V. Pappagallo
Michael V. Pappagallo
President and Chief Financial Officer
(Principal Financial Officer)

Dated: April 27, 2015

By: /s/Steven A. Splain
Steven A. Splain
Executive Vice President
(Principal Accounting Officer)

**BRIXMOR PROPERTY GROUP INC.
RESTRICTED STOCK UNIT AGREEMENT**

THIS RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”) dated as of the Effective Date set forth in the Award Certificate (the “Award Certificate”) is made by and between Brixmor Property Group Inc. (together with its Subsidiaries, the “Company”) and the Participant. The Award Certificate is included with and made part of this Agreement. In this Agreement and each Award Certificate, unless the context otherwise requires, words and expressions shall have the meanings given to them in the Plan, except as herein defined.

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

- (a) “Achievement Percentage” means the “Percentage of Award Earned” specified with respect to the threshold, target, and maximum levels for each Performance Component on the Award Certificate, or a percentage determined using linear interpolation if actual performance falls between threshold and target, or between target and maximum levels. In the event that actual performance does not meet the threshold level for any Performance Component, the “Achievement Percentage” with respect to such Performance Component shall be zero.
 - (b) “AFFO” means adjusted funds from operations, as determined by the Company for any fiscal quarter, as approved by either the Committee or the Board.
 - (c) “AFFO Per Share” means the per share amount obtained by dividing AFFO by Fully Diluted Shares.
 - (d) “Award” means the award as set forth on the Award Certificate.
 - (e) “Award Certificate” means the certificate attached to this Agreement specifying the Effective Date and the Award, and the applicable Performance Periods and Performance Components for the Award.
 - (f) “Board” means the Board of Directors of Brixmor Property Group Inc.
 - (g) “Brixmor TSR” means the compound annual growth rate, expressed as a percentage and rounded to the nearest one decimal point, in the value of a share of Common Stock due to stock appreciation and dividends, assuming dividends are reinvested in Common Stock as and when paid, during the applicable Performance Period. For this purpose, the “Beginning Stock Price” means \$24.84 per share of Common Stock and the “Ending Stock Price” means the average of the closing sales price of the Company’s Common Stock on the NYSE for the ten (10) trading days immediately preceding and including the last day of a Performance Period (or such other period as the Committee may determine); provided, however, for purposes of the Relative US Shopping Center Index TSR Performance Component, the Ending Stock Price shall be the closing sales price of the Company’s Common Stock on the last day of the applicable Performance Period.
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- (h) “Adjusted EBITDA” means adjusted EBITDA, as reported in the Company’s supplemental disclosure for any fiscal quarter.
- (i) “Adjusted EBITDA Per Share” means the per share amount obtained by dividing adjusted EBITDA by Fully Diluted Shares.
- (j) “Effective Date” means the Effective Date set forth in the Award Certificate.
- (k) “Fully Diluted Shares” means the fully diluted share count of the Company, as reported in the Company’s supplemental disclosure for any fiscal quarter.
- (l) “Participant” means the Eligible Person whose name is set forth in the Award Certificate.
- (m) “Performance Components” means the performance criteria applicable to the Award, as set forth on the Award Certificate.
- (n) “Performance Period” means the applicable performance period specified in the Award Certificate.
- (o) “Plan” means the Brixmor Property Group Inc. 2013 Omnibus Incentive Plan.
- (p) “Qualifying Termination” means a termination of Participant’s employment (w) by the Company without Cause or while Participant has a Disability (as defined in the Plan), (x) if the Participant’s written employment agreement with the Company (or any affiliate) includes a definition of “good reason” or “constructive termination,” by the Participant for “good reason” or “constructive termination” (as defined in such written employment agreement) (y) which is a Retirement, or (z) resulting from the Participant’s death. Notwithstanding the definition of Cause as set forth in the Plan, for purposes of this Agreement, the termination of a Participant’s employment by the Company for poor performance (as determined in the sole judgment of a majority of the management committee) shall constitute a termination by the Company for Cause.
- (q) “Relative US Shopping Center Index TSR” means the comparison of the Brixmor TSR to the Shopping Center Index TSR.
- (r) “Relative Weighting” means, in respect of any Performance Component, the “Relative Weighting” set forth for such Performance Component on the Award Certificate.
- (s) “Retirement” means the Participant’s Termination of Employment with the Company, other than for Cause, following the date on which (i) the sum of the following equals or exceeds 65 years: (A) the number of years of the Participant’s employment and other business relationships with the Company and any predecessor company, and (B) the Participant’s age on the date of termination, (ii) the Participant attained the age of 55

years old, and (iii) the number of years of the Participant's employment and other business relationships with the Company and any predecessor company is at least five (5).

(t) "RSU" or "Restricted Stock Unit" means a restricted stock unit granted hereunder pursuant to the Plan.

(u) "Shopping Center Index TSR" means the compound annual growth rate, rounded to the nearest decimal point, in the value of the FTSE NAREIT Equity Shopping Centers Index during the applicable Performance Period. The Shopping Center Index TSR is obtained from information publicly reported by the National Association of Real Estate Investment Trusts.

(v) "Target Award Amount" means, in respect of the Award, the "Target Award Amount" set forth for the Award on the Award Certificate.

(w) "Termination Date" means the effective date of a Termination of Employment for any reason.

(x) "Termination of Employment" means a "separation from service" of the Participant from the Company, as defined under Section 409A.

2. Range of RSUs under Awards; Calculation of RSUs; Settlement of RSUs.

(a) Grant of Award Ranges. The Company grants to the Participant the opportunity to earn a number of RSUs under the Award equal to the ranges set forth in the Award Certificate for the Award (with a threshold, target, and maximum number of RSUs for the Award). The actual number of RSUs earned under the Award shall be determined pursuant to Section 2(b) and, further, the RSUs shall be subject to the satisfaction of the service vesting conditions set forth in the Award Certificate and herein.

(b) Calculation of Number of Earned RSUs. Following the last day of the Performance Period applicable to the Award (the "Determination Date"), subject to the Participant's continued employment through the last day of the Performance Period:

(i) The total number of RSUs earned and issuable under the Award shall be calculated by the Committee with respect to each Performance Component under the Award. For each Performance Component, the total number of RSUs earned and issuable shall be equal to the product of (x) the Target Award Amount for such Performance Component, multiplied by (y) the Relative Weighting for such Performance Component, multiplied by (z) the Achievement Percentage for such Performance Component. In the event that the Company's actual performance does not meet the threshold level for a Performance Component, no RSUs shall be earned in respect of that Performance Component.

(ii) The foregoing calculation shall be made no later than 90 days following the Determination Date (or as soon thereafter as reasonably practicable), at which time

the Company shall notify the Participant of the total number of RSUs earned and issuable under the Award (rounded down to the nearest whole RSU).

(c) Vesting. Subject to Section 3, the RSUs earned under the Award shall become vested as follows, subject to the Participant's continued employment with the Company through the applicable date(s) (each, a "Vesting Date"):

(i) the RSUs earned in respect of the one year measurement component of the Award, if any, shall become vested with respect to 50% of such RSUs on the applicable Determination Date, and with respect to an additional 25% of such RSUs on each of January 1, 2017 and January 1, 2018; and

(ii) the RSUs earned in respect of the three year measurement component of the Award, if any, shall become vested with respect to 50% of such RSUs on the applicable Determination Date, and with respect to an additional 25% of such RSUs on each of January 1, 2019 and January 1, 2020.

(d) Issuance of Common Stock.

(i) Settlement of RSUs. Shares underlying an earned RSU which become vested in accordance with Section 2(c) or Section 3 shall be transferred to the Participant as soon as administratively practicable following the applicable Vesting Date, but in no event earlier than January 1 of the year in which the Vesting Date occurs or later than March 15 of the year following the year in which such Vesting Date occurs. No shares of Common Stock shall be issued to the Participant in respect of an earned RSU prior to the applicable Vesting Date. After an earned RSU vests, the Company shall promptly cause to be registered in Participant's name or in the name of the executor or personal representative of the Participant's estate, as the case may be, one share of Common Stock in payment for each such earned RSU. For purposes of this Agreement, the date on which vested RSUs are converted into Common Stock shall be referred to as the "Settlement Date."

