

**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, 2016**  
**or**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File 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.)

**450 Lexington Avenue, New York, New York 10017**  
(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                       | <input checked="" type="checkbox"/> | Non-accelerated filer | <input type="checkbox"/>         | Large accelerated filer   | <input type="checkbox"/>            |
| Non-accelerated filer                         | <input type="checkbox"/>            | Accelerated filer     | <input type="checkbox"/>         | Non-accelerated filer     | <input checked="" type="checkbox"/> |
| Smaller reporting company                     | <input type="checkbox"/>            | Accelerated filer     | <input type="checkbox"/>         | Smaller reporting company | <input type="checkbox"/>            |
| (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, 2016, Brixmor Property Group Inc. had 299,257,744 shares of common stock outstanding.

### **EXPLANATORY NOTE**

This report combines the quarterly reports on Form 10-Q for the period ended March 31, 2016 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, 2016, the Parent Company beneficially owned, through its direct and indirect interest in BPG Sub and the General Partner, approximately 98.2% 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 1.8% 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.

---

## TABLE OF CONTENTS

| Item No. |                                                                                                              | Page                      |
|----------|--------------------------------------------------------------------------------------------------------------|---------------------------|
|          | <b>Part I - FINANCIAL INFORMATION</b>                                                                        |                           |
| 1.       | Financial Statements                                                                                         | <a href="#"><u>5</u></a>  |
|          | <b>Brixmor Property Group Inc. (unaudited)</b>                                                               |                           |
|          | Condensed Consolidated Balance Sheets as of March 31, 2016 and December 31, 2015                             | <a href="#"><u>5</u></a>  |
|          | Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2016 and 2015           | <a href="#"><u>6</u></a>  |
|          | Condensed Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2016 and 2015 | <a href="#"><u>7</u></a>  |
|          | Condensed Consolidated Statements of Changes in Equity for the Three Months Ended March 31, 2016 and 2015    | <a href="#"><u>8</u></a>  |
|          | Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2016 and 2015           | <a href="#"><u>9</u></a>  |
|          | <b>Brixmor Operating Partnership LP (unaudited)</b>                                                          |                           |
|          | Condensed Consolidated Balance Sheets as of March 31, 2016 and December 31, 2015                             | <a href="#"><u>10</u></a> |
|          | Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2016 and 2015           | <a href="#"><u>11</u></a> |
|          | Condensed Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2016 and 2015 | <a href="#"><u>12</u></a> |
|          | Condensed Consolidated Statements of Changes in Capital for the Three Months Ended March 31, 2016 and 2015   | <a href="#"><u>13</u></a> |
|          | Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2016 and 2015           | <a href="#"><u>14</u></a> |
|          | <b>Brixmor Property Group Inc. and Brixmor Operating Partnership LP (unaudited)</b>                          |                           |
|          | Notes to Condensed Consolidated Financial Statements                                                         | <a href="#"><u>15</u></a> |
| 2.       | Management's Discussion and Analysis of Financial Condition and Results of Operations                        | <a href="#"><u>26</u></a> |
| 3.       | Quantitative and Qualitative Disclosures about Market Risk                                                   | <a href="#"><u>34</u></a> |
| 4.       | Controls and Procedures                                                                                      | <a href="#"><u>34</u></a> |
|          | <b>Part II - OTHER INFORMATION</b>                                                                           |                           |
| 1.       | Legal Proceedings                                                                                            | <a href="#"><u>36</u></a> |
| 1A.      | Risk Factors                                                                                                 | <a href="#"><u>36</u></a> |
| 2.       | Unregistered Sales of Equity Securities and Use of Proceeds                                                  | <a href="#"><u>36</u></a> |
| 3.       | Defaults Upon Senior Securities                                                                              | <a href="#"><u>36</u></a> |
| 4.       | Mine Safety Disclosures                                                                                      | <a href="#"><u>36</u></a> |
| 5.       | Other Information                                                                                            | <a href="#"><u>36</u></a> |
| 6.       | Exhibits                                                                                                     | <a href="#"><u>37</u></a> |

### **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, 2015, 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](http://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; (8) changes in the regional demographics of our properties; (9) litigation and governmental investigations following the completion of the recent Audit Committee review described under “Part 1. Business-Recent Developments” in our annual report on Form 10-K for the fiscal year ended December 31, 2015; and (10) the impact of the Audit Committee review and related management changes on our access to the capital markets and our cost of capital. 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,<br>2016   | December 31,<br>2015 |
|-----------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| Assets                                                                                                          |                     |                      |
| Real estate                                                                                                     |                     |                      |
| Land                                                                                                            | \$ 2,012,905        | \$ 2,011,947         |
| Buildings and improvements                                                                                      | 8,934,306           | 8,920,903            |
|                                                                                                                 | 10,947,211          | 10,932,850           |
| Accumulated depreciation and amortization                                                                       | (1,957,169)         | (1,880,685)          |
| Real estate, net                                                                                                | 8,990,042           | 9,052,165            |
| Investments in and advances to unconsolidated joint ventures                                                    | 5,023               | 5,019                |
| Cash and cash equivalents                                                                                       | 105,822             | 69,528               |
| Restricted cash                                                                                                 | 44,211              | 41,462               |
| Marketable securities                                                                                           | 23,166              | 23,001               |
| Receivables, net of allowance for doubtful accounts of \$16,884 and \$16,587                                    | 169,898             | 180,486              |
| Deferred charges and prepaid expenses, net                                                                      | 109,813             | 109,149              |
| Other assets                                                                                                    | 17,283              | 17,197               |
| Total assets                                                                                                    | <u>\$ 9,465,258</u> | <u>\$ 9,498,007</u>  |
| Liabilities                                                                                                     |                     |                      |
| Debt obligations, net                                                                                           | \$ 6,007,397        | \$ 5,974,266         |
| Accounts payable, accrued expenses and other liabilities                                                        | 552,785             | 603,439              |
| Total liabilities                                                                                               | <u>6,560,182</u>    | <u>6,577,705</u>     |
| Commitments and contingencies (Note 11)                                                                         |                     |                      |
| Equity                                                                                                          |                     |                      |
| Common stock, \$0.01 par value; authorized 3,000,000,000 shares; 299,247,744 and 299,138,450 shares outstanding | 2,992               | 2,991                |
| Additional paid in capital                                                                                      | 3,266,119           | 3,270,246            |
| Accumulated other comprehensive loss                                                                            | (2,448)             | (2,509)              |
| Distributions in excess of net income                                                                           | (413,445)           | (400,945)            |
| Total stockholders' equity                                                                                      | 2,853,218           | 2,869,783            |
| Non-controlling interests                                                                                       | 51,858              | 50,519               |
| Total equity                                                                                                    | <u>2,905,076</u>    | <u>2,920,302</u>     |
| Total liabilities and equity                                                                                    | <u>\$ 9,465,258</u> | <u>\$ 9,498,007</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)

|                                                                 | <b>Three Months Ended March 31,</b> |                  |
|-----------------------------------------------------------------|-------------------------------------|------------------|
|                                                                 | <b>2016</b>                         | <b>2015</b>      |
| Revenues                                                        |                                     |                  |
| Rental income                                                   | \$ 251,146                          | \$ 243,570       |
| Expense reimbursements                                          | 69,712                              | 69,754           |
| Other revenues                                                  | 2,246                               | 1,969            |
| Total revenues                                                  | <u>323,104</u>                      | <u>315,293</u>   |
| Operating expenses                                              |                                     |                  |
| Operating costs                                                 | 35,051                              | 35,160           |
| Real estate taxes                                               | 44,391                              | 44,189           |
| Depreciation and amortization                                   | 100,479                             | 108,544          |
| Provision for doubtful accounts                                 | 2,740                               | 2,495            |
| Impairment of real estate assets                                | —                                   | 807              |
| General and administrative                                      | 20,724                              | 30,715           |
| Total operating expenses                                        | <u>203,385</u>                      | <u>221,910</u>   |
| Other income (expense)                                          |                                     |                  |
| Dividends and interest                                          | 73                                  | 94               |
| Interest expense                                                | (57,443)                            | (62,564)         |
| Gain on extinguishment of debt, net                             | —                                   | 292              |
| Other                                                           | (907)                               | (184)            |
| Total other expense                                             | <u>(58,277)</u>                     | <u>(62,362)</u>  |
| Income before equity in income of unconsolidated joint ventures | 61,442                              | 31,021           |
| Equity in income of unconsolidated joint ventures               | 107                                 | 115              |
| Net income                                                      | <u>61,549</u>                       | <u>31,136</u>    |
| Net income attributable to non-controlling interests            | (1,072)                             | (713)            |
| Net income attributable to common stockholders                  | <u>\$ 60,477</u>                    | <u>\$ 30,423</u> |
| Per common share:                                               |                                     |                  |
| Income from continuing operations:                              |                                     |                  |
| Basic                                                           | <u>\$ 0.20</u>                      | <u>\$ 0.10</u>   |
| Diluted                                                         | <u>\$ 0.20</u>                      | <u>\$ 0.10</u>   |
| Net income attributable to common stockholders:                 |                                     |                  |
| Basic                                                           | <u>\$ 0.20</u>                      | <u>\$ 0.10</u>   |
| Diluted                                                         | <u>\$ 0.20</u>                      | <u>\$ 0.10</u>   |
| Weighted average shares:                                        |                                     |                  |
| Basic                                                           | <u>299,180</u>                      | <u>296,189</u>   |
| Diluted                                                         | <u>299,379</u>                      | <u>297,715</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 COMPREHENSIVE INCOME**  
**(Unaudited, in thousands)**

