

Centro NP LLC
Form 10-K/A
February 27, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K/A

(Amendment No. 2)

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

For the fiscal year ended December 31, 2007

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 1-12244

CENTRO NP LLC

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State of Incorporation)

420 Lexington Avenue

New York, NY 10170

(Address of Principal Executive Offices) (Zip Code)

64-0955724

(I.R.S. Employer

Identification Number)

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(212) 869-3000

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **None**

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

Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes No

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. YES NO

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

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the Registrant's voting interests held by non-affiliates on June 30, 2007 was \$0. Super LLC owns all of the membership interests of the Registrant as of April 20, 2007.

The registrant does not have common stock.

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Explanatory Note

This Amendment No. 2 (this Amendment) is being filed to amend the Annual Report on Form 10-K of Centro NP LLC (the Company) for the fiscal year ended December 31, 2007 that was previously filed on April 16, 2008 (the Original 10-K) and amended on April 18, 2008 (the First Amendment). The Company is filing this Amendment to address the following matters:

Item 15(3). Exhibits

Signatures

The Company is modifying Item 15(3). Exhibits solely with respect to filing certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 and a certification required by Section 906 of the Sarbanes-Oxley Act of 2002. Except for the amendments described above, this Amendment does not modify or update other disclosures in, or exhibits to the Original 10-K or the First Amendment.

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PART I

Forward-Looking Statements

This Annual Report on Form 10-K, together with other statements and information publicly disseminated by Centro NP LLC (as successor by merger and liquidation to New Plan Excel Realty Trust, Inc.) (we), contains certain 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, as amended (the Exchange Act). Such statements are based on assumptions and expectations which may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance, transactions or achievements, financial or otherwise, may differ materially from the results, performance, transactions or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to:

- liquidity risks, including the inability to refinance our short-term indebtedness on favorable terms or at all;
- recent downgrades, and possible future downgrades, in our credit rating;
- national or local economic, business, real estate and other market conditions, including the ability of the general economy to recover timely from economic downturns;
- the competitive environment in which we operate;
- property ownership risks;
- the level and volatility of interest rates and changes in the capitalization rates with respect to the acquisition and disposition of properties;
- financial stability of tenants, including the ability of tenants to pay rent, the decision of tenants to close stores and the effect of bankruptcy laws;

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- governmental approvals, actions and initiatives;
- environmental/safety requirements and costs;
- risks of real estate acquisition and development, including the failure of pending developments and redevelopments to be completed on time and within budget and the failure of newly acquired or developed properties to perform as expected;
- risks of disposition strategies, including the failure to complete sales on a timely basis and the failure to reinvest sale proceeds in a manner that generates favorable returns;
- risks of joint venture activities; and
- other risks identified in this Annual Report on Form 10-K and, from time to time, in other reports we file with the Securities and Exchange Commission (the "SEC") or in other documents that we publicly disseminate.

We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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Item 1. Business

General

We are one of the nation's largest owners and developers of community and neighborhood shopping centers. As of December 31, 2007, we owned interests in 496 properties in 39 states, including 261 wholly-owned properties and one property held through a consolidated joint venture (collectively, our Consolidated Portfolio), as well as 234 properties held through unconsolidated joint ventures. The 496 properties include 475 community and neighborhood shopping centers with approximately 75.0 million square feet of gross leasable area (GLA), and 21 related retail assets with approximately 1.1 million square feet of GLA. In addition, we manage three properties, with approximately 0.7 million square feet of GLA, on behalf of third-party owners. Our Consolidated Portfolio includes 245 community and neighborhood shopping centers with approximately 40.9 million square feet of GLA and 17 related retail assets with approximately 0.8 million square feet of GLA. At December 31, 2007, the GLA for our Consolidated Portfolio was approximately 89% leased and the GLA for our total portfolio, including our pro rata share of joint venture properties, was approximately 92% leased.

Our predecessor, New Plan Excel Realty Trust, Inc. (New Plan, our predecessor or the Predecessor), was a self-administered and self-managed equity real estate investment trust, which we refer to as a REIT, that was formed in 1972 and was incorporated in Maryland. On February 27, 2007, New Plan and Excel Realty Partners, L.P., a Delaware limited partnership in which New Plan, through a wholly owned subsidiary, was the general partner, entered into an Agreement and Plan of Merger (the Merger Agreement) with us, Super MergerSub Inc. (MergerSub), and Super DownREIT MergerSub LLC (Super REIT MergerSub and together with us and MergerSub, the Buyer Parties). The Buyer Parties are affiliates of Centro Properties Group, an Australian publicly traded real estate company (Centro). Pursuant to the Merger Agreement, MergerSub commenced and completed a tender offer (the Offer) to purchase all outstanding shares of common stock, par value \$0.01 per share (Common Stock), of New Plan at a price of \$33.15 per share, net to the holders thereof, in cash (the Offer Price). The Offer, as supplemented by a subsequent offering period, expired at 12:00 midnight, New York City time, on Wednesday, April 18, 2007. On April 5, 2007, following the expiration of the initial offering period of the Offer, MergerSub accepted for payment, and purchased, approximately 69,105,909 shares of Common Stock, representing approximately 66.7% of the outstanding shares of Common Stock. The 69,105,909 shares of Common Stock represented 100% of the validly tendered shares of Common Stock in the initial offering period of the Offer. On April 19, 2007, following the expiration of the subsequent offering period of the Offer, MergerSub accepted for payment, and purchased, all of the approximately 22,096,621 shares of Common Stock, which, together with the shares purchased in the initial offering period, represented approximately 88.0% of the outstanding shares of Common Stock. On April 19, 2007, MergerSub exercised its top-up option pursuant to the Merger Agreement to acquire an additional 52,929,108 shares of Common Stock from New Plan at a purchase price equal to the Offer Price, which number of shares was sufficient to permit MergerSub to effect a short-form merger of MergerSub into New Plan under Maryland law without the vote of, or any action by, the New Plan stockholders. MergerSub used approximately \$1.5 billion of borrowings under a term facility (the Tender Facility) from J.P. Morgan Securities Inc. and certain of its affiliates to finance payments related to the Offer. The Tender Facility was outstanding from April 5, 2007 to April 20, 2007, and amounts outstanding thereunder bore interest at a rate per annum equal to the monthly Eurodollar rate determined as set forth in the Tender Facility Agreement. On April 20, 2007, the Tender Facility was repaid in full and terminated in connection with the closing of the Mergers (as defined below).

On April 20, 2007, New Plan and the Buyer Parties completed the other transactions contemplated by the Merger Agreement, pursuant to which, among other things, MergerSub merged with and into New Plan (the Merger), with New Plan surviving the Merger, and in connection therewith, Super DownREIT Acquisition L.P. (DownREIT Acquisition) merged with and into Excel Realty Partners, L.P. (the DownREIT Partnership), with the DownREIT Partnership continuing as the surviving limited partnership (the DownREIT Merger, and together with the Merger, the Mergers). In connection with the Merger, (a) each share of Common Stock (other than shares held by New Plan or any subsidiary of New Plan or by Purchaser) was converted into the right to receive the same \$33.15 in cash per share as was paid in the Offer, without interest, and (b) each outstanding option to purchase Common Stock under any employee stock option or incentive plan became fully vested and exercisable (whether or not then vested or subject to any performance condition that has not been satisfied, and regardless of the exercise price thereof or the terms of any other agreement regarding the vesting, delivery or payment thereof) and was cancelled in exchange for the right to receive, for each share of

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Common Stock issuable upon exercise of such option, cash in the amount equal to the excess, if any, of the Offer Price over the exercise price per share of such option. As a result of the Merger, New Plan became a wholly owned

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subsidiary of ours and any stockholder who held shares of Common Stock prior to the Merger ceased to be a stockholder effective as of the Merger.

On April 20, 2007, immediately following the Merger, New Plan, as the surviving corporation of the Merger, was liquidated (the Liquidation), and in connection with the Liquidation, (a) all of New Plan's assets were transferred to us and we assumed all of its liabilities, (b) all outstanding shares of preferred stock of New Plan were automatically converted into, and cancelled in exchange for the right to receive, cash liquidating distributions in accordance with their terms, and (c) all shares of Common Stock of New Plan were cancelled. As a result of the Merger and Liquidation, New Plan filed a Certification and Notice of Termination of Registration on Form 15 pursuant to which it terminated its reporting obligations under the Exchange Act, with respect to its Common Stock and 7.625% Series E Cumulative Redeemable Preferred Stock.

Immediately following the Merger and the Liquidation, our employees became employees of Centro US Management Joint Venture 2, LP (formerly known as Centro Watt Management Joint Venture 2, L.P. and referred to in this report as the Management Joint Venture). The distribution occurred in order to comply with certain tax restrictions applicable to our ultimate equity owners and to permit such employees to serve management functions at other properties controlled by our affiliates. Following this distribution, the Management Joint Venture managed our properties, although during a transition period, certain of our subsidiaries continued to provide payroll, benefit and other transition services with respect to our former employees. Such transition services were terminated as of December 31, 2007. Contracts memorializing the management services arrangements under which we have been operating were entered into on March 28, 2008 in connection with an amendment to our revolving credit facility, as described below under Recent Developments.

Although our employees were employed by the Management Joint Venture shortly following the Merger and Liquidation, we continued to administer the payroll and benefits functions for such employees on a transitory basis until December 31, 2007, during which time the Management Joint Venture was preparing to replicate such functions on its own behalf. The costs we incurred in providing such services during this transition period offset the management fees otherwise owed to the Management Joint Venture.

In connection with the Mergers, we, New Plan Realty Trust, LLC (as successor to New Plan Realty Trust, but only with respect to the 1999 Indenture (as defined below)) and U.S. Bank Trust National Association, as trustee (the Trustee) entered into supplemental indentures (the Supplemental Indentures), each dated as of April 20, 2007, to (i) the Indenture dated as of March 29, 1995 (the 1995 Indenture), by and between New Plan (as successor to New Plan Realty Trust) and the Trustee (as successor to State Street Bank and Trust Company, as successor to The First National Bank of Boston), (ii) the Indenture dated as of February 3, 1999 (the 1999 Indenture), by and among New Plan, New Plan Realty Trust, as guarantor, and the Trustee (as successor to State Street Bank and Trust Company), and (iii) the Indenture dated as of January 30, 2004 (the 2004 Indenture, and collectively with the 1995 Indenture and the 1999 Indenture, the Indentures), by and between New Plan and the Trustee. The Supplemental Indentures each provided for us to assume all of the obligations of New Plan under each of the Indentures, effective upon consummation of the Merger.

As the successor obligor on New Plan's unsecured senior notes, we intend to continue to file with the SEC any annual reports, quarterly reports and other documents that it is required to file with the SEC pursuant to the Indentures governing the unsecured senior notes.

We are a Maryland limited liability company and maintain our principal executive offices at 420 Lexington Avenue, New York, New York 10170, where our telephone number is (212) 869-3000.

Recent Developments

Revolving Credit Facility

On April 20, 2007, simultaneously with the completion of the Mergers, New Plan's \$350.0 million unsecured revolving credit facility, as amended August 25, 2006 (the Amended Original Revolving Facility), was prepaid in full and terminated. Simultaneously with the prepayment and termination of the Amended Original Revolving Facility, we entered into a new revolving credit facility (the April 2007 Revolving Facility) with Bank of America, N.A. and the other lenders party thereto, which effectively replaced the Amended Original Revolving Facility. Concurrently with the

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establishment of the April 2007 Revolving Facility, we used a portion of the proceeds from the April 2007 Revolving Facility and caused our \$150.0 million secured term loan, as amended August 25, 2006 (the Amended Secured Term Loan), to be repaid in full and terminated. The Amended Secured Term Loan was scheduled to mature on August 25, 2010. The April 2007 Revolving Facility bore interest at LIBOR plus 55 basis points (based on our then current credit ratings) and incurred an annual facility fee of 15 basis points. The April 2007 Revolving Facility was scheduled to mature on October 20, 2007. On July 31, 2007, we terminated and prepaid the April 2007 Revolving Facility. Simultaneously with the prepayment and termination of the April 2007 Revolving Facility, we entered into a new \$350.0 million unsecured revolving credit facility (the July 2007 Revolving Facility) with Bank of America N.A., as administrative agent, which effectively replaced the April 2007 Revolving Facility. The July 2007 Revolving Facility was originally scheduled to mature on December 31, 2007, and bore interest at a rate per annum equal to, at our option, (i) a base rate equal to the prime rate plus an applicable margin ranging from 0.35% to 1.1% depending on the amount drawn and our credit rating or (ii) LIBOR plus an applicable margin ranging from 0.35% to 1.1% depending on the amount drawn and our credit rating.