(ii) Fractional RSUs. In the event the Participant is vested in a fractional portion of an earned RSU, such portion shall be rounded down to the nearest whole number.

3. Effects of Certain Events.

(a) General. Subject to Section 3(b), in the event that the Participant's employment with the Company is terminated, any unvested RSUs shall be forfeited automatically and without further action.

(b) Qualifying Termination. Notwithstanding the foregoing:

(i) In the event of the Participant's Qualifying Termination prior to the completion of any Performance Period applicable to the Award (and any associated Dividend Equivalent Amount), a portion of the RSUs which may be earned under the

Award will become earned, with the actual number of earned RSUs determined as follows:

(A) with respect to the one year measurement component of the Award, based on actual performance through the most recently completed fiscal quarter measured against the Performance Components as pro-rated based on the number of fiscal quarters completed prior to the Termination Date relative to the total number of fiscal quarters in the Performance Period; and

(B) with respect to the three year measurement component, based on actual performance through the Termination Date measured against the Performance Components based on actual performance through the Termination Date;

provided, that any performance criteria based on the achievement of company-wide strategic objectives or satisfaction of individual performance criteria shall be deemed achieved or satisfied at target level (as applicable); and

(ii) The number of earned RSUs calculated in accordance with Section 3(b)(i) which become vested (and any associated Dividend Equivalent Amount) will be pro-rated based on the number of days in the applicable Performance Period completed prior to the Termination Date, and such pro-rated number of earned RSUs under the Award shall be deemed vested in full and settled pursuant to Section 2(d), with the “Vesting Date” meaning the Termination Date.

(iii) In the event of the Participant’s Qualifying Termination after the completion of the Performance Period applicable to an Award, but prior to the last Vesting Date applicable to the earned RSUs granted under such Award, all such earned RSUs shall become vested as of the Termination Date. In such case, the number of earned RSUs (and any associated Dividend Equivalent Amount) under the Award shall be deemed vested in full and settled pursuant to Section 2(d), with the “Vesting Date” meaning the Termination Date.

(iv) The levels of achievement with respect to any Performance Components shall be adjusted from time to time by the Committee as it deems equitable and necessary in light of acquisitions, dispositions and other transactions or extraordinary or one- time events that impact the Company’s operations.

(c) Termination for Cause. In the event of the Participant’s termination of employment for Cause, then the Award, the RSUs (whether or not earned or vested) (and any associated Dividend Equivalent Amount) and any shares underlying RSUs that have not yet been transferred to the Participant shall be automatically forfeited as of the Termination Date.

(d) Change in Control. Notwithstanding the foregoing:

(i) In the event of a Change in Control during the Participant’s employment and prior to the completion of the Performance Period applicable to an Award, a portion

of the RSUs which may be earned under the Award will become earned, with the actual number of earned RSUs determined

(A) with respect to the one year measurement component of the Award, based on actual performance through the most recently completed fiscal quarter measured against the Performance Components as pro-rated based on the number of fiscal quarters completed prior to the date of such Change in Control relative to the total number of fiscal quarters in the Performance Period, and

(B) with respect to the three year measurement component of the Award, based on actual performance through the date of such Change in Control, measured against the Performance Criteria based on actual performance through the date of such Change in Control;

provided, that any performance criteria based on the achievement of company-wide strategic objectives or satisfaction of individual performance criteria shall be deemed achieved or satisfied at target level (as applicable)

(ii) In the event of a Change in Control during the Participant's employment and prior to a Vesting Date, all earned RSUs shall become vested as of the date of such Change in Control and settled pursuant to Section 2(d), with the "Vesting Date" meaning the date of the Change in Control.

4. Dividend Equivalent Rights.

(a) Each earned RSU shall have a Dividend Equivalent Right associated with it with respect to any cash dividends on Common Stock that have a record date after the Effective Date and prior to the applicable Settlement Date for such RSU (the total accrued dividends for each earned RSU, a "Dividend Equivalent Amount"). For the avoidance of doubt, no Dividend Equivalent Amount shall accrue in respect of an RSU which is not earned based on the achievement of Performance Components applicable to an Award.

(b) The Dividend Equivalent Amount shall be calculated by crediting a hypothetical bookkeeping account for the Participant with an amount equal to the amount of cash dividends that would have been paid on the dividend payment date with respect to the number of shares of Common Stock underlying the unsettled earned RSUs (or RSUs which become earned in accordance with this Agreement) if such shares had been outstanding on the dividend record date. The Participant's Dividend Equivalent Amount shall not be credited with interest or earnings.

(c) Any Dividend Equivalent Amount: (i) shall be subject to the same terms and conditions applicable to the earned RSU to which the Dividend Equivalent Right relates, including, without limitation, the restrictions on transfer and the forfeiture conditions contained in the Agreement; (ii) shall vest and be settled upon the same terms and at the same time of settlement as the earned RSUs to which they relate; and (iii) will

be denominated and payable solely in cash. The payment of Dividend Equivalent Rights will be net of all applicable withholding taxes pursuant to Section 5(g).

5. Miscellaneous.

(a) Administration. The Committee shall administer the Award. At the end of the Performance Period applicable to any Award, the Committee shall calculate and approve the number of earned RSUs awarded to the Participant under such Award.

(b) Agreement Subject to Plan; Amendment. By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Awards and RSUs granted hereunder are subject to the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail. The terms of the Agreement and the Award Certificate may be amended from time to time by the Committee in its sole discretion in any manner that it deems appropriate; provided, that any such amendment that would materially and adversely affect any right of the Participant shall not to that extent be effective without the consent of the Participant.

(c) Participant is Unsecured General Creditor. The Participant and the Participant's heirs, successors, and assigns shall have no legal or equitable rights, interest, or claims in any specific property or assets of the Company. Assets of the Company shall not be held under any trust for the benefit of the Participant or the Participant's heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under the Agreement or the Plan. Any and all of the Company's assets shall be, and remain, the general unrestricted assets of the Company. The Company's sole obligation under this Agreement and in respect of the Award shall be merely that of an unfunded and unsecured promise of the Company to pay the Participant in the future, subject to the conditions and provisions of the Agreement and the Plan.

(d) No Transferability; No Assignment. Neither the Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the Award or the RSUs. No part of the RSUs or the shares of Common Stock delivered in respect of any vested RSUs, and/or amounts payable under this Agreement shall, prior to actual settlement or payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by the Participant or any other person, be transferable by operation of law in the event of the Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

(e) No Right to Continued Employment. Neither the Plan nor this Agreement nor the Participant's receipt of the Award hereunder (or RSUs issued in settlement of the Award) shall impose any obligation on the Company or any Affiliate to continue the employment of the Participant. Further, the Company or any Affiliate (as applicable) may

at any time terminate the employment of such Participant, free from any liability or claim under the Plan or this Agreement, except as otherwise expressly provided herein or in any written employment agreement between the Participant and the Company (or any affiliate).

(f) Limitation on Shareholder Rights. The Participant shall have no rights as a shareholder of the Company, no dividend rights (subject to Dividend Equivalent Rights as set forth in Section 4) and no voting rights with respect to the RSUs and any shares of Common Stock underlying or issuable in respect of such RSUs until such shares of Common Stock are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the shares of Common Stock, except for the Dividend Equivalent Rights as set forth in Section 4.

(g) Tax Withholding.