|                                                                | <b>Three Months Ended March 31,</b> |                  |
|----------------------------------------------------------------|-------------------------------------|------------------|
|                                                                | <b>2016</b>                         | <b>2015</b>      |
| Net income                                                     | \$ 61,549                           | \$ 31,136        |
| Other comprehensive income (loss)                              |                                     |                  |
| Unrealized loss on interest rate hedges                        | (43)                                | (2,437)          |
| Unrealized gain on marketable securities                       | 104                                 | 34               |
| Total other comprehensive income (loss)                        | 61                                  | (2,403)          |
| Comprehensive income                                           | 61,610                              | 28,733           |
| Comprehensive income attributable to non-controlling interests | (1,072)                             | (713)            |
| Comprehensive income attributable to the Company               | <u>\$ 60,538</u>                    | <u>\$ 28,020</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)

|                                                             | <b>Common Stock</b> |                 | <b>Additional Paid in Capital</b> | <b>Accumulated Other Comprehensive Loss</b> | <b>Distributions in Excess of Net Income/Loss</b> | <b>Non-controlling Interests</b> | <b>Total</b>        |
|-------------------------------------------------------------|---------------------|-----------------|-----------------------------------|---------------------------------------------|---------------------------------------------------|----------------------------------|---------------------|
|                                                             | <b>Number</b>       | <b>Amount</b>   |                                   |                                             |                                                   |                                  |                     |
| 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)                                          | —                                | (67,533)            |
| Distributions to non-controlling interests                  | —                   | —               | —                                 | —                                           | —                                                 | (1,328)                          | (1,328)             |
| 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 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                              | <u>298,484</u>      | <u>\$ 2,985</u> | <u>\$ 3,255,023</u>               | <u>\$ (6,838)</u>                           | <u>\$ (355,872)</u>                               | <u>\$ 57,420</u>                 | <u>\$ 2,952,718</u> |
| Beginning balance, January 1, 2016                          | 299,138             | \$ 2,991        | \$ 3,270,246                      | \$ (2,509)                                  | \$ (400,945)                                      | \$ 50,519                        | \$ 2,920,302        |
| Common stock dividends (\$0.245 per common share)           | —                   | —               | —                                 | —                                           | (72,977)                                          | —                                | (72,977)            |
| Distributions to non-controlling interests                  | —                   | —               | —                                 | —                                           | —                                                 | (1,322)                          | (1,322)             |
| Equity based compensation benefit                           | —                   | —               | (1,555)                           | —                                           | —                                                 | (27)                             | (1,582)             |
| Issuance of common stock and OP Units                       | 77                  | 1               | (1,407)                           | —                                           | —                                                 | 1,616                            | 210                 |
| Other comprehensive income                                  | —                   | —               | —                                 | 61                                          | —                                                 | —                                | 61                  |
| Shared-based awards retained for taxes                      | —                   | —               | (1,165)                           | —                                           | —                                                 | —                                | (1,165)             |
| Net income                                                  | —                   | —               | —                                 | —                                           | 60,477                                            | 1,072                            | 61,549              |
| Ending balance, March 31, 2016                              | <u>299,215</u>      | <u>\$ 2,992</u> | <u>\$ 3,266,119</u>               | <u>\$ (2,448)</u>                           | <u>\$ (413,445)</u>                               | <u>\$ 51,858</u>                 | <u>\$ 2,905,076</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 CASH FLOWS**  
(Unaudited, in thousands)

|                                                                                   | <b>Three Months Ended March 31,</b> |                         |
|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------|
|                                                                                   | <b>2016</b>                         | <b>2015</b>             |
| Operating activities:                                                             |                                     |                         |
| Net income                                                                        | \$ 61,549                           | \$ 31,136               |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                     |                         |
| Depreciation and amortization                                                     | 100,479                             | 108,544                 |
| Debt premium and discount amortization                                            | (4,066)                             | (5,048)                 |
| Deferred financing cost amortization                                              | 1,937                               | 2,048                   |
| Above- and below-market lease intangible amortization                             | (11,018)                            | (13,530)                |
| Provisions for impairment                                                         | —                                   | 807                     |
| Equity based compensation                                                         | (1,582)                             | 12,951                  |
| Other                                                                             | 231                                 | 49                      |
| Gain on extinguishment of debt, net                                               | —                                   | (297)                   |
| Changes in operating assets and liabilities:                                      |                                     |                         |
| Restricted cash                                                                   | (2,113)                             | (6,845)                 |
| Receivables                                                                       | 10,589                              | 3,675                   |
| Deferred charges and prepaid expenses                                             | (5,310)                             | (2,608)                 |
| Other assets                                                                      | 84                                  | (268)                   |
| Accounts payable, accrued expenses and other liabilities                          | (36,778)                            | (17,677)                |
| Net cash provided by operating activities                                         | <u>114,002</u>                      | <u>112,937</u>          |
| Investing activities:                                                             |                                     |                         |
| Improvements to and investments in real estate assets                             | (36,340)                            | (40,411)                |
| Proceeds from sales of real estate assets                                         | —                                   | 9,918                   |
| Change in restricted cash attributable to investing activities                    | (636)                               | (1,678)                 |
| Purchase of marketable securities                                                 | (6,893)                             | (4,200)                 |
| Proceeds from sale of marketable securities                                       | 6,810                               | 4,499                   |
| Net cash used in investing activities                                             | <u>(37,059)</u>                     | <u>(31,872)</u>         |
| Financing activities:                                                             |                                     |                         |
| Repayment of debt obligations and financing liabilities                           | (4,740)                             | (158,568)               |
| Repayment of borrowings under unsecured revolving credit facility                 | —                                   | (682,475)               |
| Proceeds from borrowings under unsecured revolving credit facility                | 40,000                              | 163,000                 |
| Proceeds from unsecured term loan and notes                                       | —                                   | 695,156                 |
| Deferred financing costs                                                          | —                                   | (1,899)                 |
| Distributions to common stockholders                                              | (73,447)                            | (66,750)                |
| Distributions to non-controlling interests                                        | (1,297)                             | (21,611)                |
| Repurchase of common shares in conjunction with equity award plans                | (1,165)                             | (329)                   |
| Net cash used in financing activities                                             | <u>(40,649)</u>                     | <u>(73,476)</u>         |
| Change in cash and cash equivalents                                               | 36,294                              | 7,589                   |
| Cash and cash equivalents at beginning of period                                  | <u>69,528</u>                       | <u>60,595</u>           |
| <b>Cash and cash equivalents at end of period</b>                                 | <b><u>\$ 105,822</u></b>            | <b><u>\$ 68,184</u></b> |
| Supplemental disclosure of cash flow information:                                 |                                     |                         |
| Cash paid for interest, net of amount capitalized of \$587 and \$656              | \$ 68,088                           | \$ 61,355               |

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,<br>2016   | December 31,<br>2015 |
|------------------------------------------------------------------------------|---------------------|----------------------|
| Assets                                                                       |                     |                      |
| Real estate                                                                  |                     |                      |
| Land                                                                         | \$ 2,012,905        | \$ 2,011,947         |
| Buildings and improvements                                                   | 8,934,306           | 8,920,903            |
|                                                                              | 10,947,211          | 10,932,850           |
| Accumulated depreciation and amortization                                    | (1,957,169)         | (1,880,685)          |
| Real estate, net                                                             | 8,990,042           | 9,052,165            |
| Investments in and advances to unconsolidated joint ventures                 | 5,023               | 5,019                |
| Cash and cash equivalents                                                    | 105,786             | 69,506               |
| Restricted cash                                                              | 44,211              | 41,462               |
| Marketable securities                                                        | 22,951              | 22,791               |
| Receivables, net of allowance for doubtful accounts of \$16,884 and \$16,587 | 169,898             | 180,486              |
| Deferred charges and prepaid expenses, net                                   | 109,813             | 109,149              |
| Other assets                                                                 | 17,283              | 17,197               |
| Total assets                                                                 | <u>\$ 9,465,007</u> | <u>\$ 9,497,775</u>  |
| Liabilities                                                                  |                     |                      |
| Debt obligations, net                                                        | \$ 6,007,397        | \$ 5,974,266         |
| Accounts payable, accrued expenses and other liabilities                     | 552,785             | 603,439              |
| Total liabilities                                                            | <u>6,560,182</u>    | <u>6,577,705</u>     |
| Commitments and contingencies (Note 11)                                      |                     |                      |
| Capital                                                                      |                     |                      |
| Partnership common units: 304,601,693 and 304,366,215 units outstanding      | 2,907,264           | 2,922,565            |
| Accumulated other comprehensive loss                                         | (2,439)             | (2,495)              |
| Total capital                                                                | <u>2,904,825</u>    | <u>2,920,070</u>     |
| Total liabilities and capital                                                | <u>\$ 9,465,007</u> | <u>\$ 9,497,775</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, |            |
|-----------------------------------------------------------------|------------------------------|------------|
|                                                                 | 2016                         | 2015       |
| Revenues                                                        |                              |            |
| Rental income                                                   | \$ 251,146                   | \$ 243,570 |
| Expense reimbursements                                          | 69,712                       | 69,754     |
| Other revenues                                                  | 2,246                        | 1,969      |
| Total revenues                                                  | 323,104                      | 315,293    |
| Operating expenses                                              |                              |            |
| Operating costs                                                 | 35,051                       | 35,160     |
| Real estate taxes                                               | 44,391                       | 44,189     |
| Depreciation and amortization                                   | 100,479                      | 108,544    |
| Provision for doubtful accounts                                 | 2,740                        | 2,495      |
| Impairment of real estate assets                                | —                            | 807        |
| General and administrative                                      | 20,724                       | 30,715     |
| Total operating expenses                                        | 203,385                      | 221,910    |
| Other income (expense)                                          |                              |            |
| Dividends and interest                                          | 73                           | 94         |
| Interest expense                                                | (57,443)                     | (62,564)   |
| Gain on extinguishment of debt, net                             | —                            | 292        |
| Other                                                           | (907)                        | (184)      |
| Total other expense                                             | (58,277)                     | (62,362)   |
| Income before equity in income of unconsolidated joint ventures | 61,442                       | 31,021     |
| Equity in income of unconsolidated joint ventures               | 107                          | 115        |
| Net income attributable to Brixmor Operating Partnership LP     | \$ 61,549                    | \$ 31,136  |
| Per common unit:                                                |                              |            |
| Income from continuing operations:                              |                              |            |
| Basic                                                           | \$ 0.20                      | \$ 0.10    |
| Diluted                                                         | \$ 0.20                      | \$ 0.10    |
| Net income attributable to partnership common units:            |                              |            |
| Basic                                                           | \$ 0.20                      | \$ 0.10    |
| Diluted                                                         | \$ 0.20                      | \$ 0.10    |
| Weighted average number of partnership common units:            |                              |            |
| Basic                                                           | 304,483                      | 303,131    |
| Diluted                                                         | 304,682                      | 304,657    |

