

Edgar Filing: Whitestone REIT - Form 8-K

Whitestone REIT  
Form 8-K  
May 16, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 OR 15(d) of  
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 16, 2011 (May 16, 2011)

Whitestone REIT  
(Exact name of registrant as specified in charter)

Maryland (State or other jurisdiction of incorporation)	000-50256 (Commission File Number)	76-0594970 (IRS Employer Identification No.)
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2600 South Gessner, Suite 500, Houston, Texas (Address of principal executive offices)	77063 (Zip Code)
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Registrant's telephone number, including area code: (713) 827-9595

Not Applicable

(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 - Financial information

Item 2.02 Results of Operations and Financial Condition.

On May 16, 2011, Whitestone REIT (the "Company") announced its financial results for the three months ended March 31, 2011. A copy of the Company's May 16, 2011, press release is furnished as Exhibit 99.1 to this report on Form 8-K. A copy of the Company's Quarterly Operating and Financial Supplemental Package is furnished as Exhibit 99.2 to this report on Form 8-K. The information contained in this report on Form 8-K, including Exhibits 99.1 and 99.2 shall not be deemed "filed" with the Securities and Exchange Committee nor incorporated by reference in any registration statement filed or to be filed by the Company under the Securities Act of 1933, as amended.

Item 7.01 Regulation FD Disclosure.

The disclosure contained in Item 2.02 is incorporated herein by reference.

Item 9.01(c) Exhibits

(a) Financial Statements of Business Acquired.

Not Applicable

(b) Pro Forma Financial Information

Not Applicable

(c) Exhibits

99.1 Press release of Whitestone REIT, dated May 16, 2011

99.2 Quarterly Supplemental Operating and Financial Data Package for Whitestone REIT for the three months ended March 31, 2011.

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SIGNATURE

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

Whitestone REIT  
(Registrant)

Date: May 16, 2011

By: /s/ David K. Holeman  
Name: David K. Holeman  
Title: Chief Financial Officer

EXHIBIT INDEX

- 99.1 Press release of Whitestone REIT, dated May 16, 2011.
- 99.2 Quarterly Supplemental Operating and Financial Data for Whitestone REIT for the three months ended March 31, 2011.

le="vertical-align:bottom;padding-left:52px;padding-top:2px;padding-bottom:2px;padding-right:2px;">  
Total stockholders' equity

6,564,301

6,692,052

Noncontrolling interests:

Exchangeable operating partnership units, aggregate redemption value of \$20,637 and \$24,206 at March 31, 2018 and December 31, 2017, respectively

10,847

10,907

Limited partners' interests in consolidated partnerships

30,233

30,095

Total noncontrolling interests

41,080

41,002

Total equity

6,605,381

6,733,054

Total liabilities and equity

\$

11,233,856

11,145,717

See accompanying notes to consolidated financial statements.

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## REGENCY CENTERS CORPORATION

## Consolidated Statements of Operations

(in thousands, except per share data)

(unaudited)

	Three months ended March 31,	
	2018	2017
Revenues:		
Minimum rent	\$201,392	141,240
Percentage rent	3,873	2,906
Recoveries from tenants and other income	64,270	45,279
Management, transaction, and other fees	7,158	6,706
Total revenues	276,693	196,131
Operating expenses:		
Depreciation and amortization	88,525	60,053
Operating and maintenance	42,516	29,763
General and administrative	17,606	17,673
Real estate taxes	30,425	21,450
Other operating expenses (note 2)	1,632	71,512
Total operating expenses	180,704	200,451
Other expense (income):		
Interest expense, net	36,785	27,199
Provision for impairment	16,054	—
Early extinguishment of debt	162	—
Net investment (income) loss, including unrealized losses (gains) of \$384 and (\$852) for the three months ended March 31, 2018 and 2017, respectively	(32	) (1,097 )
Total other expense (income)	52,969	26,102
Income (loss) from operations before equity in income of investments in real estate partnerships	43,020	(30,422 )
Equity in income of investments in real estate partnerships	10,349	9,342
Income tax expense of taxable REIT subsidiary	—	50
Income (loss) from operations	53,369	(21,130 )
Gain on sale of real estate, net of tax	96	415
Net income (loss)	53,465	(20,715 )
Noncontrolling interests:		
Exchangeable operating partnership units	(111	) 19
Limited partners' interests in consolidated partnerships	(694	) (671 )
Income attributable to noncontrolling interests	(805	) (652 )
Net income (loss) attributable to the Company	52,660	(21,367 )
Preferred stock dividends and issuance costs	—	(11,856 )
Net income (loss) attributable to common stockholders	\$52,660	(33,223 )
Income (loss) per common share - basic	\$0.31	(0.26 )
Income (loss) per common share - diluted	\$0.31	(0.26 )
See accompanying notes to consolidated financial statements.		