Following our entering into the July 2007 Revolving Facility and prior to its maturity date we sought to refinance the July 2007 Revolving Facility with long-term financing. As a result of dislocations in the global credit markets shortly after our entering into the July 2007 Revolving Facility, we were unable to obtain long-term financing on satisfactory terms consistent with our long-term strategy and were required to seek an extension of the July 2007 Revolving Facility. On December 16, 2007, we entered into an amendment to the July 2007 Revolving Facility (the First Amendment to the July 2007 Revolving Facility), which extended the maturity date to February 15, 2008, subject to certain conditions. In connection with the amendment, the applicable margin of the interest rate was increased to a fixed premium of 1.75% and there was an extension fee of approximately \$3.3 million, payable on February 15, 2008.

On February 14, 2008, we entered into a letter agreement (the Revolving Facility Extension Agreement) further amending the July 2007 Revolving Facility. The Revolving Facility Extension Agreement extended the maturity date (the Termination Date) from February 15, 2008 to the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event occurs. Trigger events include, among other things, defaults, borrowing or prepayments under credit facilities of certain of our affiliates and a requirement that, prior to April 30, 2008, our Australian parents (CPT Manager Limited, as responsible entity of Centro Property Trust, (CPT) and Centro Properties Limited (CPL)) must extend the maturity of certain of their indebtedness (as described below) to a date no earlier than September 30, 2008. As of the date of filing of this Form 10-K, CPT and CPL had not extended such indebtedness, although discussions are ongoing with regard to the extension of such facilities. The applicable margin of the interest rate remained at 1.75%. The extension fee under the First Amendment to the July 2007 Revolving Facility, payable on the Termination Date, remains the same under the Revolving Facility Extension Agreement.

To the extent that the Termination Date occurs and we are unable to restructure the terms of the July 2007 Revolving Facility, there is uncertainty over the Company's ability to continue as a going concern. Refer to separate discussions in Item 1A and Item 7, where we have provided information relating to plans over the Company's liquidity issues.

On March 28, 2008, we entered into another letter agreement (the Amendment to Revolving Facility Extension Agreement) modifying and waiving various provisions of the July 2007 Revolving Facility, the First Amendment to the July 2007 Revolving Facility and the Revolving Facility Extension Agreement (collectively, as amended as of March 28, 2008, the Amended July 2007 Revolving Facility). The Amendment to Revolving Facility Extension Agreement, among other things, approved the transactions contemplated by the Contribution Agreement (described below under Contribution, Distribution and Assumption Agreement) and the Management Services Assumption (described below under Distribution, Contribution and Assignment Agreement and Property Management and Leasing Agreement). Note that for accounting purposes, the Management Services Assumption has not been reflected as occurring immediately after the date of the Merger but will be reflected as occurring on March 28, 2008.

Extension of Super Bridge Loan

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On August 1, 2007, Super LLC, our sole and managing member, entered into an amended and restated loan agreement with JPMorgan Chase Bank, N.A., as administrative agent, for an approximate amount of \$2.6 billion (the Super Bridge Loan). As a result of dislocations in the global credit markets shortly after entering into the Super Bridge Loan, Super LLC was unable to obtain long-term financing on satisfactory terms consistent with its long-term strategy and was required to seek an extension of the Super Bridge Loan maturity date. On December 16, 2007, Super LLC entered into a letter agreement (the Super Bridge Loan First Letter Agreement) which extended the maturity date of the Super Bridge Loan to February 15, 2008, subject to certain conditions. The balance of the loan at the date of

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extension was approximately \$1.9 billion. In connection with the Super Bridge Loan First Letter Agreement, the applicable spread was increased to a fixed premium of 1.75% and an aggregate extension fee of approximately \$18.6 million was charged.

On February 14, 2008, Super LLC entered into a letter agreement (the Super Bridge Loan Extension Agreement) further amending the Super Bridge Loan. The Super Bridge Loan Extension Agreement extended the maturity date (the Super Bridge Loan Termination Date) from February 15, 2008 to the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event occurs. Trigger events include, among other things, defaults, borrowing or prepayments under credit facilities of certain affiliates of Super LLC, including the Amended July 2007 Revolving Facility, and a requirement that, prior to April 30, 2008, CPT and CPL must extend the maturity of certain of their indebtedness (as described below) to a date no earlier than September 30, 2008. The applicable margin of the interest rate remained at 1.75%. The extension fee under the Super Bridge Loan First Letter Agreement, payable on the Super Bridge Loan Termination Date, remains the same under the Super Bridge Loan Extension Agreement. We are not an obligor under the Super Bridge Loan but the Amended July 2007 Revolving Facility is cross-defaulted with the Super Bridge Loan.

On March 28, 2008, Super LLC entered into another letter agreement (the Additional Super Bridge Loan Letter Agreement) with its lenders to permit the transactions under the Contribution Agreement (discussed below under Contribution, Distribution and Assumption Agreement) and the transactions contemplated by the Management Services Assumption (discussed below under Distribution, Contribution and Assignment Agreement and Property Management and Leasing Agreement).

Extension Deed of Centro Short-Term Facilities

As a result of dislocations in the global credit markets, CPT was also unable to secure long-term financing for various short-term credit facilities that it had entered into for an aggregate of approximately \$1.18 billion. As a result, CPT and CPL entered into an extension deed on December 17, 2007, which extended the maturity dates of various short-term credit facilities to February 15, 2008, subject to certain conditions. On February 15, 2008, CPT and CPL entered into another extension deed, the Australian Extension Deed, which extended the maturity date of the various short-term credit facilities and certain additional facilities from February 15, 2008 to the earlier to occur of (i) April 30, 2008, and (ii) the date on which any trigger event occurs. Trigger events include, among other things, defaults occurring due to defaults, borrowing or prepayments under credit facilities of certain affiliates and subsidiaries of CPT, including the Amended July 2007 Revolving Facility and the Super Bridge Loan. We are not an obligor under these various short-term credit facilities, but the Amended July 2007 Revolving Facility and the Super Bridge Loan are cross-defaulted with the Australian Extension Deed.

In addition, on February 15, 2008 and March 28, 2008, CPT and CPL entered into agreements (the Noteholders Extension Agreement), and collectively with the Revolving Facility Extension Agreement, the Amendment to Revolving Facility Extension Agreement, the Super Bridge Loan Extension Agreement, the Additional Super Bridge Loan Letter Agreement and the Australian Extension Deed, the Extension Agreements) waiving any actions with regards to any alleged defaults under debt previously placed with United States investors.

Preston Ridge Facility

On February 14, 2008, BPR Shopping Center, LLC (BPR LLC), an indirect subsidiary of ours, entered into a revolving credit facility (the Preston Ridge Facility) with JPMorgan Chase Bank, N.A. (as agent and a lender) and the other lenders party thereto, pursuant to which it can

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borrow up to \$80.0 million (however, only \$40.0 million can be borrowed on or before April 30, 2008). The Preston Ridge Facility is collateralized by the property owned by BPR LLC known as The Centre at Preston Ridge and has a maturity date of September 30, 2008, subject to certain conditions. The Preston Ridge Facility is guaranteed by Centro Preston Ridge Member LLC, the sole member of BPR LLC. Proceeds of the Preston Ridge Facility will be used for development and redevelopment of certain properties and for general cash flow. The Preston Ridge Facility is cross-defaulted with the Amended July 2007 Revolving Facility, the Super Bridge Loan and certain other credit facilities of affiliates of Super LLC. Pursuant to the transactions described below under Contribution, Distribution and Assumption Agreement, BPR LLC and the debt associated therewith were transferred to Centro NP Residual Holding LLC (the Residual Joint Venture).

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Contribution, Distribution and Assumption Agreement

On March 28, 2008, we executed a Contribution, Distribution and Assumption Agreement (the *Contribution Agreement*) together with Super LLC, the Residual Joint Venture, a joint venture owned by Super LLC and us, and certain of our wholly-owned subsidiaries. The Contribution Agreement was released from escrow and became effective as of March 30, 2008.

Pursuant to the Contribution Agreement, we contributed 49% of our interest in certain subsidiaries (including BPR LLC) owning 31 real properties with an approximate fair market value of \$780 million to the Residual Joint Venture. We distributed 51% of our interest in the transferred entities to our parent, Super LLC, and Super LLC contributed such interest in the transferred entities to the Residual Joint Venture. Following these transactions, we owned 49% of the interests in the transferred entities, and Super LLC owned 51% of the interests in the transferred entities through the Residual Joint Venture.

Distribution, Contribution and Assignment Agreement and Property Management and Leasing Agreement

We, Super LLC, the Management Joint Venture, Centro US Employment Company, LLC and Centro New Plan Inc. (a member of Super LLC) executed a Distribution, Contribution and Assignment Agreement to memorialize the prior agreement of the parties thereto with respect to the assumption of all liabilities relating to our former employees by the Management Joint Venture and the distribution of approximately \$15 million of miscellaneous assets used in the day-to-day management of our properties to the Management Joint Venture (the *Management Services Assumption*). Note that for accounting purposes, the Management Services Assumption has not been reflected as occurring immediately after the date of the Merger but will be reflected as occurring on March 28, 2008.

Credit Ratings

In connection with our refinancing difficulties, our credit ratings were downgraded by Standard & Poor's, Fitch Ratings and Moody's, all to below investment grade. Standard & Poor's cut its rating of us to CCC+, and credit watch with developing implications. Fitch Ratings cut its rating of us to CCC, which is a high default risk or rating watch negative. Moody's cut its rating of us to B3 and under review with direction uncertain. There may be additional reductions in our ratings depending on our operating performance and our ability to refinance the Amended July 2007 Revolving Facility. As a result of these downgrades, the terms of any financings we enter into in the future, as well as our ability to secure any such financings, may be adversely affected.

Prohibition on Incurring Additional Indebtedness

Due to covenants contained in certain of our debt agreements, we are currently prohibited from incurring additional indebtedness.

Focused Product Strategy

Our strategy is to own a quality portfolio of commercial retail properties, primarily community and neighborhood shopping centers, which will provide increasing cash flow. We seek to implement this strategy by:

- aggressively managing our properties through our property manager;
- redeveloping and upgrading our properties where appropriate;
- selectively pursuing new development opportunities;
- selectively acquiring well-located commercial retail properties, primarily community and neighborhood shopping centers, either on an individual basis, in portfolio or corporate transactions, or through joint venture arrangements;
- effecting strategic asset dispositions and recycling the capital created by those transactions;
- seeking to reduce risk through geographic, tenant and retail format diversification of our portfolio; and
- achieving a strong and flexible financial position.

By focusing our portfolio primarily on community and neighborhood shopping centers with anchors and other tenants providing everyday necessities, we believe that our risk due to economic cycles is minimized.

Our ownership interests in real estate consist of our Consolidated Portfolio, which includes wholly-owned properties and properties consolidated in accordance with the provisions of Financial Accounting Standards Board Interpretation No. 46, *Consolidation of Variable Interest Entities* (FIN 46) or in accordance with the provisions of Emerging Issues Task Force (EITF) Issue No. 04-5, *Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights* (EITF 04-5), and our unconsolidated joint venture portfolio, which includes properties owned by joint ventures in which we

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have an economic interest. By entering into strategic joint ventures with institutional investors and other partners, we are able to generate capital sources for redevelopment, new development and acquisitions, as well as create an opportunity to earn fees for property management, leasing and other related services. Our joint ventures may grow through acquisitions from third parties or direct purchases from us. We, together with our joint venture partners, apply similar operating, investing and capital strategies to the portfolios owned by our joint ventures as we do with respect to our Consolidated Portfolio.

Aggressive Management

We have entered into property management agreements with the Management Joint Venture, which we refer to as our property manager. Our property manager provides fully integrated property management and leasing for our properties as well as development management services. Our property manager aggressively manages our properties, with an emphasis on maintaining high occupancy rates and a strong base of nationally and regionally recognized anchor tenants, as well as local specialty tenants, that generate substantial daily traffic. In order to support these efforts, our property manager has eight regional offices and multiple satellite field offices throughout the country, each of which is responsible for managing the leasing, property management and maintenance of properties in its area. Our property manager regularly monitors the physical condition of our properties and the financial condition of our tenants. We are currently improving the general appearance of certain of our properties by upgrading existing facades and roofs, updating signage, resurfacing parking lots and improving parking lot and exterior building lighting. In addition, we, and our property manager, remain focused on enhancing our collective property management skills and internal capabilities, systems and infrastructure. Note that for accounting purposes, the Management Services Assumption has not been reflected as occurring immediately after the date of the Merger but will be reflected as occurring on March 28, 2008.

In conjunction with our property manager, we seek to increase the cash flow and portfolio value of our existing properties primarily through contractual rent increases during the lease term, re-letting of existing space at increased rents, expansion and redevelopment of existing properties, development of undeveloped outparcels and the minimization of overhead and operating costs.