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)**

|                                                                       | <b>Three Months Ended March 31,</b> |                  |
|-----------------------------------------------------------------------|-------------------------------------|------------------|
|                                                                       | <b>2016</b>                         | <b>2015</b>      |
| Net income                                                            | \$ 61,549                           | \$ 31,136        |
| Other comprehensive income (loss)                                     |                                     |                  |
| Unrealized loss on interest rate hedges                               | (43)                                | (2,437)          |
| Unrealized gain on marketable securities                              | 99                                  | 31               |
| Total other comprehensive income (loss)                               | 56                                  | (2,406)          |
| Comprehensive income attributable to Brixmor Operating Partnership LP | <u>\$ 61,605</u>                    | <u>\$ 28,730</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<br>Units | Accumulated Other<br>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> |
| Beginning balance, January 1, 2016    | \$ 2,922,565                | \$ (2,495)                              | \$ 2,920,070        |
| Distributions to partners             | (74,313)                    | —                                       | (74,313)            |
| Equity based compensation benefit     | (1,582)                     | —                                       | (1,582)             |
| Other comprehensive income            | —                           | 56                                      | 56                  |
| Issuance of OP Units                  | 210                         | —                                       | 210                 |
| Share-based awards retained for taxes | (1,165)                     | —                                       | (1,165)             |
| Net income                            | 61,549                      | —                                       | 61,549              |
| Ending balance, March 31, 2016        | <u>\$ 2,907,264</u>         | <u>\$ (2,439)</u>                       | <u>\$ 2,904,825</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, |                         |
|-----------------------------------------------------------------------------------|------------------------------|-------------------------|
|                                                                                   | 2016                         | 2015                    |
| Operating activities:                                                             |                              |                         |
| Net income                                                                        | \$ 61,549                    | \$ 31,136               |
| Adjustments to reconcile net income to net cash provided by operating activities: |                              |                         |
| Depreciation and amortization                                                     | 100,479                      | 108,544                 |
| Debt premium and discount amortization                                            | (4,066)                      | (5,048)                 |
| Deferred financing cost amortization                                              | 1,937                        | 2,048                   |
| Above- and below-market lease intangible amortization                             | (11,018)                     | (13,530)                |
| Provisions for impairment                                                         | —                            | 807                     |
| Equity based compensation                                                         | (1,582)                      | 12,951                  |
| Other                                                                             | 231                          | 49                      |
| Gain on extinguishment of debt, net                                               | —                            | (297)                   |
| Changes in operating assets and liabilities:                                      |                              |                         |
| Restricted cash                                                                   | (2,113)                      | (6,845)                 |
| Receivables                                                                       | 10,589                       | 3,675                   |
| Deferred charges and prepaid expenses                                             | (5,310)                      | (2,608)                 |
| Other assets                                                                      | 84                           | (268)                   |
| Accounts payable, accrued expenses and other liabilities                          | (36,780)                     | (17,670)                |
| Net cash provided by operating activities                                         | <u>114,000</u>               | <u>112,944</u>          |
| Investing activities:                                                             |                              |                         |
| Improvements to and investments in real estate assets                             | (36,340)                     | (40,411)                |
| Proceeds from sales of real estate assets                                         | —                            | 9,918                   |
| Change in restricted cash attributable to investing activities                    | (636)                        | (1,675)                 |
| Purchase of marketable securities                                                 | (6,884)                      | (4,200)                 |
| Proceeds from sale of marketable securities                                       | 6,810                        | 4,499                   |
| Net cash used in investing activities                                             | <u>(37,050)</u>              | <u>(31,869)</u>         |
| Financing activities:                                                             |                              |                         |
| Repayment of debt obligations and financing liabilities                           | (4,740)                      | (158,568)               |
| Repayment of borrowings under unsecured revolving credit facility                 | —                            | (682,475)               |
| Proceeds from borrowings under unsecured revolving credit facility                | 40,000                       | 163,000                 |
| Proceeds from unsecured term loan and notes                                       | —                            | 695,156                 |
| Deferred financing costs                                                          | —                            | (1,899)                 |
| Partner distributions                                                             | (75,930)                     | (68,722)                |
| Distributions to non-controlling interests                                        | —                            | (19,870)                |
| Net cash used in financing activities                                             | <u>(40,670)</u>              | <u>(73,378)</u>         |
| Change in cash and cash equivalents                                               | 36,280                       | 7,697                   |
| Cash and cash equivalents at beginning of period                                  | 69,506                       | 60,450                  |
| <b>Cash and cash equivalents at end of period</b>                                 | <b><u>\$ 105,786</u></b>     | <b><u>\$ 68,147</u></b> |
| Supplemental disclosure of cash flow information:                                 |                              |                         |
| Cash paid for interest, net of amount capitalized of \$587 and \$656              | \$ 68,088                    | \$ 61,355               |

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.

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 unaudited Condensed Consolidated Financial Statements for the periods presented have been included. The operating results for the periods 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, 2015 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 29, 2016.

***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 Company 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, 2016 for recognition or disclosure purposes. Based on this evaluation, there were no subsequent events from March 31, 2016 through the date the financial statements were issued, except as follows. On April 12, 2016, the Company's Board of Directors appointed James M. Taylor to serve as the Company's new Chief Executive Officer and President, effective May 20, 2016. Mr. Taylor will succeed Daniel B. Hurwitz, who has served as the Company's interim Chief Executive Officer and President since February 2016. Mr. Hurwitz will continue to serve as a member of the Company's Board of Directors. On April 25, 2016, the Company's Board of Directors appointed Angela Aman to serve as the Company's new Chief Financial Officer, effective May 20, 2016. Ms. Aman will succeed Barry Lefkowitz, who has served as the Company's interim Chief Financial Officer since February 2016.

***Income Taxes***

The Parent Company has elected to qualify as a REIT in accordance with the Internal Revenue Code of 1986, as amended (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 Operating Partnership is organized as a limited partnership and is generally not subject to federal or state income taxes.

BPG Sub also has elected to qualify as a REIT under the Code and is subject to the same tax requirements and tax treatment as the Parent Company. BPG Sub has a taxable REIT subsidiary, and the Parent Company and BPG Sub 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 Company has analyzed the tax position taken on income tax returns for the open 2013 through 2015 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, 2016 and December 31, 2015.

#### ***New Accounting Pronouncements***

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." ASU 2016-02 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The standard is effective on January 1, 2019, with early adoption permitted. The Company is currently in the process of evaluating the impact the adoption of ASU 2016-02 will have on the unaudited Condensed Consolidated Financial Statements of the Company.

In February 2015, the FASB issued ASU 2015-02 "Amendments to the Consolidation Analysis to ASC Topic 810 Consolidation." ASU 2015-02 updates to include all reporting entities within the scope of Subtopic 810-10 Consolidation - Overall, including limited partnerships and similar legal entities, unless a scope exception applies. Overall the amendments in this update are to simplify the codification and reduce the number of consolidation models and place more emphasis on risk of loss when determining controlling financial interests. ASU 2015-02 is effective for public businesses for interim and annual periods beginning after December 15, 2015. This ASU is effective for the Company beginning in the first quarter of the year ended December 31, 2016. The Company has evaluated the impact of the adoption of ASU 2015-02 on its unaudited Condensed Consolidated Financial Statements and have determined under ASU 2015-02 the Operating Partnership is considered a variable interest entity ("VIE"). The Parent Company is the primary beneficiary of the VIE and the Parent Company's partnership interest is considered a majority voting interest. As such, this standard did not have a material impact on the unaudited Condensed Consolidated Financial Statements of the Company.

In May 2014, the FASB issued ASU 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, as amended by ASU No. 2015-14, is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early application is permitted for reporting periods beginning after December 15, 2016. 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, 2016, the Company did not dispose of any shopping centers. The Company had no properties held for sale as of March 31, 2016 or December 31, 2015.

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 impairment charge was based upon the sales price in the signed contract with the third party buyer, adjusted to reflect associated disposition costs. These inputs are classified as Level 3 of the fair value hierarchy. The results of operations from the disposed shopping center are included in income from continuing operations.

## 3. Real Estate

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

|                                                          | March 31, 2016 | December 31, 2015 |
|----------------------------------------------------------|----------------|-------------------|
| Land                                                     | \$ 2,012,905   | \$ 2,011,947      |
| Buildings and improvements:                              |                |                   |
| Building                                                 | 7,359,342      | 7,359,342         |
| Building and tenant improvements                         | 708,327        | 683,983           |
| Lease intangibles <sup>(1)</sup>                         | 866,637        | 877,578           |
|                                                          | 10,947,211     | 10,932,850        |
| Accumulated depreciation and amortization <sup>(1)</sup> | (1,957,169)    | (1,880,685)       |
| Total                                                    | \$ 8,990,042   | \$ 9,052,165      |

<sup>(1)</sup> At March 31, 2016 and December 31, 2015, Lease intangibles consisted of the following: (i) \$786.9 million and \$796.8 million, respectively, of in-place lease value, (ii) \$79.7 million and \$80.8 million, respectively, of above-market leases, and (iii) \$615.9 million and \$606.5 million, respectively, of accumulated amortization. These intangible assets are amortized over the term of each related lease.