(i) Regardless of any action the Company takes with respect to any or all federal, state or local income tax, employment tax or other tax related items ("Tax Related Items"), the Participant acknowledges that the ultimate liability for all Tax Related Items associated with the RSUs (and the Dividend Equivalent Rights associated therewith) is and remains the Participant's responsibility and that the Company: (A) makes no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs, the delivery of the shares of Common Stock, the subsequent sale of shares of Common Stock acquired at vesting and the receipt of any Dividend Equivalent Rights; and (B) does not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax Related Items. Further, if Participant has relocated to a different jurisdiction between the date of grant and the date of any taxable event, Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(ii) Prior to the relevant taxable event, the Participant shall pay or make adequate arrangements satisfactory to the Company, in its sole discretion, to satisfy all withholding and payment on account obligations for Tax Related Items of the Company. In this regard, the Participant authorizes the Company, in its sole discretion, to satisfy the obligations with regard to all Tax Related Items legally payable by the Participant with respect to the RSUs by withholding in shares of Common Stock otherwise issuable to the Participant, provided that the Company withholds only the amount of shares of Common Stock necessary to satisfy the minimum statutory withholding amount using the Fair Market Value of the shares of Common Stock on the Settlement Date. Participant shall pay to the Company any amount of Tax Related Items that the Company may be required to withhold as a result of the RSUs that are not satisfied by the previously described method. The Company may refuse to deliver the shares of Common Stock to the Participant if the Participant fails to comply with Participant's obligations in connection with the Tax Related Items as described in this Section.

(h) Compensation Recovery Policy. The compensation under this Agreement shall be subject to being recovered under the Company's compensation recovery policy, if any, or any similar policy that the Company may adopt from time to time. For avoidance of doubt, compensation recovery rights to shares of Common Stock issued under this Agreement shall extend to any proceeds realized by the Participant upon the sale or other transfer of such shares of Common Stock. Without limiting the generality of the foregoing, if in the opinion of the independent directors of the Board, (i) the Company's financial results are restated or were materially misstated due in whole or in part to intentional fraud or misconduct by the Participant, and (ii) the payment or equity or equity-based award made or issued pursuant to this Agreement based on the corrected financial results would be less than the amount previously paid or issued, then by approval by a majority of the independent directors of the Board, the Board may based upon the facts and circumstances surrounding the restatement, direct that the Company recover all or a portion of any payment or equity or equity-based award made or issued pursuant to this Agreement, and the Participant shall be required, in addition to any other remedy available (on a non-exclusive basis), to pay to the Company, within 10 business days' of the Company's request to Participant therefore, an amount equal to the excess, if any, of (i) the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) Participant received upon the sale or other disposition of, or distributions in respect of the RSUs and any shares of Common Stock issued in respect of such RSUs over (ii) the aggregate Cost of such shares (if any). For purposes of this Agreement, "Cost" means, in respect of any share of Common Stock, the amount paid by Participant for such share, as proportionately adjusted for all subsequent distributions.

(i) Section 409A Compliance. The Award and the shares of Common Stock and amounts payable under this Agreement are intended to comply with the requirements of Section 409A so as to prevent the inclusion in gross income of any benefits accrued hereunder in a taxable year prior to the taxable year or years in which such amount would otherwise be actually distributed or made available to the Participants. The Agreement shall be administered and interpreted to the extent possible in a manner consistent with that intent. Notwithstanding the terms of Section 2 or Section 3, if a Participant is a "specified employee" within the meaning of Section 409A, no payments in respect of any Award or RSU that is "deferred compensation" subject to Section 409A and which would otherwise be payable upon the Participant's "separation from service" (as defined in Section 409A) shall be made to such Participant prior to the date that is six months after the date of the Participant's "separation from service" or, if earlier, the Participant's date of death. Following any applicable six month delay, all such delayed payments will be paid in a single lump sum on the earliest date permitted under Section 409A that is also a business day. The Participant is solely responsible and liable for the satisfaction of all taxes and penalties under Section 409A that may be imposed on or in respect of the Participant in connection with this Agreement, and the Company shall not be liable to any Participant for any payment made under this Plan that is determined to result in an additional tax, penalty or interest under Section 409A, nor for reporting in good faith any payment made under this Agreement as an amount includible in gross income under Section 409A.

(j) Section 280G of the Code. In the event that the accelerated vesting of the RSUs or the amounts payable under this Agreement, together with all other payments and the value of any benefit received or to be received by the Participant, would result in all or a portion of such payment being subject to excise tax under Section 4999 of the Code (the “Excise Tax”), then the Participant’s payment shall be either (a) the full payment or (b) such lesser amount that would result in no portion of the payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state, and local employment taxes, income taxes, and the Excise Tax, results in the receipt by the Participant, on an after-tax basis, of the greatest amount of the payment notwithstanding that all or some portion of the payment may be taxable under Section 4999 of the Code. Any such reduction shall be made by the Company in compliance with all applicable legal authority, including Section 409A. All determinations required to be made under this Section shall be made by the nationally recognized accounting firm which is the Company’s outside auditor immediately prior to the event triggering the payments that are subject to the Excise Tax, which firm must be reasonably acceptable to the Participant (the “Accounting Firm”). The Company shall cause the Accounting Firm to provide detailed supporting calculations of its determinations to the Company and the Participant. All fees and expenses of the Accounting Firm shall be borne solely by the Company. The Accounting Firm’s determinations must be made with substantial authority (within the meaning of Section 6662 of the Code).

(k) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and performed wholly within the State of Maryland, without giving effect to the conflict of law provisions thereof. Any suit, action or proceeding with respect to this Agreement (or any provision incorporated by reference), or any judgment entered by any court in respect of any thereof, shall be brought in any court of competent jurisdiction in the State of New York or the State of Maryland, and each of the Participant and the Company hereby submits to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding, or judgment. Each of the Participant and the Company hereby irrevocably waives (i) any objections which it may now or hereafter have to the laying of the venue of any suit, action, or proceeding arising out of or relating to this Agreement brought in any court of competent jurisdiction in the State of New York or the State of Maryland, (ii) any claim that any such suit, action, or proceeding brought in any such court has been brought in any inconvenient forum and (iii) any right to a jury trial.

(l) Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

* * * * *

**BRIXMOR PROPERTY GROUP INC.
RESTRICTED STOCK UNIT AGREEMENT
AWARD CERTIFICATE**

1. Brixmor Property Group Inc., a Maryland corporation (together with its Subsidiaries, the “Company”), and the Participant who is signatory hereto, hereby agree to the terms of this Award Certificate and the Brixmor Property Group Inc. Restricted Stock Unit Agreement (the “Agreement”) to which it is attached. All capitalized terms used in this Award Certificate and not defined herein shall have the meanings assigned to them in the Company’s 2013 Omnibus Incentive Plan (the “Plan”) or the Agreement.

2. Subject to the terms of this Award Certificate, the Agreement, and the Plan, the Company hereby grants to the Participant as of the Effective Date, the Award on the terms set forth below:

Participant:
Effective Date: March 6, 2015
Total Target RSU Award Amount:

One Year Measurement Component

Award Range for Company Performance Components

- Threshold Award Amount: RSUs
- Target Award Amount: RSUs
- Maximum Award Amount: RSUs

In addition to the above number of RSU’s, RSU’s if Individual Performance Goals are achieved

Performance Period: January 1, 2015 through December 31, 2015

Performance Components

- Adjusted EBITDA Per Share Target (Relative Weighting: 37.50%)

Level of Achievement	Performance Level Achieved	Percentage of Award Earned
Threshold	TBD	50%
Target	TBD	100%
Maximum	TBD	150%

- AFFO (Adjusted Funds from Operations) Per Share Target (Relative Weighting: 37.50%)
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Level of Achievement	Performance Level Achieved	Percentage of Award Earned
Threshold	TBD	50%
Target	TBD	100%
Maximum	TBD	150%

- Achievement of Individual Performance Goals (Relative Weighting: 25%)

Three Year Measurement Component

Award Range for Company Performance Components

- Threshold Award Amount: [] RSUs
- Target Award Amount: [] RSUs
- Maximum Award Amount: [] RSUs

In addition to the above number of RSU's, [] RSU's if Company Wide Strategic Objectives are achieved

Performance Period: January 1, 2015 through December 31, 2017

Performance Components:

- Relative US Shopping Center Index TSR: (Relative Weighting: 60%)

Level of Achievement	Performance Level Achieved	Percentage of Award Earned
Threshold	TBD	50%
Target	TBD	100%
Maximum	TBD	150%

- Brixmor TSR (Relative Weighting: 20%)

Level of Achievement	Performance Level Achieved	Percentage of Award Earned
Threshold	TBD	50%
Target	TBD	100%
Maximum	TBD	150%

- Company-Wide Strategic Objectives (Relative Weighting: 20%)

o Continued strengthening of the company's balance sheet with the outcome being an improvement of the company's corporate credit rating to BBB or equivalent from a majority of the Rating Agencies rating the Company's senior, unsecured, long term indebtedness.