## REGENCY CENTERS CORPORATION

## Consolidated Statements of Comprehensive Income (Loss)

(in thousands)

(unaudited)

	Three months ended March 31,	
	2018	2017
Net income (loss)	\$53,465	(20,715)
Other comprehensive income:		
Effective portion of change in fair value of derivative instruments:		
Effective portion of change in fair value of derivative instruments	9,505	(68 )
Reclassification adjustment of derivative instruments included in net income	2,138	2,654
Unrealized (loss) gain on available-for-sale debt securities	(119 )	32
Other comprehensive income	11,524	2,618
Comprehensive income (loss)	64,989	(18,097)
Less: comprehensive income attributable to noncontrolling interests:		
Net income attributable to noncontrolling interests	805	652
Other comprehensive income attributable to noncontrolling interests	483	65
Comprehensive income attributable to noncontrolling interests	1,288	717
Comprehensive income (loss) attributable to the Company	\$63,701	(18,814)
See accompanying notes to consolidated financial statements.		

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REGENCY CENTERS CORPORATION

Consolidated Statements of Equity

For the three months ended March 31, 2018 and 2017

(in thousands, except per share data)

(unaudited)

	Preferred Stock	Common Stock	Treasury Stock	Additional Paid In Capital	Accumulated Other Comprehensive Loss	Distributions in Excess of Conservative Net Income	Total Stockholders' Equity	Exchange Operating Partnership Units	Noncontrolling Interests Limited Partnership Consolidated Partnerships	Total Noncontrolling Interests	Total Rolling Equity
Balance at December 31, 2016	\$325,000	1,045	(17,062)	3,294,923	(18,346)	(994,259 )	2,591,301	(1,967 )	35,168	33,201	2,624,5
Net loss	—	—	—	—	—	(21,367 )	(21,367 )	(19 )	671	652	(20,71
Other comprehensive loss	—	—	—	—	2,555	—	2,555	2	63	65	2,620
Deferred compensation plan, net	—	—	(411 )	412	—	—	1	—	—	—	1
Restricted stock issued, net of amortization	—	2	—	3,731	—	—	3,733	—	—	—	3,733
Common stock redeemed for taxes withheld for stock based compensation, net	—	(1 )	—	(18,219 )	—	—	(18,220 )	—	—	—	(18,22
Common stock issued under dividend reinvestment plan	—	—	—	301	—	—	301	—	—	—	301
Common stock issued, net of issuance costs	—	655	—	4,479,031	—	—	4,479,686	—	—	—	4,479,6
Redemption of preferred stock	(250,000 )	—	—	8,615	—	(8,615 )	(250,000 )	—	—	—	(250,00
Contributions from partners	—	—	—	—	—	—	—	—	153	153	153
Distributions to partners	—	—	—	—	—	—	—	—	(838 )	(838 )	(838
Cash dividends declared:											
Preferred stock	—	—	—	—	—	(3,241 )	(3,241 )	—	—	—	(3,241