In addition, at March 31, 2016 and December 31, 2015, the Company had intangible liabilities relating to below-market leases of \$500.7 million and \$505.8 million, respectively, and accumulated amortization of \$245.3 million and \$237.2 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 accreted over the term of each related lease, including any renewal periods, that is considered to be below market.

Net above and below market lease intangible accretion income for the three months ended March 31, 2016 and 2015 was \$11.0 million and \$13.5 million, respectively. Amortization expense associated with tenant relationships and leases in place for the three months ended March 31, 2016 and 2015 was \$18.1 million and \$25.1 million, respectively. The estimated net accretion income and amortization expense associated with the Company's above and below market leases, tenant relationships and leases in place for the next five years are as follows:

| Year ending December 31,     | Above- and below-market lease accretion, net | Tenant relationships and leases in place amortization |
|------------------------------|----------------------------------------------|-------------------------------------------------------|
| 2016 (remaining nine months) | \$ (25,207)                                  | \$ 41,111                                             |
| 2017                         | (29,557)                                     | 41,560                                                |
| 2018                         | (26,609)                                     | 32,252                                                |
| 2019                         | (22,303)                                     | 25,428                                                |
| 2020                         | (17,749)                                     | 19,160                                                |

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.

During the three months ended March 31, 2016, the Company acquired two land parcels and one outparcel in or adjacent to existing shopping centers in connection with its repositioning activities at those centers for an aggregate purchase price of \$1.2 million. These amounts are included in Improvements to and investments in real estate assets on the Company's unaudited Condensed Consolidated Statement of Cash Flows.

#### 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, 2016 and 2015, 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, 2016 is as follows:

|                     | Number of Instruments | Notional Amount |
|---------------------|-----------------------|-----------------|
| 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, 2016 and December 31, 2015, respectively, is as follows:

| Interest rate swaps classified as: | Fair Value of Derivative Instruments |                   |
|------------------------------------|--------------------------------------|-------------------|
|                                    | March 31, 2016                       | December 31, 2015 |
| Gross derivative assets            | \$ —                                 | \$ —              |
| Gross derivative liabilities       | (2,480)                              | (2,437)           |
| Net derivative liability           | <u>\$ (2,480)</u>                    | <u>\$ (2,437)</u> |

The gross derivative liabilities are included in accounts payable, accrued expenses and other liabilities on the unaudited Condensed Consolidated Balance Sheets. 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 fair value of the Company's interest rate derivatives is determined using market standard valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. These inputs are classified as Level 2 of the fair value hierarchy. 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 effective portion of the Company's interest rate swaps that was recorded in the accompanying unaudited Condensed Consolidated Statement of Operations for the three months ended March 31, 2016 and 2015 is as follows:

| Derivatives in Cash Flow Hedging Relationships (Interest Rate Swaps and Caps) | Three Months Ended March 31, |            |
|-------------------------------------------------------------------------------|------------------------------|------------|
|                                                                               | 2016                         | 2015       |
| Unrealized loss on interest rate hedges                                       | \$ (1,529)                   | \$ (4,901) |
| Amortization of interest rate swaps to interest expense                       | \$ 1,486                     | \$ 2,464   |

The Company estimates that approximately \$2.5 million will be reclassified from accumulated other comprehensive loss as an increase to interest expense through the expiration of the Company's interest rate swaps on October 1, 2016. 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, 2016 and 2015.

#### *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, 2016 and December 31, 2015, 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 \$2.9 million.

## **5. Debt Obligations**

As of March 31, 2016 and December 31, 2015, the Company had the following indebtedness outstanding:

|                                                      | Carrying Value as of       |                            | Stated Interest Rates | Scheduled Maturity Date |
|------------------------------------------------------|----------------------------|----------------------------|-----------------------|-------------------------|
|                                                      | March 31, 2016             | December 31, 2015          |                       |                         |
| Mortgage and secured loans <sup>(1)</sup>            |                            |                            |                       |                         |
| Fixed rate mortgage and secured loans <sup>(2)</sup> | \$ 2,222,023               | \$ 2,226,763               | 4.40% - 8.00%         | 2016 – 2024             |
| Net unamortized premium                              | 36,284                     | 40,508                     |                       |                         |
| Net unamortized debt issuance cost                   | (1,380)                    | (1,752)                    |                       |                         |
| Total mortgage and secured loans, net                | <u>\$ 2,256,927</u>        | <u>\$ 2,265,519</u>        |                       |                         |
| Notes payables                                       |                            |                            |                       |                         |
| Unsecured notes <sup>(3)</sup>                       | \$ 1,218,453               | \$ 1,218,453               | 3.85% - 7.97%         | 2022 - 2029             |
| Net unamortized discount                             | (4,517)                    | (4,676)                    |                       |                         |
| Net unamortized debt issuance cost                   | (9,609)                    | (9,923)                    |                       |                         |
| Total notes payable, net                             | <u>\$ 1,204,327</u>        | <u>\$ 1,203,854</u>        |                       |                         |
| Unsecured Credit Facility and Term Loan              |                            |                            |                       |                         |
| Unsecured Credit Facility <sup>(4)</sup>             | \$ 1,956,000               | \$ 1,916,000               | 1.90%                 | 2017 – 2018             |
| Unsecured Term Loan                                  | 600,000                    | 600,000                    | 1.90%                 | 2019                    |
| Net unamortized debt issuance cost                   | (9,857)                    | (11,107)                   |                       |                         |
| Total Unsecured Credit Facility and Term Loan        | <u>\$ 2,546,143</u>        | <u>\$ 2,504,893</u>        |                       |                         |
| Total debt obligations, net                          | <u><u>\$ 6,007,397</u></u> | <u><u>\$ 5,974,266</u></u> |                       |                         |

<sup>(1)</sup> 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, 2016 of approximately \$3.3 billion.

<sup>(2)</sup> The weighted average interest rate on the Company's fixed rate mortgage and secured loans was 5.86% as of March 31, 2016.

<sup>(3)</sup> The weighted average interest rate on the Company's unsecured notes was 3.91% as of March 31, 2016.

<sup>(4)</sup> 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 140 basis points.

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 2022 Notes 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, 2016 and December 31, 2015, the Company had accrued interest of \$22.5 million and \$31.1 million outstanding, respectively. As of March 31, 2016, scheduled maturities of the Company's outstanding debt obligations were as follows:

| Year ending December 31,              |              |
|---------------------------------------|--------------|
| 2016 (remaining nine months)          | \$ 872,960   |
| 2017                                  | 805,659      |
| 2018                                  | 1,519,476    |
| 2019                                  | 620,126      |
| 2020                                  | 766,577      |
| Thereafter                            | 1,411,678    |
| Total debt maturities                 | 5,996,476    |
| Net unamortized premiums on mortgages | 36,284       |
| Net unamortized discount on notes     | (4,517)      |
| Net unamortized debt issuance costs   | (20,846)     |
| Total debt obligations                | \$ 6,007,397 |

### 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, 2016   |              | December 31, 2015 |              |
|-----------------------------------------|------------------|--------------|-------------------|--------------|
|                                         | Carrying Amounts | Fair Value   | Carrying Amounts  | Fair Value   |
| Mortgage and secured loans payable      | \$ 2,256,927     | \$ 2,363,560 | \$ 2,265,519      | \$ 2,367,070 |
| Notes payable                           | 1,204,327        | 1,160,258    | 1,203,854         | 1,198,504    |
| Unsecured credit facility and term loan | 2,546,143        | 2,556,000    | 2,504,893         | 2,516,000    |
| Total debt obligations                  | \$ 6,007,397     | \$ 6,079,818 | \$ 5,974,266      | \$ 6,081,574 |

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.

The valuation methodology used to estimate the fair value of the Company's debt obligations is based on discounted cash flows, with assumptions that include credit spreads, loan amounts and debt maturities. The Company determined that the valuations of its debt obligations are classified within Level 3 of the fair value hierarchy. Such fair value estimates are not necessarily indicative of the amounts that would be realized upon disposition.

The Company's marketable securities and interest rate derivatives are measured at fair value on a recurring basis. The fair value of marketable securities are based primarily on publicly traded market values in active markets and are classified accordingly on the fair value hierarchy. See Note 4 for fair value information regarding the Company's interest rate derivatives.

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis:

| Fair Value Measurements as of March 31, 2016    |            |                                                                      |                                                     |                                              |  |  |
|-------------------------------------------------|------------|----------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------|--|--|
|                                                 | Balance    | Quoted Prices in Active markets<br>for Identical Assets<br>(Level 1) | Significant Other Observable<br>Inputs<br>(Level 2) | Significant Unobservable Inputs<br>(Level 3) |  |  |
| <b>Assets:</b>                                  |            |                                                                      |                                                     |                                              |  |  |
| Marketable securities <sup>(1)</sup>            | \$ 23,166  | \$ 1,236                                                             | \$ 21,930                                           | \$ —                                         |  |  |
| <b>Liabilities:</b>                             |            |                                                                      |                                                     |                                              |  |  |
| Interest rate derivatives                       | \$ (2,480) | \$ —                                                                 | \$ (2,480)                                          | \$ —                                         |  |  |
| Fair Value Measurements as of December 31, 2015 |            |                                                                      |                                                     |                                              |  |  |
|                                                 | Balance    | Quoted Prices in Active markets<br>for Identical Assets<br>(Level 1) | Significant Other Observable<br>Inputs<br>(Level 2) | Significant Unobservable Inputs<br>(Level 3) |  |  |
| <b>Assets:</b>                                  |            |                                                                      |                                                     |                                              |  |  |
| Marketable securities <sup>(1)</sup>            | \$ 23,001  | \$ 1,167                                                             | \$ 21,834                                           | \$ —                                         |  |  |
| <b>Liabilities:</b>                             |            |                                                                      |                                                     |                                              |  |  |
| Interest rate derivatives                       | \$ (2,437) | \$ —                                                                 | \$ (2,437)                                          | \$ —                                         |  |  |

<sup>(1)</sup> As of March 31, 2016 and December 31, 2015 marketable securities included less than \$0.1 million of net unrealized losses.