3. The Award and any RSUs which may be earned under the Award are subject to the terms and conditions set forth in this Award Certificate, the Plan and the Agreement. All terms and provisions of the Plan and the Agreement, as the same may be amended from time to time, are incorporated and made part of this Award Certificate. If any provision of this Award Certificate is in conflict with the terms of the Plan or the Agreement, then the terms of the Plan or the Agreement, as applicable, shall govern. The Participant hereby expressly acknowledges receipt of a copy of the Plan and the Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered as of the date first above written.

BRIXMOR PROPERTY GROUP INC.

PARTICIPANT

By: _____
Name:
Title: Authorized Signatory

Name: [Name]

**BRIXMOR OPERATING PARTNERSHIP LP
LTIP UNIT AGREEMENT**

THIS LTIP UNIT AGREEMENT (this “Agreement”) dated as of the Effective Date set forth in the Award Certificate (the “Award Certificate”) is made by and between Brixmor Operating Partnership LP (the “Partnership”) and Brixmor Property Group Inc. (together with its Subsidiaries, the “Company”), and the Participant. The Award Certificate is included with and made part of this Agreement. In this Agreement and each Award Certificate, unless the context otherwise requires, words and expressions shall have the meanings given to them in the Plan, except as herein defined.

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

- (a) “Achievement Percentage” means the “Percentage of Award Earned” specified with respect to the threshold, target, and maximum levels for each Performance Component on the Award Certificate, or a percentage determined using linear interpolation if actual performance falls between threshold and target, or between target and maximum levels. In the event that actual performance does not meet the threshold level for any Performance Component, the “Achievement Percentage” with respect to such Performance Component shall be zero.
 - (b) “AFFO” means adjusted funds from operations, as determined by the Company for any fiscal quarter, as approved by either the Committee or the Board.
 - (c) “AFFO Per Share” means the per share amount obtained by dividing AFFO by Fully Diluted Shares.
 - (d) “Award” means the award as set forth on the Award Certificate.
 - (e) “Award Certificate” means the certificate attached to this Agreement specifying the Effective Date and the Award, and the applicable Performance Periods and Performance Components for each Award.
 - (f) “Board” means the Board of Directors of Brixmor Property Group Inc.
 - (g) “Brixmor TSR” means the compound annual growth rate, expressed as a percentage and rounded to the nearest one decimal point, in the value of a share of Common Stock due to stock appreciation and dividends, assuming dividends are reinvested in Common Stock as and when paid, during the applicable Performance Period. For this purpose, the “Beginning Stock Price” means \$24.84 per share of Common Stock; and, the “Ending Stock Price” means the average of the closing sales price of the Company’s Common Stock on the NYSE for the ten (10) trading days immediately preceding and including the last day of a Performance Period (or such other period as the Committee may determine); provided, however, for purposes of the Relative US Shopping Center Index TSR Performance Component, the Ending Stock Price shall be the closing sales price of the Company’s Common Stock on the last day of the applicable Performance Period.
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- (h) “Distribution Payment” means, for any distribution declared and paid on one Partnership Common Unit, the amount of such distribution (excluding dividends and distributions paid in the form of additional shares of Common Stock and Partnership Common Units (as defined in the Partnership Agreement) unless adjustment is otherwise made pursuant to Section 13 of the Plan).
- (i) “Earned Units” means, collectively, the Performance Earned Units and the Dividend Earned Units.
- (j) “Adjusted EBITDA” means adjusted EBITDA as reported in the Company’s supplemental disclosure for any fiscal quarter.
- (k) “Adjusted EBITDA Per Share” means the per share amount obtained by dividing adjusted EBITDA by Fully Diluted Shares.
- (l) “Effective Date” means the Effective Date set forth in the Award Certificate.
- (m) “Ex-Dividend Common Share Price” means, as of the ex-dividend date with respect to a share of Common Stock, (i) the average of the high and low price of a share of Common Stock as reported by the primary exchange on which the Common Stock is listed and traded on such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported, or (ii) if the Common Stock is not listed on a national securities exchange, the amount determined by the Committee in good faith to be the Ex-Dividend Common Share Price of the Common Stock.
- (n) “Fully Diluted Shares” means the fully diluted share count of the Company, as reported in the Company’s supplemental disclosure for any fiscal quarter.
- (o) “LTIP Fraction” has the meaning set forth in the Partnership Agreement. For all purposes of the Partnership Agreement and this Agreement, the LTIP Fraction for each LTIP Unit granted hereunder shall be as set forth on the Award Certificate.
- (p) “LTIP Unit” means an OP Unit of the Partnership granted hereunder pursuant to the Plan.
- (q) “Participant” means the Eligible Person whose name is set forth in the Award Certificate.
- (r) “Partnership Agreement” means the Amended and Restated Agreement of Limited Partnership of Brixmor Operating Partnership LP, as amended or supplemented from time to time.
- (s) “Performance Components” means the performance criteria applicable to an Award, as set forth on the Award Certificate.
- (t) “Performance Period” means the applicable performance period specified in the Award Certificate.

(u) “Plan” means the Brixmor Property Group Inc. 2013 Omnibus Incentive Plan.

(v) “Qualifying Termination” means a termination of Participant’s employment (w) by the Company without Cause or while Participant has a Disability (as defined in the Plan), (x) if the Participant’s written employment agreement with the Company (or any affiliate) includes a definition of “good reason” or “constructive termination,” by the Participant for “good reason” or “constructive termination” (as defined in such written employment agreement), (y) which is a Retirement, or (z) resulting from the Participant’s death. Notwithstanding the definition of Cause as set forth in the Plan, for purposes of this Agreement, the termination of a Participant’s employment by the Company for poor performance (as determined in the sole judgment of a majority of the management committee) shall constitute a termination by the Company for Cause.

(w) “Relative US Shopping Center Index TSR” means the comparison of the Brixmor TSR to the Shopping Center Index TSR.

(x) “Relative Weighting” means, in respect of any Performance Component, the “Relative Weighting” set forth for such Performance Component on the Award Certificate.

(y) “Retirement” means the Participant’s Termination of Employment with the Company, other than for Cause, following the date on which (i) the sum of the following equals or exceeds 65 years: (A) the number of years of the Participant’s employment and other business relationships with the Company and any predecessor company, and (B) the Participant’s age on the date of termination, (ii) the Participant attained the age of 55 years old, and (iii) the number of years of the Participant’s employment and other business relationships with the Company and any predecessor company is at least five (5).

(z) “Shopping Center Index TSR” means the compound annual growth rate, rounded to the nearest decimal point, in the value of the FTSE NAREIT Equity Shopping Centers Index during the applicable Performance Period. The Shopping Center Index TSR is obtained from information publicly reported by the National Association of Real Estate Investment Trusts.

(aa) “Target Award Amount” means, in respect of any Award, the “Target Award Amount” set forth for such Award on the Award Certificate.

(bb) “Termination Date” means the effective date of a Termination of Employment for any reason.

(cc) “Termination of Employment” means a “separation from service” of the Participant from the Company, as defined under Section 409A.

2. Range of LTIP Units under Awards; Calculation of LTIP Units.

(a) Grant of Award Ranges. (i) The Partnership hereby grants to the Participant the opportunity to earn the number of LTIP Units set forth in the Award Certificate equal to the ranges set forth in the Award Certificate for the Award (with a threshold, target, and maximum number of LTIP Units for the Award). The actual number of LTIP Units earned under the Award shall be determined pursuant to Section 2(b) and, further, such earned LTIP Units shall be subject to the satisfaction of the service vesting conditions set forth herein. In addition, the Partnership hereby grants to the Participant the right to receive Dividend Earned Units attributable to such LTIP Units as provided for herein.