Redevelopment and Outparcel Development of Properties

During 2007, we completed 14 redevelopment projects in our Consolidated Portfolio, the aggregate cost of which, including costs incurred in prior years on these projects, was approximately \$81.8 million. Our current redevelopment pipeline in our Consolidated Portfolio is comprised of 27 projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately \$236.5 million. In addition, we develop outparcels of properties in our Consolidated Portfolio and during the year ended December 31, 2007, we completed five outparcel development projects, the aggregate cost of which, including costs incurred in prior years on these projects, was approximately \$10.9 million. Our current outparcel development pipeline in our Consolidated Portfolio is comprised of three projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately \$9.0 million. In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility, and are limited to financing any development and redevelopment costs from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. The Residual Joint Venture has up to \$80.0 million of borrowing available to it under the Preston Ridge Facility (however, only \$40.0 million can be borrowed on or before April 30, 2008).

New Development of Properties

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We selectively enter into new development opportunities. These projects are driven by tenant demand, and as such, we generally have a lease executed with the anchor tenant prior to investing substantial capital. Such activity enhances our relationships with our anchor tenants by demonstrating our ability to serve their growth needs. Upon completion, we either hold the properties as long-term investments or sell them as part of a merchant building program. Properties that are developed as part of our merchant building program are owned in one of our wholly-owned taxable REIT subsidiaries, in accordance with the Tax Relief Extension Act of 1999, which became effective on January 1, 2001.

Our current new development pipeline in our Consolidated Portfolio is comprised of six projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately \$92.7 million. In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws

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under our Amended July 2007 Revolving Facility, and are limited to financing any development and redevelopment costs from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. The Residual Joint Venture has up to \$80.0 million of borrowing available to it under the Preston Ridge Facility (only \$40.0 million can be borrowed on or before April 30, 2008). If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance the balance of these obligations following exhaustion of the Preston Ridge Facility.

We also develop properties in our joint venture portfolios and the current pipeline for such new development projects in our joint venture portfolios is one project, the aggregate cost of which, including costs incurred in prior years on this project, is expected to be approximately \$26.3 million, of which our pro rata share will be approximately \$1.3 million. Furthermore, under certain agreements governing our joint venture investments, the venture may make a capital call upon the venture members or partners to fund certain costs of operation. In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility, and are limited to financing any development costs from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance the balance of these obligations or any capital calls following exhaustion of the Preston Ridge Facility.

Acquisition of Properties

During 2007, we expanded our Consolidated Portfolio by opportunistically acquiring additional properties. During the period from April 5, 2007 through December 31, 2007, we acquired land immediately adjacent to a property owned by us (Land at Victory Square), the remaining 75% interest in a shopping center in which we owned the other 25% (The Centre at Preston Ridge which was subsequently transferred to the Residual Joint Venture in March 2008) and one land parcel. We also acquired the remaining 90% interests in real estate assets of three of our joint ventures in which we owned the other 10% of each real estate asset through the joint ventures (CA New Plan Venture Fund LLC, CA New Plan Acquisition Fund, LLC and CA New Plan Direct Investment Fund, LLC). Combined, these joint ventures owned a total of 18 properties. During the period from January 1, 2007 through April 4, 2007, our predecessor acquired one shopping center (Stewart Plaza) and one land parcel. The acquisitions were completed in separate transactions during 2007 for an aggregate purchase price of approximately \$398.0 million and were comprised of properties located within our existing regional concentrations. Until such time as we are able to put in place an appropriate liquidity facility or raise additional capital, we do not presently have the means to acquire additional properties in our Consolidated Portfolio.

During 2007, we also expanded our joint venture portfolios by acquiring, together with our joint venture partners, five properties for an aggregate purchase price of approximately \$293.7 million. Until such time as we are able to put in place an appropriate liquidity facility or raise additional capital, we do not presently have the means to acquire additional properties in our joint venture portfolios.

Disposition of Properties

We generally hold our properties for investment and the production of rental income and not for sale to customers or other buyers in the ordinary course of our business. However, to maximize value, our property manager continually analyzes each asset in our portfolio and identifies those properties that can be sold or exchanged in light of prevailing market conditions and the particular characteristics of each property. Through this strategy, we seek to continually update our core property portfolio by disposing of properties that have limited growth potential or are not a strategic fit within our overall portfolio and redeploying such capital into newer properties or properties where management techniques employed by our property manager may maximize property values. We also consider our liquidity needs in determining whether dispositions

may be warranted. We may engage from time to time in like-kind property exchanges, which allow us to dispose of properties and redeploy proceeds in a tax efficient manner.

Centro NP Residual Holding Joint Venture

In August 2007, we formed the Residual Joint Venture with Super LLC, our sole and managing member. In connection with the formation of the Residual Joint Venture, we contributed 49% of our interest in certain subsidiaries, owning 18 real properties with an approximate value of \$396.0 million, to the Residual Joint Venture. We distributed the remaining 51% of our interest in the transferred entities to Super LLC, and Super LLC contributed such interest in the transferred entities to the Residual Joint Venture. Following these transactions, we owned 49% of the non-managing

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interest in the Residual Joint Venture, and Super LLC owned 51% of the managing member interest in the Residual Joint Venture. In November 2007, we contributed 49% of our interest in certain additional subsidiaries, owning 25 real properties with an approximate value of \$605.0 million, to the Residual Joint Venture. We distributed the remaining 51% of our interest in the additional transferred entities to Super LLC, and Super LLC contributed such interest in the additional transferred entities to the Residual Joint Venture. Also in November 2007, Super LLC contributed its interest in certain subsidiaries, owning 39 real properties with an approximate value of \$385.0 million, to the Residual Joint Venture. Immediately following such contribution, Super LLC contributed a percentage of membership interests in the Residual Joint Venture such that we continued to own 49% of the non-managing interest in the Residual Joint Venture, and Super LLC continued to own 51% of the managing member interest in the Residual Joint Venture.

On March 28, 2008, we executed the Contribution Agreement. The Contribution Agreement was released from escrow and became effective as of March 30, 2008. Pursuant to the Contribution Agreement, we contributed 49% of our interest in certain subsidiaries (including the owner of The Centre at Preston Ridge) owning 31 real properties with an approximate fair market value of \$780 million to the Residual Joint Venture. We distributed 51% of our interest in the transferred entities to Super LLC, and Super LLC contributed such interest in the transferred entities to the Residual Joint Venture. Following these transactions, we owned 49% of the interests in the transferred entities, and Super LLC owned 51% of the interests in the transferred entities.

Portfolio Diversification

We seek to reduce risk through diversification achieved by the geographic distribution of our properties, the breadth of our tenant base and the balanced mix of both community and neighborhood shopping centers. As a result, the largest shopping center in our Consolidated Portfolio, as a percent of our total Consolidated Portfolio annualized base rent (ABR), is just 3.9% of our total Consolidated Portfolio ABR and the ten largest tenants in our Consolidated Portfolio account for 25% of our total Consolidated Portfolio ABR. Our properties are strategically located across 37 states. By owning both community shopping centers and neighborhood shopping centers we are able to offer convenience shopping for the day-to-day needs of consumers, as well as a broad range of general merchandise.

Financing Strategy

General

As a result of dislocations in the global credit markets shortly after our entering into the July 2007 Revolving Facility and the Super Bridge Loan, we were unable to obtain long-term financing on satisfactory terms consistent with our long-term strategy and were required to seek extensions of the July 2007 Revolving Facility and the Super Bridge Loan. While the Extension Agreements extended the maturity date of certain of our short-term debt obligations, they also prevent us from incurring any additional indebtedness. Our ability to finance redevelopment of existing assets, new development and future acquisition opportunities, as well as to satisfy any capital calls in connection with our joint ventures and the redemption rights of our Class A Preferred Units (discussed below under *Liquidity and Capital Resources*) is limited to distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. The Residual Joint Venture has up to \$80.0 million of borrowing available to it under the Preston Ridge Facility (only \$40.0 million can be borrowed on or before April 30, 2008). If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance our various activities.

Financing Activities

Revolving Credit Facility

On April 20, 2007, simultaneously with the completion of the Mergers, New Plan's \$350.0 million Amended Original Revolving Facility was prepaid in full and terminated. Simultaneously with the prepayment and termination of the Amended Original Revolving Facility, we entered into the April 2007 Revolving Facility, which effectively replaced the Amended Original Revolving Facility. Concurrently with the establishment of the April 2007 Revolving Facility, we used a portion of the proceeds from the April 2007 Revolving Facility and caused our \$150.0 million Amended Secured Term Loan to be repaid in full and terminated. The Amended Secured Term Loan was scheduled to mature on August 25, 2010. The April 2007 Revolving Facility bore interest at LIBOR plus 55 basis points (based on our then current credit ratings) and incurred an annual facility fee of 15 basis points. The April 2007 Revolving Facility was scheduled to mature on October 20, 2007. On July 31, 2007, we terminated and prepaid the April 2007 Revolving Facility.

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Simultaneously with the prepayment and termination of the April 2007 Revolving Facility, we entered into a new \$350.0 million unsecured revolving credit facility (the July 2007 Revolving Facility) with Bank of America N.A., as administrative agent, which effectively replaced the April 2007 Revolving Facility. The July 2007 Revolving Facility was originally scheduled to mature on December 31, 2007, and the loans under the July 2007 Revolving Facility bore interest at a rate per annum equal to, at our option, (i) a base rate equal to the prime rate plus an applicable margin ranging from 0.35% to 1.1% depending on the amount drawn down and our credit rating or (ii) LIBOR plus an applicable margin ranging from 0.35% to 1.1% depending on the amount drawn down and our credit rating.

Following our entering into the July 2007 Revolving Facility and prior to its maturity date we sought to refinance the July 2007 Revolving Facility with long-term financing. As a result of dislocations in the global credit markets shortly after our entering into the July 2007 Revolving Facility, we were unable to obtain long-term financing on satisfactory terms consistent with our long-term strategy and were required to seek an extension of the July 2007 Revolving Facility. On December 16, 2007, we entered into the First Amendment to the July 2007 Revolving Facility, which extended the maturity date to February 15, 2008, subject to certain conditions. In connection with the amendment, the applicable margin of the interest rate was increased to a fixed premium of 1.75% and there is an extension fee of approximately \$3.3 million, payable on the maturity date.

On February 14, 2008, we entered into the Revolving Facility Extension Agreement further amending the July 2007 Revolving Facility. The Revolving Facility Extension Agreement extended the Termination Date from February 15, 2008 to the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event occurs. The applicable margin of the interest rate remained at 1.75%. Trigger events include, among other things, defaults, borrowing or prepayments under credit facilities of certain of our affiliates and a requirement that, prior to April 30, 2008, CPT and CPL must extend the maturity of their indebtedness to a date no earlier than September 30, 2008. The extension fee under the First Amendment to the July 2007 Revolving Facility, payable on the maturity date, remains the same under the Revolving Facility Extension Agreement at approximately \$3.3 million.

On March 28, 2008, we entered into the Amendment to Revolving Facility Extension Agreement modifying and waiving various provisions of the July 2007 Revolving Facility, the First Amendment to the July 2007 Revolving Facility and the Revolving Facility Extension Agreement. The Amendment to Revolving Facility Extension Agreement, among other things, approved the transactions contemplated by the Contribution Agreement and the Management Services Assumption.

The Amended July 2007 Revolving Facility contains various representations, warranties and covenants customary for financings of this type and substantially similar to those contained in the April 2007 Revolving Facility, including, among others, mandatory prepayment upon the occurrence of certain events. Under the Amended July 2007 Revolving Facility, we are also subject to compliance with certain covenants substantially similar to those contained in our Indentures relating to the public notes. These covenants include: (i) total debt to total adjusted assets of no more than 65%; (ii) total secured debt to total adjusted assets of no more than 40%; (iii) unencumbered total asset value not to be less than 100% of the aggregate principal amount of all of our outstanding unsecured debt and that of our subsidiaries; and (iv) consolidated income available for debt service of at least 1.5 times the maximum annual service charge on total debt.

The Amended July 2007 Revolving Facility contains customary defaults, including, among others: the nonpayment of interest or principal of any loan; failure to comply with restrictions on use of proceeds; failure to observe or perform covenants under any loan document; bankruptcy or insolvency; certain judgments and decrees; change of control; defaults occurring due to defaults; and borrowing or prepayments under credit facilities of certain of our affiliates, including the Super Bridge Loan.

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Amounts outstanding under the Amended July 2007 Revolving Facility are guaranteed pursuant to an Amended and Restated Guaranty Agreement dated July 31, 2007, by and among certain of our subsidiaries, as guarantors in favor of the administrative agent. The Amended July 2007 Revolving Facility also has the benefit of a contingent Guaranty Agreement dated July 31, 2007, by and among CPT and CPL as guarantors in favor of the administrative agent (the Centro Party Guaranty), which, subject to certain conditions, guarantees up to the full amount of the Amended July 2007 Revolving Facility.

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The Amended July 2007 Revolving Facility also provides that we may not request, and the lenders under the Amended July 2007 Revolving Facility will have no obligation, to make any extensions of credit under the Amended July 2007 Revolving Facility.