The Company's impairment charges are measured at fair value on a non-recurring basis. See Note 3 for fair value information on the impairment charges.

## 7. Equity and Capital

### ATM

In 2015, the Parent Company entered into an at-the-market equity offering program ("ATM") through which the Parent Company may sell from time to time up to an aggregate of \$400.0 million of its common stock through sales agents over a three-year period. There were no shares issued under the ATM for the three months ended March 31, 2016 and the year ended December 31, 2015. As of March 31, 2016 \$400.0 million of common stock remained available for issuance under the ATM.

### Common Stock

During the three months ended March 31, 2016 and 2015, the Company repurchased 47,444 shares and 12,754 shares respectively, in connection with common shares surrendered to the Company to satisfy statutory minimum tax withholding obligations on the vesting of restricted stock units ("RSUs") under the Company's equity-based compensation plans.

### Dividends and Distributions

During the three months ended March 31, 2016 and 2015, the Company declared common stock dividends and OP unit distributions of \$0.245 per share/unit and \$0.225 per share/unit, respectively. As of March 31, 2016 and December 31, 2015, the Company had declared but unpaid common stock dividends and OP unit distributions of \$75.3 million and \$76.0 million, respectively. These amounts are included in accounts payable, accrued expenses and other liabilities on the Company's unaudited Condensed Consolidated Balance Sheets.

### 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.

As of March 31, 2016, the Parent Company beneficially owned, through its direct and indirect interest in BPG Sub and the General Partner, 98.2% 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 1.8% 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.

#### **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 and performance conditions. A portion of the Class B Units were subject to performance conditions which vested on the date that certain funds affiliated with certain of the Company's pre-IPO owners received cash proceeds resulting in a 15% internal rate of return on their investment in the Company. 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 were subject to the same vesting terms as those applicable to the exchanged Class B Units.

During the year ended December 31, 2013, 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, 2016 and year ended December 31, 2015, the Company granted 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 0.4 million and 0.7 million for the three months ended March 31, 2016 and year ended December 31, 2015, respectively, with service periods ranging from one to five years.

During the three months ended March 31, 2016, the Company reversed \$2.6 million of previously recognized equity compensation expense as a result of forfeitures in connection with the resignation of several Company executives. During the three months ended March 31, 2015, as a result of certain of the Company's pre-IPO owners receiving a 15% internal rate of return on their investment becoming probable, the Company recognized \$9.9 million of equity based compensation expense as a component of General and administrative expense in the Company's unaudited Condensed Consolidated Statements of Operations. The Company recognized (\$1.6) million and \$12.9 million of equity based compensation (benefit)/expense for the three months ended March 31, 2016 and 2015, respectively. As of March 31, 2016, the Company had \$14.7 million of total unrecognized compensation cost related to unvested stock compensation expected to be recognized over a weighted average period of approximately 2.3 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, 2016 and 2015:

|                                                                                             | <b>Three Months Ended March 31,</b> |                  |
|---------------------------------------------------------------------------------------------|-------------------------------------|------------------|
|                                                                                             | <b>2016</b>                         | <b>2015</b>      |
| <u><i>Computation of Basic Earnings Per Share:</i></u>                                      |                                     |                  |
| Net income                                                                                  | \$ 61,549                           | \$ 31,136        |
| Income attributable to non-controlling interests                                            | (1,072)                             | (713)            |
| Non-forfeitable dividends on unvested restricted shares                                     | (15)                                | (4)              |
| Net income attributable to the Company's common stockholders for basic earnings per share   | <u>\$ 60,462</u>                    | <u>\$ 30,419</u> |
| Weighted average number shares outstanding - basic                                          | <u>299,180</u>                      | <u>296,189</u>   |
| Basic Earnings Per Share Attributable to the Company's Common Stockholders:                 |                                     |                  |
| Net income                                                                                  | <u>\$ 0.20</u>                      | <u>\$ 0.10</u>   |
| <u><i>Computation of Diluted Earnings Per Share:</i></u>                                    |                                     |                  |
| Net income attributable to the Company's common stockholders for diluted earnings per share | <u>\$ 60,462</u>                    | <u>\$ 30,419</u> |
| Weighted average shares outstanding - basic                                                 | 299,180                             | 296,189          |
| Effect of dilutive securities:                                                              |                                     |                  |
| Equity awards                                                                               | <u>199</u>                          | <u>1,526</u>     |
| Weighted average shares outstanding - diluted <sup>(1)</sup>                                | <u>299,379</u>                      | <u>297,715</u>   |
| Diluted Earnings Per Share Attributable to the Company's Common Stockholders:               |                                     |                  |
| Net income                                                                                  | <u>\$ 0.20</u>                      | <u>\$ 0.10</u>   |

<sup>(1)</sup> For the three months ended March 31, 2016 and 2015, the weighted average number of vested OP Units outstanding was 5.3 million and 6.9 million, respectively and was not dilutive.

## 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, 2016 and 2015:

|                                                                                                   | Three Months Ended March 31, |                  |
|---------------------------------------------------------------------------------------------------|------------------------------|------------------|
|                                                                                                   | 2016                         | 2015             |
| <u>Computation of Basic Earnings Per Unit:</u>                                                    |                              |                  |
| Net income                                                                                        | \$ 61,549                    | \$ 31,136        |
| Non-forfeitable dividends on unvested restricted shares                                           | (15)                         | (4)              |
| Net income attributable to the Operating Partnership's common units for basic earnings per unit   | <u>\$ 61,534</u>             | <u>\$ 31,132</u> |
| Weighted average number of common units outstanding - basic                                       | <u>304,483</u>               | <u>303,131</u>   |
| Basic Earnings Per Unit Attributable to the Operating Partnership's Common Units:                 |                              |                  |
| Net Income                                                                                        | <u>\$ 0.20</u>               | <u>\$ 0.10</u>   |
| <u>Computation of Diluted Earnings Per Unit:</u>                                                  |                              |                  |
| Net income attributable to the Operating Partnership's common units for diluted earnings per unit | <u>\$ 61,534</u>             | <u>\$ 31,132</u> |
| Weighted average common units outstanding - basic                                                 | 304,483                      | 303,131          |
| Effect of dilutive securities:                                                                    |                              |                  |
| Equity awards                                                                                     | <u>199</u>                   | <u>1,526</u>     |
| Weighted average common units outstanding - diluted                                               | <u>304,682</u>               | <u>304,657</u>   |
| Diluted Earnings Per Unit Attributable to the Operating Partnership's Common Units:               |                              |                  |
| Net Income                                                                                        | <u>\$ 0.20</u>               | <u>\$ 0.10</u>   |

## 11. Commitments and Contingencies

### Legal Matters

Except as described below, the Company is not presently involved in any material litigation arising outside the ordinary course of business. However, the Company is involved in routine litigation arising in the ordinary course of business, none of which the Company believes, individually or in the aggregate, taking into account existing reserves, will have a material impact on the Company's results of operations, cash flows, or financial position.

On February 8, 2016, the Company issued a press release and filed a Form 8-K reporting the completion of a review by the Audit Committee of the Company's Board of Directors that began after the Company received information in late December 2015 through its established compliance processes. The Audit Committee review led the Board of Directors to conclude that specific Company accounting and financial reporting personnel, in certain instances, were smoothing income items, both up and down, between reporting periods in an effort to achieve consistent quarterly same property net operating income growth.

As a result of the Audit Committee review and the conclusions reached by the Board of Directors, the Company's Chief Executive Officer, its President and Chief Financial Officer, its Treasurer and Chief Accounting Officer, and an accounting employee all resigned. Following these resignations the Company appointed a new Interim Chief Executive Officer and President, Interim Chief Financial Officer and Interim Chief Accounting Officer.

Prior to the Company's February 8, 2016 announcement, the Company voluntarily reported to the SEC the matters described above. The SEC has commenced an investigation with respect to these matters, and the Company is cooperating fully.

On March 31, 2016, the Company and the former officers referenced above were named as defendants in a putative securities class action complaint filed in the United States District Court for the Southern District of New York (the "Court"). The complaint, captioned Westchester Putnam Counties Heavy & Highway Laborers Local 60 Benefit Funds v. Brixmor Property Group Inc., et al. (Case No. 16-CV-02400 (AT)), asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 based on the facts described in the Company's February 8, 2016 press release and Form 8-K. Additional securities class action complaints alleging the same or similar facts may be filed in the near future, and the Company expects that all such cases will be consolidated with the existing action pursuant to the Private Securities Litigation Reform Act of 1995. The Company believes it has valid defenses in this action and intends to vigorously defend itself.

#### *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, 2016 and 2015, the Company recognized rent expense associated with these leases of \$1.9 million and \$2.5 million, respectively. Minimum annual rental commitments associated with these leases during the next five years and thereafter are as follows:

| Year ending December 31,                |    |         |
|-----------------------------------------|----|---------|
| 2016 (remaining nine months)            | \$ | 5,353   |
| 2017                                    |    | 6,625   |
| 2018                                    |    | 6,208   |
| 2019                                    |    | 6,056   |
| 2020                                    |    | 5,242   |
| Thereafter                              |    | 81,710  |
| Total minimum annual rental commitments | \$ | 111,194 |

#### *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.

#### **12. Related-Party Transactions**

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

As of March 31, 2016 and December 31, 2015, there were no material receivables from related parties. As of March 31, 2016 and December 31, 2015 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 national 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, 2015, and expects to satisfy such requirements for subsequent taxable years.