(ii) Admission to Partnership.

(A) The Participant shall be admitted as a limited partner of the Partnership in respect of the LTIP Units as of the Effective Date by signing and delivering to the Partnership a copy of this Agreement.

(B) Upon execution of this Agreement by the Participant, the Partnership and the Company, and the updating of the books and records of the Partnership to reflect the issuance to the Participant of the LTIP Units and the admission of the Participant as an LTIP Unit Limited Partner, the Partnership shall deliver to the Participant a certificate, letter or electronic documentation certifying the number of LTIP Units then issued to the Participant. Thereupon, the Participant shall have all the rights of an LTIP Unit Limited Partner of the Partnership with respect to the maximum number of LTIP Units which may be earned hereunder and the shares of Common Stock of the Company into which such earned LTIP Units may be converted in accordance with the Partnership Agreement.

(iii) Representations and Warranties. The Participant hereby makes the covenants, representations and warranties set forth on Exhibit C attached hereto as of the Effective Date, and the Participant shall immediately notify the Company and the Partnership upon discovering that any of the representations or warranties set forth on Exhibit A was false when made or have, as a result of changes in circumstances, become false.

(iv) Section 83(b) Election. Within 10 days after the Effective Date, the Participant shall provide the Partnership with a copy of a completed election under Section 83(b) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder in the forms of Exhibit B hereto. The Participant shall timely (within 30 days of the Effective Date) file (via certified mail, return receipt requested) such election with the Internal Revenue Service and shall thereafter notify the Partnership that the Participant has made such timely filings. **The Participant should consult Participant's tax advisor regarding the consequences of Section 83(b) elections, as well as the receipt, vesting, holding and sale of LTIP Units.**

(b) Calculation of Number of Earned LTIP Units.

(i) Following the last day of the Performance Period applicable to the Award (a “Determination Date”), subject to the Participant’s continued employment through the last day of the Performance Period the total number of LTIP Units earned under the Award shall be calculated by the Committee with respect to each Performance Component under the Award. For each Performance Component, the total number of LTIP Units earned shall be equal to the product of (x) the Target Award Amount for such Performance Component, multiplied by (y) the Relative Weighting for such Performance Component, multiplied by (z) the Achievement Percentage for such Performance Component (the “Performance Earned Units”). In the event that the Company’s actual performance does not meet the threshold level for a Performance Component, no LTIP Units shall be earned in respect of that Performance Component.

(ii) Upon any Vesting Date (as defined below), an additional number of LTIP Units will be deemed earned LTIP Units (any such LTIP Units, “Dividend Earned Units”), calculated with respect to each separate Distribution Payment made between the Effective Date and such Vesting Date. The number of Dividend Earned Units for each Distribution Payment shall be equal to the quotient of (A) the product of (x) the number of Performance Earned Units which became vested on such Vesting Date multiplied by (y) 90% of such Distribution Payment, divided by (B) the Ex-Dividend Common Share Price on the ex-dividend date for such Distribution Payment. The number of Dividend Earned Units shall be the sum of all of the foregoing calculations done for each applicable Distribution Payment. All Dividend Earned Units shall be deemed to be Vested LTIP Units under Section 2(c) as of the applicable Vesting Date for which calculations are done.

(iii) The foregoing calculations shall be made no later than 90 days following each applicable Determination Date (with respect to clause (i)) and each applicable Vesting Date (with respect to clause (ii)), as applicable, or as soon thereafter as reasonably practicable, at which time the Partnership shall notify the Participant of the total number of Performance Earned Units or Dividend Earned Units, as applicable (rounded down to the nearest whole LTIP Unit) (any such date, a “Calculation Date”). Any LTIP Units which do not become Vested LTIP Units following the final Vesting Date shall be forfeited automatically and without further action as of that date (and if there are no Performance Earned Units outstanding following the final Determination Date, then all LTIP Units that are not Vested LTIP Units shall be forfeited automatically and without further action as of that date)

(iv) If following any Calculation Date, the total number of Earned Units calculated pursuant to any of Section 2(b)(i) and Section 2(b)(ii) (measured in the aggregate); Section 3(b); or Section 3(d) exceeds the total number of LTIP Units granted pursuant to Section 2(a), then (A) the Partnership shall issue to the Participant, as of the Calculation Date, an additional number of LTIP Units equal

to the shortfall; (B) such LTIP Units shall be deemed earned LTIP Units for the purposes of this Award; and (C) the Company and the Partnership shall take such corporate actions as are necessary to accomplish the grant of such additional LTIP Units; provided that such issuance will be subject to the Participant executing and delivering such documentation that the Company and the Partnership may reasonably request in order to comply with all applicable legal and accounting requirements including, without limitation, federal and state securities laws.

(v) In the event of an equity restructuring, as defined in Financial Accounting Standards Board Accounting Standards Codification 718-10 (formerly Statement of Financial Accounting Standards 123R), the Committee shall adjust any Performance Component to the extent it is affected by such restructuring so as to preserve (without enlarging) the likelihood that such Performance Component shall be satisfied, with the manner of such adjustment to be determined by the Committee in its sole discretion.

(c) Vesting. Subject to Section 3, the LTIP Units earned under the Award shall become vested LTIP Units (“Vested LTIP Units”) as follows, subject to the Participant’s continued employment with the Company through the applicable date(s) (each, a “Vesting Date”):

(i) the Performance Earned Units earned in respect of the one year measurement component of the Award, if any, shall become Vested LTIP Units with respect to 50% of such Performance Earned Units on the applicable Determination Date, and with respect to an additional 25% of such Performance Earned Units on each of January 1, 2017 and January 1, 2018; and

(ii) the Performance Earned Units earned in respect of the three year measurement component of the Award, if any, shall become Vested LTIP Units with respect to 50% of such Performance Earned Units on the applicable Determination Date, and with respect to an additional 25% of such Performance Earned Units on each of January 1, 2019 and January 1, 2020.

In the event the Participant is vested in a fractional portion of a Performance Earned Unit, such portion shall be rounded down to the nearest whole number.

3. Effects of Certain Events.

(a) General. Subject to Section 3(b), in the event that the Participant’s employment with the Company is terminated, any LTIP Units that are not Vested LTIP Units shall be forfeited automatically and without further action.

(b) Qualifying Termination. Notwithstanding the foregoing:

(i) In the event of the Participant’s Qualifying Termination prior to the completion of the Performance Period applicable to an Award, a portion of the LTIP Units which may be earned under the Award will become Performance Earned Units, with the actual number of Earned Units determined as follows:

(A) with respect to one year measurement component of the Award, based on actual performance through the most recently completed fiscal quarter measured against the Performance Components as prorated based on the number of fiscal quarters completed prior to the Termination Date relative to the total number of fiscal quarters in the Performance Period; and

(B) with respect to the three year measurement component of the Award, based on actual performance through the Termination Date measured against the Performance Components as pro-rated based on actual performance through the Termination Date;

provided, that any performance criteria based on the achievement of company-wide strategic objectives or satisfaction of individual performance criteria shall be deemed achieved or satisfied at target level (as applicable).

(ii) The number of Performance Earned Units calculated in accordance with Section 3(b)(i) which become Vested LTIP Units will be pro-rated based on the number of days in the applicable Performance Period completed prior to the Termination Date, and such pro-rated number of earned LTIP Units under the Award shall be deemed Vested LTIP Units (and any LTIP Units issued hereunder that are not so vested shall be immediately forfeited). Upon the determination of the number of pro-rated Performance Earned Units, additional LTIP Units shall become Dividend Earned Units (which shall be Vested LTIP Units) with respect to any Distribution Payments made between the Effective Date and the Termination Date using the methodology set forth in Section 2(b)(ii), calculated as though the Termination Date was the Vesting Date of the applicable Performance Earned Units;

(iii) In the event of the Participant's Qualifying Termination after the completion of the Performance Period applicable to an Award, but prior to a Vesting Date, then with respect to all such unvested Performance Earned Units, (A) such Performance Earned Units shall become Vested LTIP Units as of the Termination Date, (B) an additional number of LTIP Units shall become Dividend Earned Units (which shall be Vested LTIP Units) using the methodology set forth in Section 2(b)(ii), calculated as though the Termination Date was the Vesting Date of such Performance Earned Units, and (C) any LTIP Units issued hereunder that do not so become Vested LTIP Units shall immediately be forfeited.