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Common stock/unit (\$0.510 per share)	—	—	—	—	—	(53,400 )	(53,400 )	(79 )	—	(79 )	(53,478 )
Balance at March 31, 2017	\$75,000	1,701	(17,473 )	7,768,794	(15,791 )	(1,080,882 )	6,731,349	(2,063 )	35,217	33,154	6,764,500
Balance at December 31, 2017	\$—	1,714	(18,307 )	7,873,104	(6,289 )	(1,158,170 )	6,692,052	10,907	30,095	41,002	6,733,000
Adjustment due to change in accounting policy (note 1)	—	—	—	—	12	30,889	30,901	—	2	2	30,903
Adjusted balance at December 31, 2017	—	1,714	(18,307 )	7,873,104	(6,277 )	(1,127,281 )	6,722,953	10,907	30,097	41,004	6,763,903
Net income	—	—	—	—	—	52,660	52,660	111	694	805	53,465
Other comprehensive income	—	—	—	—	11,041	—	11,041	23	460	483	11,524
Deferred compensation plan, net	—	—	(449 )	446	—	—	(3 )	—	—	—	(3 )
Restricted stock issued, net of amortization	—	1	—	4,120	—	—	4,121	—	—	—	4,121
Common stock redeemed for taxes withheld for stock based compensation, net	—	—	—	(6,643 )	—	—	(6,643 )	—	—	—	(6,643 )
Common stock repurchased and retired	—	(21 )	—	(124,968 )	—	—	(124,989 )	—	—	—	(124,990 )
Common stock issued under dividend reinvestment plan	—	—	—	358	—	—	358	—	—	—	358
Common stock issued, net of issuance costs	—	—	—	10	—	—	10	—	—	—	10
Distributions to partners	—	—	—	—	—	—	—	—	(1,018 )	(1,018 )	(1,018 )
Cash dividends declared:	—	—	—	—	—	(95,207 )	(95,207 )	(194 )	—	(194 )	(95,401 )

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Common  
stock/unit  
(\$0.555 per  
share)

Balance at  
March 31, 2018 \$— 1,694 (18,756) 7,746,427 4,764 (1,169,828) 6,564,301 10,847 30,233 41,080 6,605,3

See accompanying notes to consolidated financial statements.

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## REGENCY CENTERS CORPORATION

## Consolidated Statements of Cash Flows

For the three months ended March 31, 2018 and 2017

(in thousands)

(unaudited)

	2018	2017
Cash flows from operating activities:		
Net income (loss)	\$53,465	(20,715 )
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	88,525	60,053
Amortization of deferred loan cost and debt premium	2,471	2,459
(Accretion) and amortization of above and below market lease intangibles, net	(8,181 )	(3,484 )
Stock-based compensation, net of capitalization	3,397	12,131
Equity in income of investments in real estate partnerships	(10,349 )	(9,342 )
Gain on sale of real estate, net of tax	(96 )	(415 )
Provision for impairment	16,054	—
Early extinguishment of debt	162	—
Distribution of earnings from operations of investments in real estate partnerships	13,319	12,784
Deferred income tax benefit	—	(87 )
Loss on derivative instruments	—	—
Deferred compensation expense	40	1,062
Realized and unrealized gain on investments	(30 )	(1,064 )
Changes in assets and liabilities:		
Accounts receivable, net	8,955	8,974
Straight-line rent receivables, net	(4,659 )	(3,439 )
Deferred leasing costs	(1,189 )	(1,355 )
Other assets	(476 )	(2,657 )
Accounts payable and other liabilities	(13,793 )	(24,370 )
Tenants' security, escrow deposits and prepaid rent	2,253	2,121
Net cash provided by operating activities	149,868	32,656
Cash flows from investing activities:		
Acquisition of operating real estate	(20,071 )	—
Acquisition of Equity One, net of cash and restricted cash acquired of \$72,784	—	(648,707)
Real estate development and capital improvements	(51,968 )	(63,257 )
Proceeds from sale of real estate investments	3,227	1,683
Issuance of notes receivable	(462 )	(510 )
Investments in real estate partnerships	(39,330 )	(1,688 )
Distributions received from investments in real estate partnerships	2,328	25,428
Dividends on investment securities	71	55
Acquisition of securities	(7,543 )	(3,334 )
Proceeds from sale of securities	6,542	3,815
Net cash used in investing activities	(107,206)	(686,515)
Cash flows from financing activities:		
Repurchase of common shares in conjunction with equity award plans	(6,755 )	(18,275 )
Common shares repurchased through share repurchase program	(124,989)	—
Proceeds from sale of treasury stock	99	76
Redemption of preferred stock and partnership units	—	(250,000)
Distributions to limited partners in consolidated partnerships, net	(1,018 )	(786 )
Distributions to exchangeable operating partnership unit holders	(194 )	(79 )

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Dividends paid to common stockholders	(94,849 )	(53,289 )
Dividends paid to preferred stockholders	—	(3,241 )
Proceeds from issuance of fixed rate unsecured notes, net	299,511	646,424
Proceeds from unsecured credit facilities	185,000	740,000
Repayment of unsecured credit facilities	(245,000)	(360,000)
Proceeds from notes payable	1,740	1,577
Repayment of notes payable	—	(11,422 )
Scheduled principal payments	(2,773 )	(1,367 )
Payment of loan costs	(9,179 )	(8,796 )
Net cash provided by financing activities	1,593	680,822
Net increase in cash and cash equivalents and restricted cash	44,255	26,963
Cash and cash equivalents and restricted cash at beginning of the period	49,381	17,879
Cash and cash equivalents and restricted cash at end of the period	\$93,636	44,842