Our primary objective is to maximize total returns to BPG'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 positive rent spreads from below-market in-place rents and above average lease rollover, occupancy increases, annual contractual rent increases across the portfolio and the execution of embedded anchor space repositioning / redevelopment opportunities / outparcel development opportunities.

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

- **Anchor Space Repositioning / Redevelopment / Outparcel Development Expertise** - We have been a top redeveloper over the past decade, according to Chain Store Age magazine, having completed anchor space repositioning / redevelopment / outparcel development projects totaling over \$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.

#### **Recent Developments**

For a discussion of recent events related to a review conducted by our Audit Committee, related management changes, and the risks related thereto, see Item 1 "Business-Recent Developments," Item 1A "Risk Factors-Risks Related to Recent Events," and Item 9A "Controls and Procedures" in our annual report on Form 10-K for the fiscal year ended December 31, 2015.

### Other 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, 2015.

### Portfolio and Financial Highlights

- As of March 31, 2016, we owned interests in 518 shopping centers (the "Portfolio"), including 517 wholly owned shopping centers and one shopping center held through an unconsolidated joint venture.
- Billed occupancy for the Portfolio was 90.4% and 90.3% as of March 31, 2016 and 2015, respectively. Leased occupancy for the Portfolio was 92.4% and 92.4% as of March 31, 2016 and 2015, respectively.
- During the three months ended March 31, 2016, we executed 497 leases in our Portfolio totaling 3.6 million square feet of GLA, including 169 new leases totaling 0.9 million square feet of GLA and 328 renewals totaling 2.7 million square feet of GLA. The average annualized cash base rent ("ABR") under the new leases increased 34.9% from the prior tenant's ABR and increased 10.9% 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 \$14.88 and the average ABR per leased square foot of these new and renewal leases in our Portfolio is \$13.35. The average cost per square foot for tenant improvements and leasing commissions for new leases was \$21.46 and \$2.58, respectively. The average cost per square foot for tenant improvements and leasing commissions for renewal leases was \$0.16 and \$0.05, respectively.

### 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, 2016 to the Three Months Ended March 31, 2015

Revenues (in thousands)

|                        | Three Months Ended March 31, |                   | \$ Change       |
|------------------------|------------------------------|-------------------|-----------------|
|                        | 2016                         | 2015              |                 |
| <b>Revenues</b>        |                              |                   |                 |
| Rental income          | \$ 251,146                   | \$ 243,570        | \$ 7,576        |
| Expense reimbursements | 69,712                       | 69,754            | (42)            |
| Other revenues         | 2,246                        | 1,969             | 277             |
| <b>Total revenues</b>  | <u>\$ 323,104</u>            | <u>\$ 315,293</u> | <u>\$ 7,811</u> |

### Rental income

The increase in rental income for the three months ended March 31, 2016 of \$7.6 million, as compared to the corresponding period in 2015, was primarily due to (i) \$5.6 million from a bankruptcy settlement of a former tenant, (ii) a \$5.1 million increase in ABR, partially offset by (iii) a \$2.5 million decrease in revenue from above and below market lease accretion. The ABR increase was driven primarily by contractual rent increases from properties owned as of the end of both reporting periods and for the entirety of both periods as well as an increase in leasing spreads of 10.9% in 2016 and 14.9% in 2015 for both new and renewal leases.

### Expense reimbursements

Expense reimbursements remained approximately the same for the three months ended March 31, 2016 as compared to the corresponding period in 2015.

### Other revenues

The increase in other revenues for the three months ended March 31, 2016 of \$0.3 million, as compared to the corresponding period in 2015, was primarily due to an increase in percentage rent revenue.

### *Operating Expenses (in thousands)*

|                                  | Three Months Ended March 31, |                   | \$ Change          |
|----------------------------------|------------------------------|-------------------|--------------------|
|                                  | 2016                         | 2015              |                    |
| <b>Operating expenses</b>        |                              |                   |                    |
| Operating costs                  | \$ 35,051                    | \$ 35,160         | \$ (109)           |
| Real estate taxes                | 44,391                       | 44,189            | 202                |
| Depreciation and amortization    | 100,479                      | 108,544           | (8,065)            |
| Provision for doubtful accounts  | 2,740                        | 2,495             | 245                |
| Impairment of real estate assets | —                            | 807               | (807)              |
| General and administrative       | 20,724                       | 30,715            | (9,991)            |
| <b>Total operating expenses</b>  | <u>\$ 203,385</u>            | <u>\$ 221,910</u> | <u>\$ (18,525)</u> |

### Operating costs

Operating costs remained approximately the same for the three months ended March 31, 2016 as compared to the corresponding period in 2015.

### Real estate taxes

Real estate taxes remained approximately the same for the three months ended March 31, 2016 as compared to the corresponding period in 2015.

### Depreciation and amortization

The decrease in depreciation and amortization for the three months ended March 31, 2016 of \$8.1 million, as compared to the corresponding period in 2015, was primarily due to the run off of purchase accounting intangibles.

### Provision for doubtful accounts

The increase in provisions for doubtful accounts for the three months ended March 31, 2016 of \$0.2 million, as compared to the corresponding period in 2015, was primarily due to an increase in total revenues.

### 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 decrease in general and administrative costs for the three months ended March 31, 2016 of \$10.0 million, as compared to the corresponding period in 2015, was primarily due to a \$14.8 million decrease in equity based compensation expense offset by \$3.7 million of legal and consulting expenses related to the Audit Committee review. The decrease in equity based compensation expense was the result of 2015 including \$9.9 million of expense associated with the vesting of certain pre-IPO equity awards and 2016 including a benefit of \$2.6 million associated with the forfeiture of equity awards in connection with the resignation of several Company executives.

During the three months ended March 31, 2016 and 2015, we capitalized personnel costs of \$1.6 million and \$1.6 million, respectively, to building and improvements for anchor space repositioning and redevelopment projects and we capitalized leasing costs of \$4.1 million and \$3.8 million, respectively, to deferred charges and prepaid expenses, net.

### *Other Income and Expenses (in thousands)*

|                                            | Three Months Ended March 31, |                    | \$ Change       |
|--------------------------------------------|------------------------------|--------------------|-----------------|
|                                            | 2016                         | 2015               |                 |
| <b>Other income (expense)</b>              |                              |                    |                 |
| Dividends and interest                     | \$ 73                        | \$ 94              | \$ (21)         |
| Interest expense                           | (57,443)                     | (62,564)           | 5,121           |
| Gain (loss) on extinguishment of debt, net | —                            | 292                | (292)           |
| Other                                      | (907)                        | (184)              | (723)           |
| <b>Total other income (expense)</b>        | <b>\$ (58,277)</b>           | <b>\$ (62,362)</b> | <b>\$ 4,085</b> |

### Dividends and interest

Dividends and interest remained approximately the same for the three months ended March 31, 2016 as compared to the corresponding period in 2015.

### Interest expense

The decrease in interest expense for the three months ended March 31, 2016 of \$5.1 million, as compared to the corresponding period in 2015, was primarily due to the 2015 debt repayments of \$1.1 billion with a weighted-average interest rate of 5.77%, partially offset by the issuance of \$1.2 billion of senior unsecured notes with a weighted average interest rate of 3.86%.

### Gain (loss) on extinguishment of debt, net

During the three months ended March 31, 2015, we repaid \$151.5 million of mortgages and secured loans, resulting in a \$0.3 million net gain on extinguishment of debt.

### Other

The increase in other expense, net for the three months ended March 31, 2016 of \$0.7 million, as compared to the corresponding period in 2015, was primarily due to \$0.8 million of income in 2015 related to the resolution of certain contingencies for disposed properties.

### *Equity in Income of Unconsolidated Joint Ventures (in thousands)*

|                                                   | Three Months Ended March 31, |        | \$ Change |
|---------------------------------------------------|------------------------------|--------|-----------|
|                                                   | 2016                         | 2015   |           |
| Equity in income of unconsolidated joint ventures | \$ 107                       | \$ 115 | \$ (8)    |

### 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, 2016 as compared to the corresponding period in 2015.

## 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;
- asset sales; and
- issuance of equity securities.

### 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, |          |      |          |
|---------------------------------------------|------------------------------|----------|------|----------|
|                                             | 2016                         |          | 2015 |          |
| Cash flows provided by operating activities | \$                           | 114,002  | \$   | 112,937  |
| Cash flows used in investing activities     | \$                           | (37,059) | \$   | (31,872) |
| Cash flows used in financing activities     | \$                           | (40,649) | \$   | (73,476) |

### Brixmor Operating Partnership LP

|                                             | Three Months Ended March 31, |          |      |          |
|---------------------------------------------|------------------------------|----------|------|----------|
|                                             | 2016                         |          | 2015 |          |
| Cash flows provided by operating activities | \$                           | 114,000  | \$   | 112,944  |
| Cash flows used in investing activities     | \$                           | (37,050) | \$   | (31,869) |
| Cash flows used in financing activities     | \$                           | (40,670) | \$   | (73,378) |

### ***Operating Activities***

Cash and cash equivalents for the Parent Company were \$105.8 million and \$68.2 million as of March 31, 2016 and 2015, respectively. Cash and cash equivalents for the Operating Partnership were \$105.8 million and \$68.1 million as of March 31, 2016 and 2015 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, 2016, the Company's net cash flow provided by operating activities increased \$1.1 million as compared to the corresponding period in 2015. The increase is primarily due to (i) an increase in net operating income, and (ii) a decrease in interest expense due to a decrease in the weighted average interest rate on outstanding indebtedness, partially offset by (iii) an increase in general and administrative expense due to expenses associated with the Audit Committee review and (iv) a decrease in working capital due to a decrease in accounts payable accrued expenses and other liabilities due to timing of payments, partially offset by an increase in cash flows from restricted cash and receivables.