(iv) The levels of achievement with respect to any Performance Components shall be adjusted from time to time by the Committee as it deems equitable and necessary in light of acquisitions, dispositions and other transactions or extraordinary or one-time events that impact the Company's operations.

(c) Termination for Cause. In the event of the Participant's termination of employment for Cause, then the Award and the LTIP Units that are not Vested LTIP Units shall be automatically forfeited as of the Termination Date.

(d) Change in Control. Notwithstanding the foregoing:

(i) In the event of a Change in Control during the Participant's employment and prior to the completion of the Performance Period applicable to an Award, a portion of the LTIP Units which may be earned under the Award will become Performance Earned Units or Dividend Earned Units, with the actual number of Earned Units determined

(A) with respect to the one year measurement component under the Award, based on actual performance through the most recently completed fiscal quarter measured against the Performance Components as pro-rated based on the number of fiscal quarters completed prior to the date of such Change in Control relative to the total number of fiscal quarters in the Performance Period;

(B) with respect to the three year measurement component under the Award, based on actual performance through the date of such Change in Control, measured against the Performance Criteria based on actual performance through the date of such Change in Control; and

(C) if any LTIP Units become Performance Earned Units in accordance with Section 3(d)(i)(A) or (B), then with respect to any Distribution Payments made between the Effective Date and the date of such Change in Control, additional LTIP Units shall become Dividend Earned Units (which shall be Vested LTIP Units) using the methodology set forth in Section 2(b)(ii), calculated as though the date of such Change in Control was the Vesting Date of the applicable Performance Earned Units;

provided, that any performance criteria based on the achievement of company-wide strategic objectives or satisfaction of individual performance criteria shall be deemed achieved or satisfied at target level (as applicable), and

(ii) In the event of a Change in Control during the Participant's employment and prior to a Vesting Date, then with respect to all such unvested Performance Earned Units, (A) such Performance Earned Units shall become Vested LTIP Units as of the date of such Change in Control, (B) an additional number of LTIP Units shall become Dividend Earned Units (which shall be Vested LTIP Units) using the methodology set forth in Section 2(b)(ii), calculated as though the date of such Change in Control was the Vesting Date of such Performance Earned Units, and (C) any LTIP Units issued hereunder that do not so become Vested LTIP Units shall be immediately forfeited).

4. Miscellaneous.

(a) Administration. The Committee shall administer the Award. At the end of the Performance Period applicable to any Award, the Committee shall calculate and approve the number of earned LTIP Units awarded to the Participant under such Award. If the Committee determines at any time that an unearned LTIP Unit cannot become a Vested LTIP Unit, the Committee shall have the authority to terminate and cancel such unearned LTIP Unit for no consideration and without liability to the Participant.

(b) Agreement Subject to Plan and Partnership Agreement; Amendment. By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and the Partnership Agreement. The Awards and LTIP Units granted hereunder are subject to the Plan and the Partnership Agreement. The terms and provisions of the Plan and the Partnership Agreement, as the same may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan or the Partnership Agreement, the applicable terms and provisions of the Plan or the Partnership Agreement as applicable, will govern and prevail. The terms of the Agreement and the Award Certificate may be amended from time to time by the Committee in its sole discretion in any manner that it deems appropriate; provided, that any such amendment that would materially and adversely affect any right of the Participant shall not to that extent be effective without the consent of the Participant.

(c) No Transferability; No Assignment. Except as provided in the Partnership Agreement, including Section 11.3 thereto, neither the Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey the Award or the LTIP Units, except that an LTIP Unit may be exchanged for Common Stock subject to the terms of this Agreement and pursuant to the Partnership Agreement. No part of the Award or the LTIP Units shall be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by the Participant or any other person, be transferable by operation of law in the event of the Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

(d) No Right to Continued Employment. Neither the Plan nor this Agreement nor the Participant's receipt of the Award hereunder shall impose any obligation on the Company or any Affiliate to continue the employment of the Participant. Further, the Company or any Affiliate (as applicable) may at any time terminate the employment of such Participant, free from any liability or claim under the Plan or this Agreement, except as otherwise expressly provided herein or in any written employment agreement between the Participant and the Company (or any affiliate).

(e) Limitation on Rights. The Participant shall be the record owner of the LTIP Units, and as record owner shall be entitled to all rights of a holder of LTIP Units under the Partnership Agreement.

(f) Legend. To the extent applicable, all book entries (or certificates, if any) representing the LTIP Units delivered to the Participant as contemplated by Section 2 above shall be subject to the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such LTIP Units are listed, and any applicable Federal or state laws, and the Partnership may cause notations to be made next to the book entries (or a legend or legends put on certificates, if any) to make appropriate reference to such restrictions. Any such book entry notations (or legends on certificates, if any) shall include a description to the effect of the restrictions set forth in Section 4(f) hereof.

(g) Securities Laws; Cooperation. The Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement. Participant further agrees to cooperate with the Company and the Partnership in taking any action reasonably necessary or advisable to consummate the transactions contemplated by this Agreement.

(h) Tax Withholding.

(i) Regardless of any action the Company or the Partnership takes with respect to any or all federal, state or local income tax, employment tax or other tax related items ("Tax Related Items"), the Participant acknowledges that the ultimate liability for all Tax Related Items associated with the LTIP Units (and any distributions in respect thereof) is and remains the Participant's responsibility and that each of the Company and the Partnership: (A) makes no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the LTIP Units, including, but not limited to, the grant or vesting of the LTIP Units, the exchange of the shares of Common Stock, the subsequent sale of shares of Common Stock and the receipt of any distributions in respect thereof; and (B) does not commit to structure the terms of the grant or any aspect of the LTIP Units to reduce or eliminate the Participant's liability for Tax Related Items. Further, if Participant has relocated to a different jurisdiction between the date of grant and the date of any taxable event, Participant acknowledges that the Partnership and/or Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction and/or the nature of certain Tax-Related Items may vary.

(ii) If applicable, prior to the relevant taxable event, the Participant shall pay or make adequate arrangements satisfactory to the Partnership and/or the Company, in its sole discretion, to satisfy all withholding and payment on account obligations for Tax Related Items of the Company and the Partnership. In this regard, the Participant authorizes the Company and the Partnership, each in its sole discretion, to satisfy the obligations with regard to all Tax Related Items legally payable by the Participant with respect to the LTIP Units by withholding in shares of Common Stock otherwise issuable to the Participant, provided that the Company and/or the Partnership withholds only the amount of shares of Common Stock necessary to satisfy the minimum statutory withholding amount

using the Fair Market Value of the shares of Common Stock on the Settlement Date. Participant shall pay to the Company and/or the Partnership any amount of Tax Related Items that the Company and/or the Partnership may be required to withhold as a result of the LTIP Units that are not satisfied by the previously described method. The Company may refuse to deliver the shares of Common Stock to the Participant if the Participant fails to comply with Participant's obligations in connection with the Tax Related Items as described in this Section.

(i) Compensation Recovery Policy. The property received under this Agreement shall be subject to being recovered under the Company's compensation recovery policy, if any, or any similar policy that the Company may adopt from time to time. For avoidance of doubt, compensation recovery rights to shares of Common Stock issued under this Agreement shall extend to any proceeds realized by the Participant upon the sale or other transfer of such shares of Common Stock. Without limiting the generality of the foregoing, if in the opinion of the independent directors of the Board, (i) the Company's financial results are restated or were materially misstated due in whole or in part to intentional fraud or misconduct by the Participant, and (ii) the payment or equity or equity-based award made or issued pursuant to this Agreement based on the corrected financial results would be less than the amount previously paid or issued, then by approval by a majority of the independent directors of the Board, the Board may, based upon the facts and circumstances surrounding the restatement, direct that the Company and/or the Partnership recover all or a portion of any payment or equity or equity-based award made or issued pursuant to this Agreement, and the Participant shall be required, in addition to any other remedy available (on a non-exclusive basis), to pay to the Company or the Partnership (as determined by the Board), within 10 business days' of the Company's or the Partnership's request to Participant therefor, an amount equal to the excess, if any, of (i) the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) Participant received upon the sale or other disposition of, or distributions in respect of the LTIP Units and any shares of Common Stock issued in respect of such LTIP Units over (ii) the aggregate Cost of such LTIP Units and/or shares (if any). For purposes of this Agreement, "Cost" means, in respect of any LTIP Unit and/or share of Common Stock, the amount paid by Participant for such share, as proportionately adjusted for all subsequent distributions.