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## REGENCY CENTERS CORPORATION

## Consolidated Statements of Cash Flows

For the three months ended March 31, 2018, and 2017

(in thousands)

(unaudited)

	2018	2017
Supplemental disclosure of cash flow information:		
Cash paid for interest (net of capitalized interest of \$2,179 and \$1,061 in 2018 and 2017, respectively)	\$30,467	7,687
Cash received for income tax refunds, net of payments	\$407	—
Supplemental disclosure of non-cash transactions:		
Mortgage loans assumed for the acquisition of real estate	\$9,700	—
Common stock issued under dividend reinvestment plan	\$358	301
Stock-based compensation capitalized	\$837	778
Contributions from limited partners in consolidated partnerships, net	\$—	100
Common stock issued for dividend reinvestment in trust	\$205	177
Contribution of stock awards into trust	\$637	929
Distribution of stock held in trust	\$317	4,114
Change in fair value of debt securities available-for-sale	\$(128 )	32
Equity One Merger:		
Notes payable assumed in Equity One merger, at fair value	\$—	757,399
Common stock exchanged for Equity One shares	\$—	4,471,808
See accompanying notes to consolidated financial statements.		

## REGENCY CENTERS, L.P.

## Consolidated Balance Sheets

March 31, 2018 and December 31, 2017

(in thousands, except unit data)

	2018	2017
	(unaudited)	
Assets		
Real estate investments at cost:		
Land, building and improvements	\$10,768,379	10,578,430
Properties in development	179,123	314,391
	10,947,502	10,892,821
Less: accumulated depreciation	1,394,276	1,339,771
	9,553,226	9,553,050
Properties held for sale	8,742	—
Investments in real estate partnerships	448,257	386,304
Net real estate investments	10,010,225	9,939,354
Cash and cash equivalents	87,904	45,370
Restricted cash	5,732	4,011
Tenant and other receivables, net of allowance for doubtful accounts and straight-line rent reserves of \$13,945 and \$12,728 at March 31, 2018 and December 31, 2017, respectively	159,587	170,985
Deferred leasing costs, less accumulated amortization of \$96,192 and \$93,291 at March 31, 2018 and December 31, 2017, respectively	83,638	80,044
Acquired lease intangible assets, less accumulated amortization of \$171,114 and \$148,280 at March 31, 2018 and December 31, 2017, respectively	455,589	478,826
Other assets	431,181	427,127
Total assets	\$11,233,856	11,145,717
Liabilities and Capital		
Liabilities:		
Notes payable	\$3,276,888	2,971,715
Unsecured credit facilities	563,380	623,262
Accounts payable and other liabilities	212,515	234,272
Acquired lease intangible liabilities, less accumulated amortization of \$68,123 and \$56,550 at March 31, 2018 and December 31, 2017, respectively	527,264	537,401
Tenants' security, escrow deposits and prepaid rent	48,428	46,013
Total liabilities	4,628,475	4,412,663
Commitments and contingencies	—	—
Capital:		
Partners' capital:		
General partner; 169,408,781 and 171,364,908 units outstanding at March 31, 2018 and December 31, 2017, respectively	6,559,537	6,698,341
Limited partners; 349,902 units outstanding at March 31, 2018 and December 31, 2017	10,847	10,907
Accumulated other comprehensive income (loss)	4,764	(6,289)
Total partners' capital	6,575,148	6,702,959
Noncontrolling interests:		
Limited partners' interests in consolidated partnerships	30,233	30,095
Total noncontrolling interests	30,233	30,095
Total capital	6,605,381	6,733,054
Total liabilities and capital	\$11,233,856	11,145,717

See accompanying notes to consolidated financial statements.



REGENCY CENTERS, L.P.  
Consolidated Statements of Operations  
(in thousands, except per unit data)  
(unaudited)

	Three months ended March 31,	
	2018	2017
Revenues:		
Minimum rent	\$201,392	141,240
Percentage rent	3,873	2,906
Recoveries from tenants and other income	64,270	45,279
Management, transaction, and other fees	7,158	6,706
Total revenues		