Extension of Super Bridge Loan

On August 1, 2007, Super LLC, our sole and managing member, entered into the Super Bridge Loan. As a result of dislocations in the global credit markets shortly after entering into the Super Bridge Loan, Super LLC was unable to obtain long-term financing on satisfactory terms consistent with its long-term strategy and was required to seek an extension of the Super Bridge Loan maturity date. On December 16, 2007, Super LLC entered into the Super Bridge Loan First Letter Agreement which extended the maturity date of the Super Bridge Loan to February 15, 2008, subject to certain conditions. In connection with the Super Bridge Loan First Letter Agreement, the applicable spread was increased to a fixed premium of 1.75% and an aggregate extension fee of approximately \$18.6 million was charged.

On February 14, 2008, Super LLC entered into the Super Bridge Loan Extension Agreement. The Super Bridge Loan Extension Agreement extends the Super Bridge Loan Termination Date from February 15, 2008 to the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event occurs. Trigger events include, among other things, defaults, borrowing or prepayments under credit facilities of certain affiliates of Super LLC, including the Amended July 2007 Revolving Facility, and a requirement that, prior to April 30, 2008, CPT and CPL must extend the maturity of certain of their indebtedness to a date no earlier than September 30, 2008. The applicable margin of the interest rate remained at 1.75%. The extension fee under the Super Bridge Loan First Letter Agreement, payable on the Super Bridge Loan Termination Date, remains the same under the Super Bridge Loan Extension Agreement. We are not an obligor under the Super Bridge Loan but the Amended July 2007 Revolving Facility is cross-defaulted with the Super Bridge Loan.

On March 28, 2008, Super LLC entered into the Additional Super Bridge Loan Letter Agreement with its lenders to permit the transactions contemplated by the Contribution Agreement and the Management Services Assumption.

Extension Deed of Centro Short-Term Facilities

As a result of dislocations in the global credit markets, CPT was also unable to secure long-term financing for various short-term credit facilities that it had entered into for an aggregate of approximately \$1.18 billion. As a result, CPT and CPL entered into an extension deed on December 17, 2007, which extended the maturity dates of various short-term credit facilities to February 15, 2008, subject to certain conditions. On February 15, 2008, CPT and CPL entered into the Australian Extension Deed, which extended the maturity date of the various short-term credit facilities and certain additional facilities from February 15, 2008 to the earlier to occur of (i) April 30, 2008, and (ii) the date on which any trigger event occurs. Trigger events include, among other things, defaults occurring due to defaults, borrowing or prepayments under credit facilities of certain affiliates and subsidiaries of CPT, including the Amended July 2007 Revolving Facility and the Super Bridge Loan. We are not an obligor under these various short-term credit facilities, but the Amended July 2007 Revolving Facility and the Super Bridge Loan are cross-defaulted with the Australian Extension Deed.

Preston Ridge Facility

On February 14, 2008, BPR LLC entered into a revolving credit facility (the Preston Ridge Facility) with JPMorgan Chase Bank, N.A. (as agent and a lender) and the other lenders party thereto, pursuant to which it can borrow up to \$80.0 million (only \$40.0 million can be borrowed on or before April 30, 2008). The Preston Ridge Facility is secured by the property owned by BPR LLC known as The Centre at Preston Ridge and has a maturity date of September 30, 2008, subject to certain conditions. The Preston Ridge Facility is guaranteed by Centro Preston Ridge Member LLC, the sole member of BPR LLC. Proceeds of the Preston Ridge Facility will be used for development and redevelopment of certain properties and for general cash flow of the Company. The Preston Ridge Facility is cross-defaulted with the Amended July 2007 Revolving Facility, the Super Bridge Loan and certain other credit facilities of affiliates of Super LLC. Pursuant to the Contribution Agreement, BPR LLC and the debt associated therewith were transferred to the Residual Joint Venture.

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Competition

We face considerable competition in the leasing of real estate, which is a highly competitive market. We compete (through our property manager) with a number of other companies in providing leases to prospective tenants and in re-letting space to current tenants upon expiration of their respective leases. If our tenants decide not to renew or extend their leases upon expiration, we may not be able to re-let the space. Even if the tenants do renew or we can re-let the space, the terms of renewal or re-letting, including the cost of required renovations or concessions to tenants, may be less favorable or more costly than current lease terms or than expectations for the space. We believe that the principal competitive factors in attracting tenants in our market areas are location, price, co-tenants and physical conditions of our properties. In this regard, our property manager aggressively manages and, where appropriate, redevelops and upgrades, our properties, with an emphasis on maintaining high occupancy rates and a strong base of nationally and regionally recognized anchor tenants, as well as local specialty tenants, that generate substantial daily traffic. In addition, we believe that the breadth of our national portfolio of properties, and the local knowledge and market intelligence of our regional operating system, make us attractive to national, regional and local retailers.

In addition, we face significant competition for acquisitions of, and investments in, properties and real estate companies with an indeterminate number of investors, including investors with access to significant capital such as domestic and foreign corporations and financial institutions, publicly traded and privately held REITs, private institutional investment funds, investment banking firms, life insurance companies and pension funds. The current market for acquisitions continues to be highly competitive. Nevertheless, we believe that our experience in operating, acquiring, and developing community and neighborhood shopping centers should enable us to compete effectively.

Environmental Exposure

We are subject to federal, state and local environmental regulations that apply generally to the ownership of real property and the operations conducted on real property. Under various federal, state and local laws, ordinances and regulations, we may be considered an owner or operator of real property or may have arranged for the disposal or treatment of hazardous or toxic substances or petroleum product releases at a property and, therefore, may become liable for the costs of removal or remediation of certain hazardous substances released on or in our property or disposed of by us, as well as certain other potential costs which could relate to hazardous or toxic substances (including governmental fines and injuries to persons and property). Such liability may be imposed whether or not we knew of, or were responsible for, the presence of these hazardous or toxic substances. As is common with community and neighborhood shopping centers, many of our properties had or have on-site dry cleaners and/or on-site gasoline facilities. These operations could potentially result in environmental contamination at the properties. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect our ability to sell or rent such property or to borrow using such property as collateral.

We are aware that soil and groundwater contamination exists at some of our properties. The primary contaminants of concern at these properties include perchloroethylene and trichloroethylene (associated with the operations of on-site dry cleaners) and petroleum hydrocarbons (associated with the operations of on-site gasoline facilities). We also are aware that asbestos-containing materials exist at some of our properties. While we do not expect the environmental conditions at our properties, considered as a whole, to have a material adverse effect on us, there can be no assurance that this will be the case. Further, no assurance can be given that any environmental studies performed have identified or will identify all material environmental conditions, that any prior owner of the properties did not create a material environmental condition not known to us or that a material environmental condition does not otherwise exist with respect to any of our properties.

Employees

As of December 31, 2007, we had no employees. Our operations are managed by the Management Joint Venture.

Available Information

We have previously filed periodic reports and other documents with the SEC. Any document we file may be inspected, without charge, at the SEC's public reference room at 100 F Street, N.E. Washington, D.C. 20549 or at the

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SEC's internet site address at <http://www.sec.gov>. Information related to the operation of the SEC's public reference room may be obtained by calling the SEC at 1-800-SEC-0330.

Financial Information about Industry Segments

Our principal business is the ownership and development of community and neighborhood shopping centers. We do not distinguish or group our operations on a geographical basis when measuring performance. All operations are within the United States and no tenant accounts for more than 10% of total revenue. Accordingly, we believe we have a single reportable segment for disclosure purposes in accordance with accounting principles generally accepted in the United States. See the Consolidated Financial Statements and Notes thereto included in Item 8 of this Annual Report on Form 10-K for certain information required by Item 1.

Item 1A. Risk Factors

Overview

Set forth below are the risks that we believe are material to investors who purchase or own our securities that are not otherwise described in this Annual Report on Form 10-K. The occurrence of any of the following factors or circumstances could adversely affect our cash flows, financial condition, results of operations and/or our ability to meet our operating expenses, including debt service and capital expenditure obligations, any or all of which could in turn cause a decline in the value of our securities.

We have substantial short-term liquidity obligations consisting primarily of short-term indebtedness, which we may be unable to refinance on favorable terms or at all. We presently have \$306.8 million of debt under our Amended July 2007 Revolving Facility scheduled to mature on the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event under our Amended July 2007 Revolving Facility occurs. We also have an aggregate of \$171.7 million of mortgage debt scheduled to mature during 2008. Until such time as we are able to put in place an appropriate liquidity facility or raise additional capital, we may be unable to refinance our short-term debt obligations on favorable terms or at all.

On July 31, 2007, we terminated and prepaid the \$350.0 million April 2007 Revolving Facility. Simultaneously with the prepayment and termination of the April 2007 Revolving Facility, we entered into a new \$350.0 million unsecured revolving credit facility (the July 2007 Revolving Facility) with Bank of America N.A., as administrative agent, which effectively replaced the April 2007 Revolving Facility. The July 2007 Revolving Facility was originally scheduled to mature on December 31, 2007.

Following our entering into the July 2007 Revolving Facility and prior to its maturity date we attempted to refinance the July 2007 Revolving Facility with long-term financing. As a result of dislocations in the global credit markets shortly after our entering into the July 2007 Revolving Facility, we were unable to obtain long-term financing on satisfactory terms consistent with our long-term strategy and were required to seek an extension of the July 2007 Revolving Facility. On December 16, 2007, we entered into the First Amendment to the July 2007 Revolving

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Facility, which extended the maturity date to February 15, 2008, subject to certain conditions, and increased the interest margin applicable to the loans under the July 2007 Revolving Facility. On February 14, 2008, we entered into the Revolving Facility Extension Agreement further amending the July 2007 Revolving Facility. The Revolving Facility Extension Agreement extended the Termination Date from February 15, 2008 to the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event occurs. The applicable margin of the interest rate remained at 1.75%. Trigger events include, among other things, defaults, borrowing or prepayments under credit facilities of certain of our affiliates and a requirement that, prior to April 30, 2008, CPT and CPL must extend the maturity of certain of their indebtedness to a date no earlier than September 30, 2008.

As of the filing of this Form 10-K, our Australian parents, CPT and CPL, have not extended such indebtedness, although discussions are ongoing with regard to the extension of such facilities. If CPT and CPL are not able to extend the maturity date for various short-term credit facilities by April 30, 2008, a trigger event will occur under the Revolving Facility Extension Agreement and the Super Bridge Loan Extension Agreement and defaults will occur under the Amended July 2007 Revolving Facility and the Super Bridge Loan. Due to financing constraints of our Australian parents, it is unlikely that they will be able to make additional equity contributions to alleviate any short-term liquidity issues we may encounter.

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In connection with our refinancing difficulties, our credit ratings were downgraded by Standard & Poor's, Fitch Ratings and Moody's, all to below investment grade. Standard & Poor's cut its rating of us to CCC+, or credit watch with developing implications. Fitch Ratings cut its rating of us to CCC, which is a high default risk or rating watch negative. Moody's cut its rating of us to B3. There may be additional reductions in our ratings depending on our operating performance and our ability to refinance the Amended July 2007 Revolving Facility.

Furthermore, under certain agreements governing our joint venture investments, the venture may make a capital call upon the venture members or partners to fund certain costs of operation. Capital calls by a venture could increase our short-term liquidity obligations. If we are unable to satisfy our obligations pursuant to a capital call, we will be in breach of the agreement governing the particular joint venture.

We may be unable to refinance our debt obligations on favorable terms or at all. At the present time, we are working with our lenders to refinance our short-term debt obligations, but there can be no guarantee that we will be able to refinance this debt on favorable terms or at all. Our ability to refinance our short-term debt obligations and our ability to undertake additional financings may be further adversely affected by the downgrade in our credit ratings. If principal payments on debt due at maturity cannot be refinanced, extended or paid, we will be in default under our debt obligations, and we may be forced to dispose of properties on disadvantageous terms. If we are unable to refinance our short-term debt obligations, we may also be unable to satisfy our other short-term liquidity obligations, which have historically consisted of funds necessary to pay for operating and other expenses directly associated with our portfolio of properties (including regular maintenance items), interest expense and scheduled principal payments on our outstanding debt, capital expenditures incurred to facilitate the leasing of space (e.g., tenant improvements and leasing commissions), and capital expenditures incurred in our development and redevelopment projects. If we are unable to satisfy certain of these additional short-term debt obligations, we may further be forced to dispose of properties on disadvantageous terms.

In addition, because we are no longer permitted to make draws under our Amended July 2007 Revolving Facility and because of the restrictions imposed on us by the Extension Agreements and the Indentures, we may not be able to repay or refinance mortgage debt that comes due while we still are in the process of refinancing our short-term debt obligations.

Also, each Class A Preferred Unit is redeemable for \$33.15 plus all the limited partners of the DownREIT Partnership have a redemption right for their Class A Preferred Units which will be exercisable starting April 20, 2008. If all the limited partners exercised their redemption rights, the DownREIT Partnership would be obligated to redeem the Class A Preferred Units for an aggregate amount of approximately \$83.2 million. We currently as of the date of filing this Form 10-K, do not have the cash to satisfy this redemption obligation and we may be unable to satisfy this obligation if we are unable to refinance our short-term obligations and the restrictions imposed on us by the Extension Agreements remain in effect. Under such circumstances, we may have to sell certain of our properties in an effort to satisfy this obligation. The limited partners are not entitled to provide a notice of redemption prior to April 20, 2008. Therefore, at the date of this filing, information about the number of limited partners wishing to participate in the redemption right is not available.