### ***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, 2016, the Company's net cash flow used in investing activities increased \$5.2 million as compared to the corresponding period in 2015. The increase was primarily due to (i) a decrease of \$9.9 million in proceeds from sales of real estate assets, partially offset by (ii) a decrease of \$4.1 million in improvements to and investments in real estate assets and (iii) a decrease of \$1.0 million in restricted cash attributable to investing activities.

### ***Improvements to and investments in real estate assets***

During the three months ended March 31, 2016 and 2015, the Company expended \$36.3 million and \$40.4 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, 2016 and 2015, were \$0.01 and \$0.03, respectively.

In addition to recurring capital expenditures, we evaluate our Portfolio on an ongoing basis to identify value-creating anchor space repositioning / redevelopment opportunities / outparcel development opportunities. These efforts are tenant-driven and focus on renovating, re-tenanting and repositioning assets. 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 outparcels 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.

As of March 31, 2016, our anchor space repositioning / redevelopments / outparcel developments in our Portfolio are as follows (dollars in thousands):

|                            | As of March 31, 2016 |                  |               |
|----------------------------|----------------------|------------------|---------------|
|                            | Total Projects       | Anticipated Cost | Cost Incurred |
| Anchor space repositioning | 27                   | \$ 111,863       | \$ 40,419     |
| Redevelopment              | 1                    | 7,166            | 471           |
| Outparcel development      | 10                   | 18,661           | 7,954         |
| New development            | 1                    | 19,229           | 3,845         |
| Total                      | 39                   | \$ 156,919       | \$ 52,689     |

*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 shopping centers when we believe strategic opportunities exist. During the three months ended March 31, 2016, we did not acquire any shopping centers.

We may also dispose of properties when we feel growth has been maximized. During the three months ended March 31, 2016, we did not dispose of any shopping centers.

**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, 2016, the Parent Company's net cash used in financing activities decreased \$32.5 million as compared to the corresponding period in 2015. The decrease was primarily due to a \$13.6 million net decrease in distributions to stockholders and non-controlling interests and an \$18.1 million decrease in debt repayments, net of borrowings.

For the three months ended March 31, 2016, the Operating Partnership's net cash used in financing activities decreased \$32.4 million as compared to the corresponding period in 2014. The decrease was primarily due to a \$12.3 million decrease in distributions to partners and non-controlling interests and an \$18.1 million decrease in debt repayments, net of borrowings.

We believe 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 financial institutions under which we had \$794.0 million of undrawn capacity as of March 31, 2016. We believe we have access to multiple forms of capital, including unsecured corporate level debt, secured mortgage debt, preferred equity and additional credit facilities. We currently have investment grade credit ratings from all three major credit rating agencies. 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.

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, 2016 and 2015 were \$74.7 million and \$68.5 million, respectively. Our Board of Directors declared a quarterly cash dividend of \$0.245 per common share and OP Unit for the first quarter of 2016. The dividend was paid on April 15, 2016 to shareholders of record on April 5, 2016. Our Board of Directors declared a quarterly cash dividend of \$0.245 per common share and

OP Unit for the second quarter of 2016. The dividend is payable on July 15, 2016 to shareholders of record on July 6, 2016.

### 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, 2016.

| Contractual Obligations<br>(in thousands) | Payment due by period           |                   |                     |                   |                   |                     |                     |
|-------------------------------------------|---------------------------------|-------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
|                                           | 2016<br>(Remaining Nine Months) | 2017              | 2018                | 2019              | 2020              | Thereafter          | Total               |
| Debt <sup>(1)</sup>                       | \$ 872,960                      | \$ 805,659        | \$ 1,519,476        | \$ 620,126        | \$ 766,577        | \$ 1,411,678        | \$ 5,996,476        |
| Interest payments <sup>(2)</sup>          | 163,198                         | 175,126           | 140,509             | 110,768           | 94,206            | 171,596             | 855,403             |
| Operating leases                          | 5,353                           | 6,625             | 6,208               | 6,056             | 5,242             | 81,710              | 111,194             |
| Total                                     | <u>\$ 1,041,511</u>             | <u>\$ 987,410</u> | <u>\$ 1,666,193</u> | <u>\$ 736,950</u> | <u>\$ 866,025</u> | <u>\$ 1,664,984</u> | <u>\$ 6,963,073</u> |

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

<sup>(2)</sup> We incur variable rate interest on \$1.9 billion and \$600.0 million of debt related to the Unsecured Credit Facility and Term Loan, respectively. The margin associated with Unsecured Credit Facility borrowings is based on a total leverage based grid and ranges from 0.40% to 1.00%, for base rate loans, and 1.40% to 2.00%, for LIBOR rate loans. The margin on the Unsecured Credit Facility was 1.40% and the all-in rate was 1.90% as of March 31, 2016. The Company has in place five forward starting interest rate swap agreements that convert the floating interest rate on \$1.5 billion of the Unsecured Credit Facility to a fixed, combined interest rate of 0.844% plus an interest spread of 140 basis points. 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 margin on the Term Loan was 1.40% and the all-in rate was 1.90% as of March 31, 2016.

### Funds From Operations

NAREIT 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.

We present NAREIT FFO as we consider it an important supplemental measure of our operating performance and we believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. NAREIT FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of financial performance and is not an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure 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 NAREIT FFO may differ in certain respects from the methodology utilized by other REITs and, therefore, may not be comparable to a similarly titled measure presented by such other REITs. Investors are cautioned that items excluded from NAREIT FFO are significant components in understanding and addressing financial performance.

Our reconciliation of Brixmor Property Group Inc.'s net income to NAREIT FFO for the three months ended March 31, 2016 and 2015 is as follows (in thousands, except per share amounts):

|                                                                                 | <b>Three Months Ended March 31,</b> |             |
|---------------------------------------------------------------------------------|-------------------------------------|-------------|
|                                                                                 | <b>2016</b>                         | <b>2015</b> |
| Net income                                                                      | \$ 61,549                           | \$ 31,136   |
| Depreciation and amortization-real estate related-continuing operations         | 99,685                              | 107,190     |
| Depreciation and amortization-real estate related-unconsolidated joint ventures | 25                                  | 22          |
| Impairment of operating properties                                              | —                                   | 807         |
| NAREIT FFO                                                                      | 161,259                             | 139,155     |
| NAREIT FFO per share/OP Unit - diluted                                          | \$ 0.53                             | \$ 0.46     |
| Weighted average shares/OP Units outstanding - basic and diluted <sup>(1)</sup> | 304,682                             | 304,670     |

<sup>(1)</sup> Basic and diluted shares/OP Units outstanding reflects an assumed conversion of vested OP Units to common stock of the Company and the vesting of certain equity 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, 2016.

## **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, 2015.

## **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 on this evaluation and considering the material weakness in internal control over financial reporting disclosed in the Parent Company's Form 10-K for the year ended December 31, 2015, as referenced below in "Changes in Internal Control over Financial Reporting", BPG's principal executive officer, Daniel B. Hurwitz, and principal financial officer, Barry Lefkowitz, concluded that BPG's disclosure controls and procedures were not effective as of March 31, 2016.

### ***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, 2016 that have materially affected, or that are reasonably likely to materially affect, the Parent Company's internal control over financial reporting, except as follows.

As disclosed in the Company's Form 10-K for the year ended December 31, 2015, the Audit Committee of the Board of Directors conducted a review that led the Board of Directors to conclude that specific BPG personnel, in certain instances, were directly involved and/or supervised persons directly involved in smoothing income items, both up and down, between reporting periods in an effort to achieve consistent quarterly same property net operating income growth, an industry non-GAAP financial measure. Also as disclosed in the Company's Form 10-K for the year ended December 31, 2015, based on the results of the Audit Committee review, the Board of Directors concluded that there was a deficiency in the control environment specifically because the actions identified in the Audit Committee review failed to demonstrate commitment to integrity and ethical values and senior management did not set an appropriate tone at the top. Although the actual amount of financial statement misstatement resulting from these actions was not significant, because of the override of controls that occurred at senior levels of management, the management concluded that the potential for material misstatement of the financial statements was more than remote. Accordingly, management determined that this control deficiency constituted a material weakness.

BPG has implemented or is evaluating various remedial actions to address the material weakness described above. These actions include the following:

- certain personnel are no longer employed by BPG;
- the Audit Committee, Board and executives will increase communication and training to employees regarding the ethical values of BPG, requirement to comply with laws, the Code of Conduct and BPG's policies; and
- BPG is evaluating its organizational structure, and will assess roles and responsibilities to enhance controls and compliance.

BPG is committed to maintaining a strong internal control environment. Management believes the foregoing efforts will effectively remediate the material weakness. We will give further updates to our remediation plan in future SEC filings.

### **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 on this evaluation and considering the material weakness in internal control over financial reporting disclosed in the Operating Partnership's Form 10-K for the year ended December 31, 2015, as referenced below in "Changes in Internal Control over Financial Reporting", the Operating Partnership's principal executive officer, Daniel B. Hurwitz, and principal financial officer, Barry Lefkowitz, concluded that the Operating Partnership's disclosure controls and procedures were not effective as of March 31, 2016.

### ***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, 2016 that have materially affected, or that are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting, except as follows.