(j) Section 409A Compliance. The Award and the shares of Common Stock and amounts payable under this Agreement are intended to comply with the requirements of Section 409A so as to prevent the inclusion in gross income of any benefits accrued hereunder in a taxable year prior to the taxable year or years in which such amount would otherwise be actually distributed or made available to the Participants. The Agreement shall be administered and interpreted to the extent possible in a manner consistent with that intent. The Participant is solely responsible and liable for the satisfaction of all taxes and penalties under Section 409A that may be imposed on or in respect of the Participant in connection with this Agreement, and the Company and the Partnership shall not be liable to any Participant for any payment made under this Plan that is determined to result in an additional tax, penalty or interest under Section 409A, nor for reporting in good

faith any payment made under this Agreement as an amount includible in gross income under Section 409A.

(k) Section 280G of the Code. In the event that the accelerated vesting of the LTIP Units or the amounts payable under this Agreement, together with all other payments and the value of any benefit received or to be received by the Participant, would result in all or a portion of such payment being subject to excise tax under Section 4999 of the Code (the “Excise Tax”), then the Participant’s payment shall be either (a) the full payment or (b) such lesser amount that would result in no portion of the payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state, and local employment taxes, income taxes, and the Excise Tax, results in the receipt by the Participant, on an after-tax basis, of the greatest amount of the payment notwithstanding that all or some portion of the payment may be taxable under Section 4999 of the Code. Any such reduction shall be made by the Company and/or the Partnership in compliance with all applicable legal authority, including Section 409A. All determinations required to be made under this Section shall be made by the nationally recognized accounting firm which is the Company’s outside auditor immediately prior to the event triggering the payments that are subject to the Excise Tax, which firm must be reasonably acceptable to the Participant (the “Accounting Firm”). The Company shall cause the Accounting Firm to provide detailed supporting calculations of its determinations to the Company, the Partnership, and the Participant. All fees and expenses of the Accounting Firm shall be borne solely by the Company. The Accounting Firm’s determinations must be made with substantial authority (within the meaning of Section 6662 of the Code).

(l) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Maryland applicable to contracts made and performed wholly within the State of Maryland, without giving effect to the conflict of laws provisions thereof. Any suit, action or proceeding with respect to this Agreement (or any provision incorporated by reference), or any judgment entered by any court in respect of any thereof, shall be brought in any court of competent jurisdiction in the State of New York or the State of Maryland, and each of the Participant, the Company, and the Partnership hereby submits to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding, or judgment. Each of the Participant, the Company and the Partnership hereby irrevocably waives (i) any objections which it may now or hereafter have to the laying of the venue of any suit, action, or proceeding arising out of or relating to this Agreement brought in any court of competent jurisdiction in the State of New York or the State of Maryland, (ii) any claim that any such suit, action, or proceeding brought in any such court has been brought in any inconvenient forum and (iii) any right to a jury trial.

(m) Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

BRIXMOR OPERATING PARTNERSHIP LP
LTIP UNIT AGREEMENT AWARD CERTIFICATE

1. Brixmor Operating Partnership LP (the “Partnership”), Brixmor Property Group Inc., a Maryland corporation (together with its Subsidiaries, the “Company”), and the Participant who is signatory hereto, hereby agree to the terms of this Award Certificate and the Brixmor Property Group Inc. LTIP Unit Agreement (the “Agreement”) to which it is attached. All capitalized terms used in this Award Certificate and not defined herein shall have the meanings assigned to them in the Company’s 2013 Omnibus Incentive Plan (the “Plan”) or the Agreement.

2. Subject to the terms of this Award Certificate, the Agreement, and the Plan, the Partnership hereby grants to the Participant as of the Effective Date, the Award on the terms set forth below:

Participant:	
Effective Date:	March 6, 2014
Total Maximum LTIP Unit Award Amount:	
LTIP Fraction:	$\frac{1}{10}$

One Year Measurement Component

Award Range

- Threshold Award Amount: LTIP Units
- Target Award Amount: LTIP Units
- Maximum Award Amount: LTIP Units

In addition to the above number of LTIP Units, LTIP Units if Individual Performance Goals are achieved

Performance Period: January 1, 2015 through December 31, 2015

Performance Components

- Adjusted EBITDA Per Share Target (Relative Weighting: 37.50%)

Level of Achievement	Performance Level Achieved	Percentage of Award Earned
Threshold	TBD	50%
Target	TBD	100%
Maximum	TBD	150%

- AFFO (Adjusted Funds from Operations) Per Share Target (Relative Weighting: 37.50%)

Level of Achievement	Performance Level Achieved	Percentage of Award Earned
Threshold	TBD	50%
Target	TBD	100%
Maximum	TBD	150%

- Achievement of Individual Performance Goals (Relative Weighting: 25%)
-

Three Year Measurement Component

Award Range

- Threshold Award Amount: [] LTIP Units
- Target Award Amount: [] LTIP Units
- Maximum Award Amount: [] LTIP Units

In addition to the above number of LTIP Units, [] LTIP Units if Company Strategic Objectives are achieved

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Performance Period: January 1, 2015 through December 31, 2017

Performance Components:

- Relative US Shopping Center Index TSR: (Relative Weighting: 60%)

Level of Achievement	Performance Level Achieved	Percentage of Award Earned
Threshold	TBD	50%
Target	TBD	100%
Maximum	TBD	150%

- Brixmor TSR (Relative Weighting: 20%)

Level of Achievement	Performance Level Achieved	Percentage of Award Earned
Threshold	TBD	50%
Target	TBD	100%
Maximum	TBD	150%

- Company-Wide Strategic Objectives (Relative Weighting: 20%)

Continued strengthening of the company’s balance sheet with the outcome being an improvement of the company’s corporate credit rating to BBB or equivalent from a majority of the Rating Agencies rating the Company’s senior, unsecured, long term indebtedness.

3. The Award and any LTIP Units which may be earned under the Award are subject to the terms and conditions set forth in this Award Certificate, the Plan and the Agreement. All terms and provisions of the Plan and the Agreement, as the same may be amended from time to time, are incorporated and made part of this Award Certificate. If any provision of this Award Certificate is in conflict with the terms of the Plan or the Agreement, then the terms of the Plan or the Agreement, as applicable, shall govern. The Participant hereby expressly acknowledges receipt of a copy of the Plan and the Agreement.

* * * * *

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered as of the date first above written.

BRIXMOR PROPERTY GROUP INC.