Cross-default provisions in our borrowing arrangements increase the consequences of a default. The Amended July 2007 Revolving Facility is cross-defaulted with the Super Bridge Loan, the Australian Extension Deed and the Preston Ridge Facility. Accordingly, should an event of default occur under any of these debt agreements, we face the prospect of being in default under each of such debt instruments to which we are an obligor. Although we are not an obligor under the

Super Bridge Loan, the Preston Ridge Facility or the various short-term credit facilities covered by the Australian Extension Deed, a default by any of the obligors pursuant to any of these debt facilities (through non-payment upon maturity, among other things) would, pursuant to the cross-default provisions, trigger a default under the Amended July 2007 Revolving Facility. In the event of a cross-default, we might not be able to obtain alternative financing for the defaulted obligations or, if we are able to obtain such financing, we might not be able to obtain it on terms acceptable to us.

We are limited to financing any development and redevelopment costs from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility, and we may be unable to finance development and redevelopment projects after exhaustion of the Preston Ridge Facility. Our current new development pipeline in our Consolidated Portfolio is comprised of six projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately \$92.7 million. We presently have \$24.5 million of costs, including costs incurred in prior years, attributable to our pro rata share of redevelopment costs for

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projects in our joint venture portfolio. Our current redevelopment pipeline in our Consolidated Portfolio is comprised of 27 projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately \$236.5 million. Our current outparcel development pipeline in our Consolidated Portfolio is comprised of three projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately \$9.0 million. Presently, we are limited to financing any development and redevelopment projects from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. The Residual Joint Venture has up to \$80.0 million of borrowing available to it under the Preston Ridge Facility (only \$40.0 million can be borrowed on or before April 30, 2008). If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance the balance of these obligations following exhaustion of the Preston Ridge Facility.

Our ability to continue as a going concern. As a result of the liquidity risk factors discussed above, our need to restructure or further extend the debt obligations covered by the Extension Agreements and/or our ultimate parents need to restructure or further extend their debt obligations, there is substantial doubt about our ability to continue as a going concern as indicated in the Report of Independent Registered Public Accounting Firm.

Our management team continues to work closely with the counterparts of our ultimate parent investors (CPL and CPT), our lenders and lenders of Super LLC, CPL and CPT. We and our ultimate parent investors are focused on the extension of the debt of our ultimate parents to at least September 30, 2008, as this is required under the Extension Agreements. After taking into account all available information, our ultimate parent investors have concluded that there are reasonable grounds to believe the debt of our ultimate parents will be able to be extended and/or refinanced to at least September 30, 2008.

In conjunction with our ultimate parent investors, we are assessing a number of options to address the current liquidity issues. The Extension Agreements currently prevent us from incurring any additional debt, therefore any new sources of long term financing would be required to be approved by our lenders under the Extension Agreements.

In terms of potential equity investments, our ultimate parent investors are considering the option of obtaining third party equity investment which may result in equity contributions into us to assist with our liquidity position.

Our financial covenants will restrict our operating and acquisition activities. The Amended July 2007 Revolving Facility and the indentures under which our senior unsecured debt is issued contain certain financial and operating covenants, including, among other things, certain coverage ratios, as well as limitations on our ability to incur secured and unsecured debt, make dividend payments, sell all or substantially all of our assets and engage in mergers and consolidations and certain acquisitions. These covenants may restrict our ability to pursue certain business initiatives or certain acquisition transactions. In addition, failure to meet any of these covenants, including the financial coverage ratios, could cause an event of default under and/or accelerate some or all of our indebtedness, which would have a material adverse effect on us. Due to covenants in certain of our debt agreements, we are presently unable to incur additional indebtedness and this restriction will limit our flexibility in restructuring our existing indebtedness (including refinancing indebtedness coming due in 2008).

Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt. As of December 31, 2007, we had approximately \$438.2 million of mortgage debt outstanding, excluding the impact of unamortized premiums. If a property or group of properties is mortgaged to secure payment of debt and we are unable to meet mortgage payments, the holder of the mortgage or lender in other than normal circumstances could foreclose on the property, resulting in loss of our investment. Alternatively, if we decide to sell assets in the current market in other than normal circumstances to raise funds to repay matured debt, it is possible that these properties may be disposed of at a loss. Our recent inability to obtain long-term financing on satisfactory terms consistent with our long-term strategy may hinder our ability to satisfy our mortgage debt obligations or to refinance existing mortgage debt as it becomes due. Also, certain of our mortgages contain customary negative covenants which, among other things, limit our ability, without the prior consent of the lender, to further mortgage the property, to enter into new leases or materially modify existing leases, and to discontinue insurance coverage.

The matters discussed herein under **Recent Developments** have also made it difficult for us to refinance property level debt in the ordinary course, and we were required to pay higher interest rates on certain property level debt because we were unable to refinance such debt.

Our degree of leverage could limit our ability to obtain additional financing and adversely affect our business and financial condition. Our organizational documents do not contain any limitation on the incurrence of debt. The degree of our leverage could have important consequences, including:

- requiring us to dedicate a substantial portion of our funds from operations to servicing our debt;
- affecting our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general purposes; and
- making us more vulnerable to economic and industry downturns.

In addition, as a result of the financial and operating covenants described below, our leverage could reduce our flexibility in conducting our business and planning for, or reacting to, changes in our business and in the real estate industry.

The economic performance and value of our properties are subject to risks associated with real estate assets and with the real estate industry. As a real estate company, we are subject to all of the risks associated with owning and operating real estate, including:

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- changes in national, regional and local economic climate;
- local conditions, including an oversupply of space in properties similar to those that we own, or a reduction in demand for properties similar to those that we own;
- the attractiveness of our properties to tenants;
- the financial stability of tenants, including the ability of tenants to pay rent;
- competition from other available properties;
- changes in market rental rates;
- the need to periodically fund the costs to repair, renovate and re-let space;
- changes in operating costs, including costs for maintenance, insurance and real estate taxes;
- earthquakes, tornados, hurricanes and other natural disasters, civil unrest, terrorist acts or acts of war, which may result in uninsured or underinsured losses;
- the fact that the expenses of owning and operating properties are not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the properties; and
- changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

We identified material weaknesses in connection with internal controls over financial reporting that, unless remedied, could have a material adverse effect on our external financial reporting. For the year ended December 31, 2007, management identified two material weaknesses in our internal controls over financial reporting. First, we had insufficient internal controls relating to our operations, accounting and legal functions to adequately communicate, understand and initially evaluate the accounting for complex post-Merger activities. Management believes that the principal issues surrounding this weakness related to the integration activities that we undertook following the Merger and Liquidation. While this material weakness did not result in any improper accounting by us, management is committed to remedying the deficiency. Management plans to remedy this deficiency by instituting additional internal controls that will require our property manager to report a greater range of activities to our accounting and legal functions. Second, we did not maintain effective controls over the accuracy and disclosure of our property and asset management rights accounts. Specifically, effective controls were not designed and in place to ensure that an adequate impairment analysis was accurately conducted, reviewed, and approved in order to identify and record impairments as required under GAAP. This control deficiency resulted in a misstatement of our intangible assets and in the restatement of our consolidated financial statements for the period from April 5, 2007 through December 31, 2007, and the Company has restated its consolidated financial statements in this Amendment No. 1 to Form 10-K as of and for the year ended December 31, 2007 to reflect an additional \$77.7 million impairment charge on intangible assets. Any failure to achieve and maintain effective control over financial reporting could cause us to fail to meet our reporting obligations and could require that we further restate our financial statements for prior periods.

Downturns in the retailing industry likely will have a direct impact on our performance. Our properties consist of community and neighborhood shopping centers and other retail properties. Our performance therefore is linked to economic conditions in the market for retail space generally, and a decrease in the demand for retail space may have a greater adverse effect on our business and financial condition than if we owned a more diversified real estate portfolio. The market for retail space has been or could be adversely affected by weakness in the national, regional and local

economies, the adverse financial condition of some large retailing companies, the ongoing consolidation in the retail sector, the excess amount of retail space in a number of markets, and increasing consumer purchases through catalogues and the Internet. To the extent that any of these conditions occur, they are likely to impact market rents for retail space and could adversely affect our business.

Failure by any anchor tenant with leases in multiple locations to make rental payments to us, because of a deterioration of its financial condition or otherwise, could seriously harm our performance. Our performance depends on our ability to collect rent, through our property manager, from tenants. At any time, our tenants may experience a downturn in their business that may significantly weaken their financial condition. As a result, our tenants may delay a number of lease commencements, decline to extend or renew a number of leases upon expiration, fail to make rental payments when due under a number of leases, close a number of stores or declare bankruptcy. Any of these actions could result in the termination of the tenant's leases, or expiration of existing leases without renewal, and the loss of rental income attributable to the terminated or expired leases. In addition, lease terminations by an anchor tenant or a failure by that anchor tenant to occupy the premises could result in lease terminations or reductions in rent by other tenants in the same shopping centers under the terms of some leases. In that event, our property manager may be unable to re-lease the vacated space at attractive rents or at all. The occurrence of any of the situations described above, particularly if it involves a substantial tenant with leases in multiple locations, could seriously harm our performance. As of December 31, 2007, our largest tenants were The Kroger Co., Sears Holdings Corp., and Wal-Mart Stores, the scheduled ABR for which represented 5.7%, 3.3% and 3.3%, respectively, of our total ABR excluding our pro rata share of ABR generated by properties owned by unconsolidated joint ventures.

We may be unable to collect balances due from any tenants in bankruptcy. We cannot assure you that any tenant that files for bankruptcy protection will continue to pay us rent. A bankruptcy filing by or relating to one of our tenants or a lease guarantor would bar all efforts by us to collect pre-bankruptcy debts from that tenant or the lease guarantor, or their property, unless we receive an order permitting us to do so from the bankruptcy court. A tenant or lease guarantor bankruptcy could delay our efforts to collect past due balances under the relevant leases, and could ultimately preclude collection of these sums. If a lease is assumed by the tenant in bankruptcy, all pre-bankruptcy balances due under the lease must be paid to us in full. However, if a lease is rejected by a tenant in bankruptcy, we would have only a general unsecured claim for damages. Any unsecured claim we hold may be paid only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims, and there are restrictions under bankruptcy laws that limit the amount of the claim we can make if a lease is rejected. As a result, it is likely that we will recover substantially less than the full value of any unsecured claims we hold from a bankrupt tenant.

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Current and future development and redevelopment of real estate properties may not yield expected returns and may strain management resources. We are actively involved in several ongoing redevelopment projects, and in the past few years have become more actively involved in development projects. We also expect to invest in additional development and redevelopment projects in the future.

Redevelopment and new development of properties are subject to a number of risks, including the following:

- abandonment of development activities after expending resources to determine feasibility;
- construction and/or lease-up delays;
- cost overruns, including construction costs that exceed our original estimates;
- failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all; and
- delays with respect to obtaining or the inability to obtain necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws.

If any of these problems occur, overall project costs may significantly exceed the costs that were estimated when the project was originally undertaken, which will result in reduced returns, or even losses, from such investments. In addition, delays in the completion of a development or redevelopment project may provide various tenants the right to withdraw from a property.

In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility, and are limited to financing any development and redevelopment costs from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. The Residual Joint Venture has up to \$80.0 million of borrowing available to it under the Preston Ridge Facility (only \$40.0 million can be borrowed on or before April 30, 2008). If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance further development and redevelopment following exhaustion of the Preston Ridge Facility.

Our current and future joint venture investments could be adversely affected by a lack of sole decision-making authority and our reliance on joint venture partners' financial condition. In some of our joint ventures, we have invested as a co-venturer or partner in the development or redevelopment of new properties, instead of developing projects directly. These investments involve risks not present in a wholly owned development or redevelopment project, including the following:

- in these investments, we do not have exclusive control over the development, financing, leasing, management and other aspects of the project, which may prevent us from taking actions that are opposed by our joint venture partners;

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- we may be required to obtain prior consent from our co-venturers or partners for a sale or transfer to a third party of our interests in the joint venture, which restricts our ability to dispose of our interest in the joint venture;
- our co-venturers or partners might have interests or goals that are inconsistent with our interests or goals, and may be in a position to take actions contrary to our interests or otherwise impede our objectives;
- our co-venturers or partners also might become insolvent or bankrupt, which may delay construction or development of a property or increase our financial commitment to the joint venture;
- such investments have the potential risk of impasse on certain major decisions, such as a sale, because neither we nor our partner or co-venturer typically have full control over the joint venture;
- any disputes that may arise between us and our joint venture partners could result in litigation or arbitration that could increase our expenses and distract management from focusing their time and effort on our business; and
- we might be liable for the actions of our joint venture partners in certain circumstances.