As disclosed in the Company's Form 10-K for the year ended December 31, 2015, the Audit Committee of the Board of Directors conducted a review that led the Board of Directors to conclude that specific Operating Partnership personnel, in certain instances, were directly involved and/or supervised persons directly involved in smoothing income items, both up and down, between reporting periods in an effort to achieve consistent quarterly same property net operating income growth, an industry non-GAAP financial measure. Also as disclosed in the Company's Form 10-K for the year ended December 31, 2015, based on the results of the Audit Committee review, the Board of Directors concluded that there was a deficiency in the control environment specifically because the actions identified in the Audit Committee review failed to demonstrate commitment to integrity and ethical values and senior management did not set an appropriate tone at the top. Although the actual amount of financial statement misstatement resulting from these actions was not significant, because of the override of controls that occurred at senior levels of management, the management concluded that the potential for material misstatement of the financial statements was more than remote. Accordingly, management determined that this control deficiency constituted a material weakness.

The Operating Partnership has implemented or is evaluating various remedial actions to address the material weakness described above. These actions include the following:

- certain personnel are no longer employed by the Operating Partnership;
- the Audit Committee, Board and executives will increase communication and training to employees regarding the ethical values of BPG, requirement to comply with laws, the Code of Conduct and the Operating Partnership's policies; and
- the Operating Partnership is evaluating its organizational structure, and will assess roles and responsibilities to enhance controls and compliance.

The Operating Partnership is committed to maintaining a strong internal control environment. Management believes the foregoing efforts will effectively remediate the material weakness. We will give further updates to our remediation plan in future SEC filings.

## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings**

The information contained under the heading "Legal Matters" in Note 11 - Commitments and Contingencies to our unaudited condensed consolidated financial statements in this report is incorporated by reference into this Item 1.

### **Item 1A. Risk Factors**

There have been no material changes to the risk factors relating to the Company disclosed in our Form 10-K for the year ended December 31, 2015.

### **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           | Separation Agreement and Release, dated February 7, 2016 by and between Brixmor Property Group Inc. and Michael A. Carroll                                                                                                  | 8-K                       | 001-36160 | 2/8/2016       | 10.1           |                |
| 10.2           | Separation Agreement and Release, dated February 5, 2016 by and between Brixmor Property Group Inc. and Michael V. Pappagallo                                                                                               | 8-K                       | 001-36160 | 2/8/2016       | 10.2           |                |
| 10.3           | Separation Agreement and release, dated February 7, 2016 by and between Brixmor Property Group Inc. and Steven A. Splain                                                                                                    | 8-K                       | 001-36160 | 2/16/2016      | 10.3           |                |
| 10.4           | Employment Agreement, dated February 12, 2016 by and between Brixmor Property Group Inc. and Daniel B. Hurwitz                                                                                                              | 8-K                       | 001-36160 | 2/16/2016      | 10.2           |                |
| 10.5           | Employment Agreement, dated February 12, 2016, by and between Brixmor Property Group Inc. and Barry Lefkowitz                                                                                                               | 8-K                       | 001-36160 | 2/16/2016      | 10.1           |                |
| 10.6           | Form of Restricted Stock Unit Agreement                                                                                                                                                                                     | —                         | —         | —              | —              | x              |
| 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              |

| Exhibit<br>Number | Exhibit Description                                                                                                                                                                                           | Incorporated by Reference |          |                   |                   | Filed<br>Herewith |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------|-------------------|-------------------|-------------------|
|                   |                                                                                                                                                                                                               | Form                      | File No. | Date of<br>Filing | Exhibit<br>Number |                   |
| 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                 |
| 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.**

Date: April 26, 2016

By: /s/Daniel B. Hurwitz  
Daniel B. Hurwitz  
Interim Chief Executive Officer and President  
(Principal Executive Officer)

Date: April 26, 2016

By: /s/Barry Lefkowitz  
Barry Lefkowitz  
Interim Chief Financial Officer  
(Principal Financial Officer)

Date: April 26, 2016

By: /s/Michael Cathers  
Michael Cathers  
Interim Chief Accounting Officer  
(Principal Accounting Officer)

**BRIXMOR OPERATING PARTNERSHIP LP**

Date: April 26, 2016

By: /s/Daniel B. Hurwitz  
Daniel B. Hurwitz  
Interim Chief Executive Officer and President  
(Principal Executive Officer)

Date: April 26, 2016

By: /s/Barry Lefkowitz  
Barry Lefkowitz  
Interim Chief Financial Officer  
(Principal Financial Officer)

Date: April 26, 2016

By: /s/Michael Cathers  
Michael Cathers  
Interim Chief Accounting Officer  
(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) “Award” means the award as set forth on the Award Certificate.
  - (c) “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.
  - (d) “Board” means the Board of Directors of Brixmor Property Group Inc.
  - (e) “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 \$[ ] 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.
  - (f) “[Performance Metric]” means [ ].
  - (g) “[Performance Metric] Per Share” means the per share amount obtained by dividing [Performance Metric] by Fully Diluted Shares.
  - (h) “Effective Date” means the Effective Date set forth in the Award Certificate.
  - (i) “Fully Diluted Shares” means the fully diluted share count of the Company, as reported in the Company’s supplemental disclosure for any fiscal quarter.
  - (j) “Participant” means the Eligible Person whose name is set forth in the Award Certificate.
  - (k) “Performance Components” means the performance criteria applicable to the Award, as set forth on the Award Certificate.
-

(l) “Performance Period” means the applicable performance period specified in the Award Certificate.

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

(n) “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.

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

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

(q) “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).

(r) “RSU” or “Restricted Stock Unit” means a restricted stock unit granted hereunder pursuant to the Plan.

(s) [“Shopping Center Index TSR” means the compound annual growth rate, rounded to the nearest decimal point, in the value of the FTSE NAREIT US 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.]

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

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

(v) “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, 20[ ] and January 1, 20[ ]; 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, 20[ ] and January 1, 20[ ].]

(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 (or if not readily available, measured as of the end of the month immediately preceding 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 (or if not readily available, measured as of the end of the month immediately preceding 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:

|                                       |     |
|---------------------------------------|-----|
| <b>Participant:</b>                   | [ ] |
| <b>Effective Date:</b>                | [ ] |
| <b>Total Target RSU Award Amount:</b> | [ ] |

**[One Year Measurement Component]<sup>1</sup>**

*Award Range for Company Performance Components*

- Threshold Award Amount: [ ] RSU’s
- Target Award Amount: [ ] RSU’s
- Maximum Award Amount: [ ] RSU’s

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

*One Year Performance Period*: January 1, 20[ ] through December 31, 20[ ]

*Performance Components*

- [Adjusted EBITDA Per Share]<sup>2</sup> Target (Relative Weighting: [ ]%)

| Threshold | TBD | 50%  |
|-----------|-----|------|
| Target    | TBD | 100% |
| Maximum   | TBD | 150% |

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

---

<sup>1</sup> Awards may provide for one or more measurement components that have performance periods of less than three years, as determined by the Committee.

<sup>2</sup> One or more performance metrics provided for under the Plan may be used in an Award and may be assigned a relative weighting, all as determined by the Committee.

---

Three Year Measurement Component

Award Range for Company Performance Components

- Threshold Award Amount: [ ] RSU's
- Target Award Amount: [ ] RSU's
- Maximum Award Amount: [ ] RSU's

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

Three Year Performance Period: January 1, 20[ ] through December 31, 20[ ]

Performance Components:

- [Relative US Shopping Center Index TSR]<sup>3</sup>: (Relative Weighting: [ ]%)

| Threshold | TBD | 50%  |
|-----------|-----|------|
| Target    | TBD | 100% |
| Maximum   | TBD | 150% |

- [Brixmor TSR] (Relative Weighting: [ ]%)

| Threshold | TBD | 50%  |
|-----------|-----|------|
| Target    | TBD | 100% |
| Maximum   | TBD | 150% |

- [Company-Wide Strategic Objective(s) (Relative Weighting: [ ]%)]

o TBD

<sup>3</sup> One or more performance metrics provided for under the Plan may be used in an Award and may be assigned a relative weighting, all as determined by the Committee.

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]

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

I, Daniel B. Hurwitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2016 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 26, 2016

/s/Daniel B. Hurwitz

Interim Chief Executive Officer and President  
(Principal Executive Officer)

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

I, Barry Lefkowitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2016 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 26, 2016

/s/Barry Lefkowitz  
Interim Chief Financial Officer  
(Principal Financial Officer)

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

I, Daniel B. Hurwitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2016 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 26, 2016

/s/Daniel B. Hurwitz

Interim Chief Executive Officer and President  
(Principal Executive Officer)

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

I, Barry Lefkowitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2016 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 26, 2016

/s/Barry Lefkowitz  
Interim 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, 2016 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 26, 2016

/s/Daniel B. Hurwitz

Interim Chief Executive Officer and President  
(Principal Executive Officer)

/s/Barry Lefkowitz

Interim 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, 2016 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 26, 2016

/s/Daniel B. Hurwitz

Interim Chief Executive Officer and President  
(Principal Executive Officer)

/s/Barry Lefkowitz

Interim Chief Financial Officer  
(Principal Financial Officer)

## Section 13(r) Disclosure

*The disclosures with respect to the fiscal year ended December 31, 2015 was provided by Travelport Worldwide Limited and The Blackstone Group L.P. ("Blackstone"), each in accordance with Section 13(r) of the Securities Exchange Act of 1934, as amended. Travelport Worldwide 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 Worldwide Limited provided the following disclosure for the year ended December 31, 2015:*****Iran Sanctions Disclosure***

As part of our global business in the travel industry, we provide certain passenger travel related Travel Commerce Platform 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 for the year ended December 31, 2015 were approximately \$551,000 and \$389,000, respectively, and \$660,000 and \$470,000 for the year ended December 31, 2014, respectively.

**Blackstone provided the following disclosure with respect to Travelport Limited for the year ended December 31, 2015:**

Travelport Limited, which may be considered our affiliate, provided the disclosure reproduced below in connection with activities during the year ended December 31, 2015. 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 Travel Commerce Platform 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 for the year ended December 31, 2015 were approximately \$551,000 and \$389,000, respectively, and \$660,000 and \$470,000 for the year ended December 31, 2014, respectively."