PARTICIPANT

By: _____

Name:

Title: Authorized Signatory

BRIXMOR OPERATING PARTNERSHIP LP

Name: [Name]

By: Brixmor OP GP LLC, its general partner

By: _____

Name:

Title: Authorized Signatory

Investment Representations of Participant

1. LTIP Units Unregistered. Participant acknowledges and represents that Participant has been advised by the Company and the Partnership that:

- (a) the offer and sale of the LTIP Units have not been registered under the Securities Act;
- (b) the LTIP Units must be held indefinitely and Participant must continue to bear the economic risk of the investment in the LTIP Units unless the offer and sale of such LTIP Units are subsequently registered under the Securities Act and all applicable state securities laws or an exemption from such registration is available (or as otherwise provided in the LP Agreement or the Securityholders Agreement);
- (c) there is no established market for the LTIP Units and it is not anticipated that there will be any public market for the LTIP Units in the foreseeable future;
- (d) a restrictive legend in the form set forth below, and such as may be determined by the Company and/or the Partnership pursuant to the Partnership Agreement, shall be placed on the certificates, if any, representing the LTIP Units:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN REPURCHASE OPTIONS AND OTHER PROVISIONS SET FORTH IN A MANAGEMENT SUBSCRIPTION AGREEMENT WITH THE ISSUER, AS AMENDED AND MODIFIED FROM TIME TO TIME, A COPY OF WHICH MAY BE OBTAINED BY THE HOLDER HEREOF AT THE ISSUER’S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE”; and

- (e) a notation shall be made in the appropriate records of the Partnership indicating that the LTIP Units are subject to restrictions on transfer and, if the Partnership should at some time in the future engage the services of a securities transfer agent, appropriate stop-transfer instructions will be issued to such transfer agent with respect to the LTIP Units.

2. Additional Investment Representations. Participant represents and warrants that:

- (a) Participant’s financial situation is such that Participant can afford to bear the economic risk of holding the LTIP Units for an indefinite period of time, has adequate means for providing for Participant’s current needs and personal contingencies, and can afford to suffer a complete loss of Participant’s investment in the LTIP Units;
 - (b) Participant’s knowledge and experience in financial and business matters are such that Participant is capable of evaluating the merits and risks of the investment in the LTIP Units;
-

(c) Participant understands that the LTIP Units are a speculative investment which involves a high degree of risk of loss of Participant's investment therein, there are substantial restrictions on the transferability of the LTIP Units and, on the Effective Date and for an indefinite period following the Closing, there will be no public market for the LTIP Units and, accordingly, it may not be possible for Participant to liquidate Participant's investment in case of emergency, if at all;

(d) Participant understands and has taken cognizance of all the risk factors related to the purchase of the LTIP Units and, other than as set forth in this Agreement and the Partnership Agreement, no representations or warranties have been made to Participant or Participant's representatives concerning the LTIP Units or the Company or the Partnership, or their prospects or other matters;

(e) Participant has been given the opportunity to examine all documents and to ask questions of, and to receive answers from, the Company and its representatives concerning the Company and its Subsidiaries, the Partnership Agreement, the Company's organizational documents and the terms and conditions of the purchase of the LTIP Units and to obtain any additional information which Participant deems necessary; and

(f) Participant is an "accredited investor" within the meaning of Rule 501(a) under the Securities Act.

**ELECTION TO INCLUDE UNITS IN GROSS
INCOME PURSUANT TO SECTION 83(b) OF THE
INTERNAL REVENUE CODE**

The undersigned acquired OP Units (the “Units”) of Brixmor Operating Partnership LP (the “Partnership”) on [date] (the “Transfer Date”).

The undersigned desires to make an election to have the Units taxed under the provision of Section 83(b) of the Internal Revenue Code of 1986, as amended (“Code §83(b)”), at the time the undersigned acquired the Units.

Therefore, pursuant to Code §83(b) and Treasury Regulation §1.83-2 promulgated thereunder, the undersigned hereby makes an election, with respect to the Units (described below), to report as taxable income for calendar year 2014 the excess, if any, of the Units’ fair market value on the Transfer Date over the acquisition price thereof.

The following information is supplied in accordance with Treasury Regulation §1.83-2(e):

1. The name, address and social security number of the undersigned:

[Name]

[Address]

SSN: ____ - ____ - ____

2. A description of the property with respect to which the election is being made:

[●] OP Units in the Partnership

3. The date on which the property was transferred: the Transfer Date. The taxable year for which such election is made: calendar year 2014.

4. The restrictions to which the property is subject: The Units are subject to performance-based vesting, and the Units are subject to forfeiture if certain performance thresholds are not achieved. If the undersigned ceases to be employed by certain affiliates of the Partnership under certain circumstances, all or a portion of the Units may be subject to forfeiture. The Units are also subject to transfer restrictions.

5. The aggregate fair market value (on a liquidation basis) on the Transfer Date of the property with respect to which the election is being made, determined without regard to any lapse restrictions:

OP Units: \$0

6. The aggregate amount paid for such property:

OP Units: \$0

A copy of this election has been furnished to the Secretary of the Partnership pursuant to Treasury Regulations §1.83-2(e)(7).

Dated: _____, 2014

Name (printed):

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Michael A. Carroll, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2015 of Brixmor Property Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2015

/s/Michael A. Carroll
Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Michael V. Pappagallo, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2015 of Brixmor Property Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2015

/s/Michael V. Pappagallo
President and Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Michael A. Carroll, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2015 of Brixmor Operating Partnership LP.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2015

/s/Michael A. Carroll
Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Michael V. Pappagallo, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2015 of Brixmor Operating Partnership LP.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2015

/s/Michael V. Pappagallo
President and Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Brixmor Property Group Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2015 filed with the Securities and Exchange Commission on the date hereof (the “Report”), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of the Company hereby certify, to such officers’ knowledge, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: April 27, 2015

/s/Michael A. Carroll
Chief Executive Officer and Director
(Principal Executive Officer)

/s/Michael V. Pappagallo
President and Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Brixmor Operating Partnership LP (the "Operating Partnership") on Form 10-Q for the period ended March 31, 2015 filed with the Securities and Exchange Commission on the date hereof (the "Report"), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of the Operating Partnership hereby certify, to such officers' knowledge, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership for the periods presented therein.

Date: April 27, 2015

/s/Michael A. Carroll
Chief Executive Officer and Director
(Principal Executive Officer)

/s/Michael V. Pappagallo
President and Chief Financial Officer
(Principal Financial Officer)

Section 13(r) Disclosure

The disclosure with respect to the fiscal quarter ended June 30, 2014 reproduced below was included in Travelport Limited's quarterly report on Form 10-Q filed with the Securities and Exchange Commission (the "SEC") and, with respect to the year ended December 31, 2014, was provided by The Blackstone Group L.P. ("Blackstone"), in accordance with Section 13(r) of the Securities Exchange Act of 1934, as amended. Travelport Limited may be considered an affiliate of Blackstone, and therefore an affiliate of Brixmor. We did not independently verify or participate in the preparation of these disclosures.

Travelport Limited included the following disclosure in its Form 10-Q for the fiscal quarter ended June 30, 2014:

Travelport Limited, which may be considered our affiliate, included the disclosure reproduced below in its Form 10-Q for the fiscal quarter ended June 30, 2014. We have not independently verified or participated in the preparation of this disclosure.

"The following activities are disclosed as required by Section 13(r)(1)(D)(iii) of the Exchange Act.

As part of our global business in the travel industry, we provide certain passenger travel-related GDS and Technology Services to Iran Air. We also provide certain Technology Services to Iran Air Tours. All of these services are either exempt from applicable sanctions prohibitions pursuant to a statutory exemption permitting transactions ordinarily incident to travel or, to the extent not otherwise exempt, specifically licensed by the U.S. Office of Foreign Assets Control. Subject to any changes in the exempt/licensed status of such activities, we intend to continue these business activities, which are directly related to and promote the arrangement of travel for individuals.

The gross revenue and net profit attributable to these activities in the quarter ended June 30, 2014 were approximately \$161,000 and \$117,000, respectively."

Blackstone provided the following disclosure with respect to Travelport Limited for the year ended December 31, 2014:

Blackstone provided the disclosure with respect to Travelport Limited reproduced below. We have not independently verified or participated in the preparation of this disclosure.

"As part of our global business in the travel industry, we provide certain passenger travel-related GDS and Technology Services to Iran Air. We also provide certain airline Technology Services to Iran Air Tours. All of these services are either exempt from applicable sanctions prohibitions pursuant to a statutory exemption permitting transactions ordinarily incident to travel or, to the extent not otherwise exempt, specifically licensed by the U.S. Office of Foreign Assets Control. Subject to any changes in the exempt/licensed status of such activities, we intend to continue these business activities, which are directly related to and promote the arrangement of travel for individuals."

Travelport Limited has not yet provided Blackstone with the gross revenue and net profits attributable to the activities described above.