As of December 31, 2007, we had approximately \$475.6 million of investments in and advances to ten unconsolidated joint ventures that own an aggregate of 234 properties. The largest of these investments is our investment in the Residual Joint Venture. We have a 49% equity interest in the Residual Joint Venture. Our investment in the Residual Joint Venture is subject to the risks described above for jointly owned investments. As of March 31, 2008, this joint venture was comprised of 110 stabilized assets and three assets undergoing redevelopment.

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Real estate property investments are illiquid, and therefore we may not be able to dispose of properties when appropriate or on favorable terms. Real estate property investments generally cannot be disposed of quickly. Return of capital and realization of gains, if any, from an investment generally will occur upon disposition or refinance of the underlying property. We may be unable to realize our investment objectives by sale, other disposition or refinance at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy. In particular, these risks could arise from weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions, and changes in laws, regulations or fiscal policies of jurisdictions in which the property is located. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on favorable terms, which may adversely affect our financial position.

Some potential losses are not covered by insurance, so we could lose a significant portion of our investment in a property. We carry comprehensive liability, fire, extended coverage, rental loss and acts of terrorism insurance on all of our properties. We believe the policy specifications and insured limits of these policies are adequate and appropriate given the relative risk of loss, the cost of the coverage and industry practice. There are, however, certain types of losses, including lease and other contract claims, acts of war and acts of God, and, in some cases, flooding, that generally are not insured, either because such coverage is not available or is not available at commercially reasonable rates. If we experience a loss which is uninsured or which exceeds policy limits, we could lose a significant portion of the capital we have invested in the damaged property, as well as the anticipated future revenue from the property. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it impractical or undesirable to use insurance proceeds to replace a property after it has been damaged or destroyed. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged.

There can be no assurance as to future costs and the scope of coverage that may be available under insurance policies. Although we believe our properties are adequately covered by insurance, we cannot predict at this time if we will be able to obtain full coverage in the future at a reasonable cost. The costs associated with property and casualty renewals may be higher than anticipated.

We currently have variable rate debt obligations, which could be substantial in the future and may impede our operating performance and put us at a competitive disadvantage. As of December 31, 2007, we had approximately \$562.0 million of outstanding floating rate debt, including the impact of swaps, maturing at various times up to September 1, 2011. In addition, we could increase the amount of our outstanding variable rate debt in the future in part by borrowing under the Amended July 2007 Revolving Facility, which bears interest at a variable rate. In connection with the First Amendment to the July 2007 Revolving Facility, we are presently not permitted to make draws under our Amended July 2007 Revolving Facility. Furthermore, the rates on our variable rate indebtedness increase when interest rates increase. Interest rates are currently low relative to historical levels and may increase significantly in the future. Increases in interest rates, or the loss of the benefits of any hedging agreements that we might have, would increase our interest expense, which would adversely affect cash flow and our ability to service debt.

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Hedging agreements enable us to convert floating rate liabilities to fixed rate liabilities or fixed rate liabilities to floating rate liabilities. Hedging agreements expose us to the risk that the counterparties to such agreements may not perform, even though the counterparties to hedging agreements that we enter into are major financial institutions, which could increase our exposure to fluctuating interest rates. In addition, hedging agreements may involve costs, such as transaction fees or breakage costs, if we terminate them. As of December 31, 2007, we were a party to two hedging agreements.

As discussed above, we may borrow additional money with floating interest rates in the future. Increases in interest rates, or the loss of the benefits of our existing or future hedging agreements, would increase our interest expense, which would adversely affect cash flow and our ability to service our debt. Future increases in interest rates will increase our interest expense as compared to the fixed rate debt underlying our hedging agreements and could result in our making payments to unwind such agreements.

Environmental problems that exist at some of our properties could result in significant unexpected costs. We are subject to federal, state and local environmental regulations that apply generally to the ownership of real property and the operations conducted on real property. Under various federal, state and local laws, ordinances and regulations, we may be considered an owner or operator of real property or may have arranged for the disposal or treatment of hazardous

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or toxic substances or petroleum product releases at a property and, therefore, may become liable for the costs of removal or remediation of certain hazardous substances released on or in our property or disposed of by us, as well as certain other potential costs which could relate to hazardous or toxic substances (including governmental fines and injuries to persons and property). Such liability may be imposed whether or not we knew of, or were responsible for, the presence of these hazardous or toxic substances. As is common with community and neighborhood shopping centers, many of our properties had or have on-site dry cleaners and/or on-site gasoline facilities. These operations could potentially result in environmental contamination at the properties. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect our ability to sell or rent such property or to borrow using such property as collateral.

We are aware that soil and groundwater contamination exists at some of our properties. The primary contaminants of concern at these properties include perchloroethylene and trichloroethylene (associated with the operations of on-site dry cleaners) and petroleum hydrocarbons (associated with the operations of on-site gasoline facilities). We also are aware that asbestos-containing materials exist at some of our properties. While we do not expect the environmental conditions at our properties, considered as a whole, to have a material adverse effect on us, there can be no assurance that this will be the case. Further, no assurance can be given that any environmental studies performed have identified or will identify all material environmental conditions, that any prior owner of the properties did not create a material environmental condition not known to us or that a material environmental condition does not otherwise exist with respect to any of our properties.

Further information relating to recognition of remediation obligation in accordance with generally accepted accounting principles is provided in the Consolidated Financial Statements and notes thereto included in Item 8 of this Annual Report on Form 10-K.

We face considerable competition in the leasing market and may be unable to renew leases or re-let space as leases expire. Through our property manager, we compete with a number of other companies in providing leases to prospective tenants and in re-letting space to current tenants upon expiration of their respective leases. If our tenants decide not to renew or extend their leases upon expiration, we may not be able to re-let the space. Even if the tenants do renew or we can re-let the space, the terms of renewal or re-letting, including the cost of required renovations or concessions to tenants, may be less favorable or more costly than current lease terms or than expectations for the space. As of December 31, 2007, leases were scheduled to expire on a total of approximately 10% of the space at our properties (excluding our pro rata share of properties owned by unconsolidated joint ventures) through 2008. Our property manager may be unable to promptly renew the leases or re-let this space, or the rental rates upon renewal or re-letting may be significantly lower than expected rates.

Item 1B. Unresolved SEC Staff Comments

None.

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The following table sets forth certain information as of December 31, 2007 regarding our Consolidated Portfolio properties on a state-by-state basis:

State	Number of Properties	Percent Leased	GLA (1)	Percent of Scheduled ABR (2)
Alabama	4	70 %	471,866	0.6 %
Arizona	2	80 %	432,627	0.9 %
Arkansas	1	100 %	60,842	
California	9	98 %	1,610,223	6.8 %
Colorado	3	91 %	494,275	1.8 %
Connecticut	1	90 %	104,236	0.2 %
Florida	24	85 %	3,713,599	10.6 %
Georgia	19	91 %	2,249,376	5.0 %
Illinois	6	88 %	1,005,815	3.1 %
Indiana	5	89 %	683,152	1.3 %
Iowa	2	87 %	279,826	0.4 %
Kentucky	9	96 %	1,731,486	4.4 %
Louisiana	4	87 %	524,612	0.9 %
Maryland	2	72 %	163,161	0.3 %
Massachusetts	1	85 %	201,875	0.3 %
Michigan	11	89 %	1,453,208	4.3 %
Minnesota	1	73 %	55,715	0.1 %
Mississippi	1	87 %	126,773	0.1 %
Nevada	1	57 %	167,296	0.3 %
New Jersey	6	97 %	744,586	2.8 %
New Mexico	2	100 %	97,384	0.3 %
New York	15	90 %	2,003,668	6.8 %
North Carolina	9	91 %	1,035,735	1.7 %
Ohio	24	84 %	4,600,916	9.7 %
Oklahoma	1	90 %	186,851	0.5 %
Pennsylvania	11	86 %	2,120,221	6.2 %
Rhode Island	1	93 %	148,126	0.4 %
South Carolina	4	88 %	817,226	1.9 %
Tennessee	14	86 %	2,104,018	4.4 %
Texas	63	93 %	7,635,222	22.1 %
Virginia	5	84 %	650,445	1.5 %
Wyoming	1	83 %	155,022	0.3 %
	262	89 %	37,829,383	100 %

(1) GLA represents gross leasable area in square feet.

(2) ABR represents 2007 scheduled ABR based on contractual minimum lease payments as of December 31, 2007.

Of the 262 properties in our Consolidated Portfolio, 258 properties are held in fee simple, and four properties are held pursuant to ground leases, which ground leases constitute an aggregate of 0.5 million rentable square feet and expire between 2027 and 2031.

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As of December 31, 2007, we owned interests in 496 properties, including 234 properties held through unconsolidated joint ventures. The following table sets forth certain information as of December 31, 2007 regarding our properties on a state-by-state basis, and includes our pro rata share of unconsolidated joint venture properties:

State	Number of Properties	Percent Leased	GLA (1)	Percent of Scheduled ABR (2)
Alabama	9	89%	1,775,340	2.2%
Arizona	5	89%	804,792	0.9%
Arkansas	2	70%	241,361	0.1%
California	13	98%	2,260,784	4.3%
Colorado	6	97%	1,481,200	2.7%
Connecticut	14	97%	2,314,956	4.0%
Florida	43	90%	6,810,234	9.7%
Georgia	37	92%	5,145,595	6.2%
Illinois	16	91%	2,829,874	4.1%
Indiana	12	88%	1,912,146	2.0%
Iowa	3	90%	549,291	0.4%
Kansas	2	89%	267,592	0.3%
Kentucky	16	96%	3,026,001	3.7%
Louisiana	5	89%	624,850	0.5%
Maine	2	100%	274,026	0.2%
Maryland	2	72%	163,161	0.1%
Massachusetts	7	87%	810,445	1.1%
Michigan	23	88%	3,662,778	4.2%
Minnesota	8	96%	1,077,521	1.7%
Mississippi	2	92%	206,773	0.1%
Missouri	3	91%	446,998	0.5%
Nevada	5	89%	735,325	1.3%
New Hampshire	3	94%	369,385	0.6%
New Jersey	8	97%	928,624	1.6%
New Mexico	3	99%	226,096	0.3%
New York	28	95%	4,653,672	7.7%
North Carolina	20	95%	2,872,619	3.3%
Ohio	36	88%	6,622,668	7.3%
Oklahoma	2	95%	481,464	0.8%
Pennsylvania	17	89%	3,241,151	4.1%
Rhode Island	1	93%	148,126	0.2%
South Carolina	8	91%	1,259,260	1.5%
Tennessee	28	91%	4,055,729	4.5%
Texas	84	94%	10,638,364	14.4%
Virginia	14	93%	1,808,564	2.3%
Vermont	1	96%	224,514	0.3%
West Virginia	3	98%	357,606	0.4%
Wisconsin	4	93%	646,214	0.5%
Wyoming	1	83%	155,022	0.1%
	496	92%	76,110,121	100.0%

(1) GLA represents gross leasable area in square feet.

(2) ABR represents 2007 scheduled ABR based on contractual minimum lease payments as of December 31, 2007.

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The following table sets forth a schedule of lease expirations for leases in place within our Consolidated Portfolio as of December 31, 2007 for each of the next ten years and thereafter, assuming no exercise of renewal options or base rent escalations over the lease term.

	Number of Leases Expiring	Leased GLA	Percent of Total ABR
2008	825	3,725,421	10.0%
2009	886	4,362,435	12.4%
2010	839	5,256,181	13.8%
2011	666	4,236,453	12.0%
2012	554	3,669,498	10.5%
2013	193	2,092,825	4.7%
2014	108	1,705,823	4.3%
2015	138	2,782,443	7.4%
2016	127	2,751,444	6.7%
2017+	337	6,901,164	18.2%
	4,673	37,483,687	100.0%

Item 3. *Legal Proceedings*

We are not presently involved in any material litigation arising outside the ordinary course of our business. However, we are involved in routine litigation arising in the ordinary course of business, none of which is believed to be material in light of reserves taken by us.

Item 4. *Submission of Matters to a Vote of Security Holders*

No matters were submitted to a vote of Super LLC, our sole security holder, during the fourth quarter of 2007.

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PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

As a result of the Merger described in Item 1 of this Annual Report on Form 10-K, the Common Stock of New Plan ceased to be outstanding as of April 20, 2007, and was accordingly de-listed under Section 12 of the Exchange Act. We do not issue common stock.

New Plan declared dividends of approximately \$39.0 million for the period from January 1, 2007 to April 20, 2007 (amount does not include increases to the dividend payable on New Plan's Series D depository shares to account for the step-up in the dividend rate). All dividends had been paid to holders of our predecessor's common stock as at December 31, 2007.

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The following table shows our selected consolidated financial data and historical financial data for our predecessor for the periods indicated. This information should be read together with our audited financial statements including the period ended December 31, 2007 which has been restated as discussed in Note 1 to the consolidated financial statements and Management's Discussion and Analysis of the Financial Condition and Results of Operations included elsewhere in this Annual Report on Form 10-K.

	Company		Predecessor			
	As Restated Period from April 5, through December 31, 2007	Period from January 1, through April 4, 2007	2006	Years Ended December 31, 2005		2004
(In thousands, except per share amounts)						
Statement of Operations Data:						
Rental revenues:						
Rental income	\$ 311,138	\$ 92,455	\$ 336,475	\$ 359,372	\$ 367,200	\$ 343,719
Percentage rents	2,463	2,169	4,903	5,811	5,979	6,347
Expense reimbursements	79,115	27,730	101,512	97,728	92,717	93,376
Fee income	21,952	8,832	16,660	10,957	4,797	5,265
Total rental revenues	414,668	131,186	459,550	473,868	470,693	448,707
Expenses:						
Operating costs	60,635	22,012	73,093	75,595	79,199	81,931
Real estate taxes	48,113	17,210	59,762	64,492	58,619	55,882
Depreciation and amortization	189,063	25,841	89,048	89,831	86,359	73,326
Provision for doubtful accounts	3,141	3,277	7,949	11,167	8,764	6,810
Impairment of real estate	27,775			859	43	3,536
Impairment of goodwill and other intangibles	552,851					
General and administrative	20,538	51,932	28,674	26,359	17,675	18,225
Total expenses	902,116	120,272	258,526	268,303	250,659	239,710
	(487,448)	10,914	201,024	205,565	220,034	208,997
Other income and expenses:						
Interest, dividend and other income	4,724	1,524	4,016	4,219	3,631	4,130
Equity in income of unconsolidated ventures	2,576	974	5,143	4,046	2,378	3,438
Interest expense	(78,802)	(26,845)	(94,202)	(118,043)	(106,042)	(100,987)
Minority interest in income of consolidated partnership and joint ventures	(5,956)	(297)	(745)	(5,953)	(796)	(1,554)
(Loss) income from continuing operations	(564,906)	(13,730)	115,236	89,834	119,205	114,024
Discontinued operations:						
Results of discontinued operations	274	657	6,239	11,794	14,744	17,932
Gain (loss) on sale of discontinued operations		2,464	14,648	17,788	(1,139)	4,018
Impairment of real estate held for sale			(907)		(88)	(6,953)

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Income from discontinued operations	274	3,121	19,980	29,582	13,517	14,997
(Loss) income before gain on sale of real estate	(564,632)	(10,609)	135,216	119,416	132,722	129,021
Gain on sale of real estate			1	186,908	1,218	
Net (loss) income	\$ (564,632)	\$ (10,609)	\$ 135,217	\$ 306,324	\$ 133,940	\$ 129,021
Net income (loss) available to common stock basic	\$ (22,688)	\$ 113,251	\$ 284,436	\$ 112,470	\$ 107,221	
Net income (loss) available to common stock diluted	\$ (22,391)	\$ 113,996	\$ 289,506	\$ 113,266	\$ 108,776	
Basic earnings (loss) per common share:						
(Loss) earnings per share continuing operations	\$ (0.25)	\$ 0.88	\$ 2.46	\$ 0.98	\$ 0.95	
Earnings per share - discontinued operations	0.03	0.21	0.29	0.13	0.15	
Basic (loss) earnings per common share	\$ (0.22)	\$ 1.09	\$ 2.75	\$ 1.11	\$ 1.10	
Diluted earnings (loss) per common share:						
(Loss) earnings per share continuing operations	\$ (0.23)	\$ 0.85	\$ 2.43	\$ 0.97	\$ 0.93	
Earnings per share - discontinued operations	0.03	0.20	0.28	0.13	0.15	
Diluted (loss) earnings per common share	\$ (0.20)	\$ 1.05	\$ 2.71	\$ 1.10	\$ 1.08	
Average shares outstanding - basic	103,355	104,102	103,393	100,894	97,318	
Average shares outstanding - diluted	109,558	108,814	106,834	103,345	100,269	
Other Data:						
Distributions per common share (1)	\$ 0.6250	\$ 1.25	\$ 4.45	\$ 1.65	\$ 1.65	

Balance Sheet Data as of the End of Each Year:	Company As Restated		Predecessor			
	2007	2006	2005	2004	2003	
Net real estate	\$ 3,904,430	\$ 3,135,547	\$ 3,016,262	\$ 3,559,763	\$ 3,294,037	
Total assets	5,625,130	3,534,899	3,369,762	3,831,742	3,558,596	
Debt, net (2)	1,831,546	1,834,360	1,644,881	1,996,319	1,776,004	
Total liabilities	2,370,361	2,032,677	1,820,717	2,160,797	1,934,588	
Minority interest in consolidated partnership and joint ventures	86,210	57,485	57,659	30,784	37,865	
Total members capital/stockholders equity	3,168,559	1,444,737	1,491,386	1,640,161	1,586,143	

(1) Amount for the year ended December 31, 2005 includes the Special Dividend of \$3.00 per common share, which was paid on September 27, 2005 to common stockholders of record on August 25, 2005.

(2) Debt includes mortgage loans, net, notes payable, net, capital leases and credit agreements.

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Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

As further discussed in Note 1 to the Consolidated Financial Statements, we have restated our consolidated financial statements as of December 31, 2007 and for the period from April 5, 2007 through December 31, 2007, reported in our Annual Report on Form 10-K originally filed with the SEC on April 16, 2008. On April 17, 2008, management determined it should restate the financial statements after concluding that an additional \$77.7 million impairment charge on intangible assets was necessary. The restated financial statements reflect the additional impairment charge to other intangibles.

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

As more fully described in Item 1 of this Annual Report on Form 10-K, on February 27, 2007, New Plan, together with the DownREIT Partnership, entered into the Merger Agreement with the Buyer Parties. The Buyer Parties are affiliates of Centro. Pursuant to the Merger Agreement, MergerSub commenced and completed the Offer to purchase all outstanding shares of common stock of New Plan at the Offer Price. The Offer, as supplemented by a subsequent offering period, expired at 12:00 midnight, New York City time, on Wednesday, April 18, 2007. On April 19, 2007, MergerSub exercised its top-up option under the Merger Agreement and purchased from New Plan, at a purchase price equal to the Offer Price, a number of additional shares of common stock sufficient to permit MergerSub to effect a short-form merger of MergerSub into New Plan under Maryland law without the vote of or any other action by the remaining New Plan stockholders.

On April 20, 2007, New Plan, together with us, MergerSub, and DownREIT Acquisition, completed the Mergers. Immediately following the Merger, on April 20, 2007, and in connection with the Liquidation, (a) all of New Plan's assets were transferred to us, and we assumed all of its liabilities, (b) all outstanding shares of preferred stock of New Plan were automatically converted into, and cancelled in exchange for the right to receive cash liquidating distributions in accordance with their terms, and (c) all shares of common stock of New Plan were cancelled. As a result of the Merger and Liquidation, New Plan filed a Certification and Notice of Termination of Registration on Form 15 with the SEC pursuant to which it terminated its reporting obligations under the Exchange Act with respect to its common stock and 7.625% Series E Cumulative Redeemable Preferred Stock.

In connection with the Mergers, we, New Plan Realty Trust, LLC (as successor to New Plan, but only with respect to the 1999 Indenture) and the trustee under the Indentures entered into the Supplemental Indentures to the Indentures, each dated as of April 20, 2007, by and between New Plan and the Trustee. The Supplemental Indentures

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each provide for us to assume all of the obligations of New Plan under each of the Indentures, effective upon consummation of the Merger with respect to the notes issued under the Indentures (the Notes).

As the successor obligor on the Notes, we intend to continue to file with the SEC any annual reports, quarterly reports and other documents that we are required to file with the SEC to the extent required under the Indentures governing the Notes.

All references to we, us, our, ours, or the Company in this report refer to Centro NP LLC and its wholly-owned and majority owned subsidiaries and consolidated entities as of, or subsequent to, April 5, 2007, unless the context indicates otherwise. All references to our predecessor, the Predecessor or New Plan in this report refer to New Plan Excel Realty Trust, Inc. and its wholly-owned and majority owned subsidiaries and consolidated entities as it existed prior to April 5, 2007, unless the context indicates otherwise.

Critical Accounting Policies

Our Consolidated Financial Statements include our accounts and those of our wholly-owned and majority-owned subsidiaries and consolidated variable interest entities. The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires us to make estimates and assumptions in certain circumstances that affect amounts reported in the accompanying Consolidated Financial Statements and related footnotes. In preparing these financial statements, we have made our best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. We do not believe there is a great likelihood that materially different amounts would be reported related to the accounting policies described below. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates.

Revenue Recognition

We recognize rental revenue on a straight-line basis, which averages minimum rents over the terms of the leases. The cumulative difference between lease revenue recognized under this method and contractual lease payment terms is recorded as deferred rent receivable on our consolidated balance sheets. Certain leases provide for percentage rents based upon the level of sales achieved by the lessee. These percentage rents are recorded once the required sales levels are achieved. Leases also typically provide for tenant reimbursements of common area maintenance and other operating expenses. Rental income also includes lease termination fees.

We must make estimates of the uncollectability of our accounts receivables related to base rents, expense reimbursements and other revenue or income. We specifically analyze accounts receivable and historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in our customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. These estimates have a direct impact on our net income, because a higher bad debt reserve results in less net income.

The SEC's Staff Accounting Bulletin (SAB) No. 104, *Revenue Recognition* (SAB 104), provides guidance on the application of GAAP to selected revenue recognition issues. We have concluded that our revenue recognition policy is appropriate and in accordance with GAAP and

SAB 104.

Real Estate

Land, buildings and building and tenant improvements are recorded at cost and stated at cost less accumulated depreciation. Major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives; ordinary repairs and maintenance are expensed as incurred. Land, buildings and building and tenant improvements that are under redevelopment, or are being developed, are carried at cost and no depreciation is recorded on these assets. Additionally, amounts essential to the development of the property, such as pre-construction costs, development costs, construction costs, interest costs, real estate taxes, salaries and related costs, and other costs incurred during the period of development are capitalized. We cease capitalization when the property is available for occupancy upon substantial completion of tenant improvements, but in any event no later than one year from the completion of major construction activity.

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Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	40 years
Building improvements	5 to 40 years
Tenant improvements	The shorter of the term of the related lease or useful life

We are required to make subjective assessments as to the useful lives of our properties for purposes of determining the amount of depreciation to reflect on an annual basis. These assessments have a direct impact on our net income. For example, if we were to lengthen the expected useful life of a particular building improvement, the improvement would be depreciated over a greater number of years, resulting in less depreciation expense and higher net income on an annual basis.

Business Combinations

In connection with our acquisition of properties, purchase costs are allocated to the tangible and intangible assets and liabilities acquired based on their estimated fair values. The value of the tangible assets, consisting of land, buildings and building and tenant improvements, are determined as if vacant (i.e., at replacement cost). Intangible assets, including the above-market value of leases and the value of in-place leases, are recorded at their relative fair values. The below-market value of leases is recorded in Other Liabilities on our Consolidated Balance Sheets.

Above-market and below-market lease values for owned properties are recorded based on the present value (using an interest rate reflecting the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the leases negotiated and in-place at the time of acquisition and (ii) management's estimate of fair market lease rates for the property or equivalent property, measured over a period equal to the remaining non-cancelable term of the lease. The capitalized above-market or below-market lease value is amortized as a reduction of, or increase to, rental income over the remaining non-cancelable term of each lease plus any renewal periods with fixed rental terms that are considered to be below-market.

The total amount of other intangible assets allocated to in-place lease values is based on management's evaluation of the specific characteristics of each lease and our overall relationship with each tenant. Factors considered in the allocation of these values include, but are not limited to, the nature of the existing relationship with the tenant, the tenant's credit quality, the expectation of lease renewals, the estimated carrying costs of the property during a hypothetical expected lease-up period, current market conditions and the costs to execute similar leases. Management will also consider information obtained about a property in connection with its pre-acquisition due diligence. Estimated carrying costs include real estate taxes, insurance, other property operating costs and estimates of lost rentals at market rates during the hypothetical expected lease-up periods, based on management's assessment of specific market conditions. Management will estimate costs required to execute leases including commissions and legal costs to the extent that such costs are not already incurred with a new lease that has been negotiated in connection with the purchase of a property. Independent appraisals and/or management's estimates will be used to determine these values.

The value of in-place leases is amortized to expense over the remaining initial term of each lease. The value of tenant relationship intangibles is amortized to expense over the initial terms of the leases; however, no amortization period for intangible assets will exceed the remaining depreciable life of the building.

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In the event that a tenant terminates its lease, the unamortized portion of each intangible, including market rate adjustments, lease origination costs, in-place values and tenant relationship values, will be charged as an expense.

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Long Lived Assets

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties may be impaired. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property (taking into account the anticipated holding period of the asset) is less than the carrying value of the property. Such estimate of cash flows considers factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other economic factors. To the extent impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the fair value of the property, and reflected as an adjustment to the basis of the property.

When assets are identified by management as held for sale, we discontinue depreciating the assets and estimate the sales price, net of selling costs, of such assets. If, in management's opinion, the net sales price of the assets that we have identified for sale is less than the net book value of the assets, a valuation allowance is established. For investments accounted for under the equity method, a loss is recognized if the loss in value of the investment is other than temporary.

When we make subjective assessments as to whether there are impairments in the value of our real estate properties, such assessments have a direct impact on our net income, because taking an impairment results in an immediate negative adjustment to net income.

We are required to make subjective assessment as to the terminal growth rates used and the discount rates applied as part of our impairment analysis of the goodwill balance. The analysis is also based upon management's best estimate of forecast cashflows that are expected to be derived in the future. These assessments have a direct impact on the determination of the impairment charge, and therefore our net loss. For example, if we were to increase the discount rate or decrease the terminal growth rate used, this would reduce the net present value of our estimated future cashflows and therefore increase the goodwill impairment charge.

The assumptions used in calculating our goodwill impairment charge are consistent with those assumptions applied by our ultimate parent investors, CPL and CPT, when assessing the impairment of their investment in us.

Recently Issued Accounting Standards

In September 2006, the FASB issued Statement No. 157, *Fair Value Measurements* (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosure requirements regarding fair value measurements. SFAS No. 157 requires companies to disclose the fair value of its financial instruments according to a fair value hierarchy (i.e. levels 1, 2, and 3, as defined within SFAS No. 157). Additionally, companies are required to provide enhanced disclosure regarding instruments in the level 3 category (which require significant management judgment), including a reconciliation of the beginning and ending balances separately for each major category of assets and liabilities. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and all interim periods within those fiscal years. The Company is currently evaluating the impact of adopting SFAS No. 157.

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In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS No. 159). SFAS No. 159 allows entities to report selected financial assets and liabilities at fair value. Prior to the issuance of this new guidance, related assets and liabilities had been measured differently, resulting in artificial earnings volatility and the undue complexity of applying other accounting guidance. SFAS No. 159 aims to alleviate those types of reporting issues in addition to enhancing comparisons between entities and expanding disclosures of interest to financial statement users. SFAS No. 159 also serves to advance convergence of FASB guidance with that of the International Accounting Standards Board, which has previously adopted a fair value option. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year beginning after November 15, 2007, but early adoption is permitted. We are currently assessing the impact of SFAS No. 159 on our financial position and results of operations, however, the adoption of SFAS No. 159 is not expected to have a material impact on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised), *Business Combinations* (SFAS No. 141(R)). SFAS No. 141(R) changes the accounting for business combinations including the measurement of acquirer shares issued in consideration for a business combination, the recognition of contingent consideration, the accounting for pre-acquisition gain and loss contingencies, the recognition of capitalized in-process research and development, the accounting for acquisition-related restructuring cost accruals, the treatment of acquisition related transaction costs and the recognition of changes in the acquirer's income tax valuation allowance. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, except for certain tax adjustments for prior business combinations. Accordingly, the Company will adopt this statement on January 1, 2009. The Company is currently evaluating the impact of adopting SFAS No. 141(R).

In December 2007, the FASB issued SFAS No. 160, *Non-controlling Interests in Consolidated Financial Statements, an amendment of ARB No. 51* (SFAS No. 160). SFAS No. 160 changes the accounting for non-controlling (minority) interests in consolidated financial statements including the requirements to classify non-controlling interests as a component of consolidated stockholders' equity, and the elimination of minority interest accounting in results of

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operations with earnings attributable to non-controlling interests reported as part of consolidated earnings. Additionally, SFAS No. 160 revises the accounting for both increases and decreases in a parent's controlling ownership interest. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008, with early adoption prohibited. The Company is currently evaluating the impact of adopting SFAS No. 160.

Any recently issued accounting standards or pronouncements not mentioned in this note have been excluded as we have determined that they either are not relevant to us, or they are not expected to have a material effect on our Consolidated Financial Statements.

Results of Operations

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

During the period from April 5, 2007 through December 31, 2007, we acquired a parcel of land immediately adjacent to a property owned by us (Land at Victory Square), the remaining 75% interest in a shopping center in which we owned the other 25% (The Centre at Preston Ridge which was subsequently transferred to the Residual Joint Venture in March 2008), one land parcel and the remaining 90% interests in three of our joint ventures in which we owned the other 10% of each of the joint ventures (CA New Plan Venture Fund LLC, CA New Plan Acquisition Fund, LLC and CA New Plan Direct Investment Fund, LLC) (collectively, Company Acquisitions). During the period from January 1, 2007 through April 4, 2007, our predecessor acquired one shopping center (Stewart Plaza) and one land parcel (collectively, Predecessor Acquisitions and, together with Company Acquisitions, the 2007 Acquisitions).

In August 2007, we formed the Residual Joint Venture with Super LLC, our sole and managing member. In connection with the formation of the joint venture, we contributed 49% of our interest in certain subsidiaries, owning 18 real properties to this joint venture. We distributed the remaining 51% of our interest in the transferred entities to Super LLC, and Super LLC contributed such interest in the transferred entities to this joint venture. Following these transactions, we owned 49% of the non-managing interest in this joint venture, and Super LLC owned 51% of the managing member interest in this joint venture. In November 2007, we contributed 49% of our interest in certain additional subsidiaries, owning 25 real properties to this joint venture (together with the contribution of the 18 properties described above, the Residual Joint Venture Transaction). We distributed the remaining 51% of our interest in the additional transferred entities to Super LLC, and Super LLC contributed such interest in the additional transferred entities to this joint venture. Following these transactions, we continued to own 49% of the non-managing interest in this joint venture, and Super LLC continued to own 51% of the managing member interest in this joint venture.

During 2006, our predecessor acquired four shopping centers (Shoppes at Hickory Hollow, The Quentin Collection, Fox Run Mall and Memphis Commons), two buildings immediately adjacent to properties owned by our predecessor (Building at Tarpon Mall and Building at Hazel Path), the remaining 90% interests in two shopping centers in which our predecessor owned the other 10% interests (Ventura Downs and Odessa-Winwood Town Center), six land parcels, and a leasehold interest in a new development project (collectively, the 2006 Acquisitions).

On August 10, 2005, our predecessor completed the sale and contribution of 69 community and neighborhood shopping centers (the Galileo Properties) to Galileo America LLC for approximately \$968.0 million of total consideration (the Property Transfer). As a result of a series of

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related transactions that occurred simultaneously with the closing of the Property Transfer, our predecessor owned an approximately 5.0% equity interest in Galileo America LLC, which, as of December 31, 2006, owned 135 real estate assets. In addition, our predecessor acquired a recurring asset management fee stream and a minimum 20 year fee stream for all property management, leasing, development, acquisition and disposition fees related to Galileo America LLC (such transactions are referred to collectively with the Property Transfer as the Galileo Transactions). As a result of our predecessor's retained 5% equity ownership interest in Galileo America LLC, as well as our predecessor's acquisition of the property and asset management rights as part of the Galileo Transactions, the results of operations of the Galileo Properties were not classified as discontinued operations for the years ended December 31, 2006, 2005 and 2004. Accordingly, our predecessor's results of operations for the years ended December 31, 2006, 2005 and 2004 include the results of operations of the Galileo Properties.

During 2005, our predecessor acquired eight shopping centers (Brunswick Town Center, Hillcrest Shopping Center, West Ridge Shopping Center, Market Plaza, Surrey Square Mall, Fashion Place Shopping Center, Western Hills

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Plaza and Southland Shopping Center), a vacant building with 2.5 acres of land immediately adjacent to Midway Crossing, a shopping center owned by our predecessor, a vacant building immediately adjacent to Victory Square, a shopping center owned by our predecessor, six land parcels, the remaining 90% interest in Marketplace at Wycliffe, a shopping center in which our predecessor owned the other 10% interest, and the remaining 90% interest in Mableton Walk, a shopping center in which our predecessor owned the other 10% interest (collectively, the 2005 Acquisitions). Accordingly, our predecessor's results of operations for the years ended December 31, 2006 and 2005 include the results of operations of the 2005 Acquisitions.

In accordance with the provisions of FIN 46 and EITF 04-5 our and our predecessor's consolidated results of operations for the period from April 5, 2007 through December 31, 2007, the period from January 1, 2007 through April 4, 2007, and the years ended December 31, 2006 and 2005 include the results of operations of certain of our joint ventures (collectively, Consolidation Adjustments), as applicable.

In accordance with the provisions of SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the results of operations of properties that have been disposed of (by sale, by abandonment, or in a distribution to owners) or classified as held for sale must be classified as discontinued operations and segregated in our and our predecessor's Consolidated Statements of Income and Comprehensive Income. Therefore, results of operations from prior periods have been restated to reflect the current pool of disposed of or held for sale assets.

Results of operations for period from April 5, 2007 through December 31, 2007 (the Company), the period from January 1, 2007 through April 4, 2007 (the Predecessor) and the year ended December 31, 2006 (the Predecessor)

Rental Revenues:

Rental income was \$336.5 million for the year ended December 31, 2006, \$92.5 million for the period from January 1, 2007 through April 4, 2007 and \$311.1 million for the period from April 5, 2007 through December 31, 2007.

- The following significant factors caused material changes in the rental income of the Company:
- 2007 Acquisitions, which increased rental income by approximately \$11.4 million
- 2006 Acquisitions, which increased rental income by approximately \$6.1 million
- Net increases in rental rates and straight-line rent adjustments, which increased rental income by approximately \$9.3 million

Results of operations for period from April 5, 2007 through December 31, 2007 (the Company), the period from Jan

- Increased lease settlement income, which increased rental income by approximately \$3.7 million
- Increased amortization of below market leases, which leases were recorded at fair value by the Company in connection with the Merger, which increased rental income by approximately \$38.7 million
- Residual Joint Venture Transaction, which decreased rental income by approximately \$3.9 million
- The following significant factors caused material changes in the rental income of the Predecessor:
 - 2006 Acquisitions, which increased rental income by approximately \$3.3 million
 - Decreased lease settlement income, which decreased rental income by approximately \$3.3 million

Fee income was \$16.7 million for the year ended December 31, 2006, \$8.8 million for the period from January 1, 2007 through April 4, 2007 and \$22.0 million for the period from April 5, 2007 through December 31, 2007. Fee income is derived from services provided to our joint ventures and other managed projects.

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- The following significant factors caused material changes in the fee income of the Company:

- Leasing fee revenue, which increased fee income by approximately \$2.8 million

- Asset management fee revenue, which increased fee income by approximately \$7.4 million

- Construction fee revenue, which increased fee income by approximately \$2.0 million

- The following significant factor caused a material change in the fee income of the Predecessor:

- Leasing fee revenue, which increased fee income attributable to the Predecessor by approximately \$1.0 million

Operating Expenses:

Operating costs were \$73.1 million for the year ended December 31, 2006, \$22.0 million for the period from January 1, 2007 through April 4, 2007 and \$60.6 million for the period from April 5, 2007 through December 31, 2007.

- The following significant factors caused material changes in the operating costs of the Company:

- 2007 Acquisitions, which increased operating costs by approximately \$1.9 million

- 2006 Acquisitions, which increased operating costs by approximately \$2.1 million

- Increased payroll and payroll related expenses, attributable to increased personnel levels necessary to manage the growing number of properties under management, which increased operating costs by approximately \$3.2 million

- Increased utilities expense, which increased operating costs by approximately \$1.7 million
- Increased legal fees, primarily attributable to an increase in tenant matters requiring legal attention, which increased operating costs by approximately \$1.0 million
- Residual Joint Venture Transaction, which decreased operating costs by approximately \$1.4 million
- The following significant factors caused material changes in the operating costs of the Predecessor:
 - Increased property insurance expense, attributable to higher premiums under our renewed policy, which increased operating costs by approximately \$0.5 million
 - Increased snow removal costs, primarily attributable to the harsh winter conditions in the Midwest, which increased operating costs by approximately \$1.2 million

Real estate taxes were \$59.8 million for the year ended December 31, 2006, \$17.2 million for the period from January 1, 2007 through April 4, 2007 and \$48.1 million for the period from April 5, 2007 through December 31, 2007.

- The following significant factors caused material changes in the operating costs of the Company:
 - 2007 Acquisitions, which increased real estate taxes by approximately \$3.2 million
 - 2006 Acquisitions, which increased real estate taxes by approximately \$1.9 million
 - Residual Joint Venture Transaction, which decreased real estate taxes by approximately \$1.3 million

Depreciation and amortization expense was \$89.0 million for the year ended December 31, 2006, \$25.8 million for the period from January 1, 2007 through April 4, 2007 and \$189.1 million for the period from April 5, 2007 through December 31, 2007.

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- The following significant factors caused material changes in the depreciation and amortization of the Company:
 - 2007 Acquisitions, which increased depreciation and amortization by approximately \$6.2 million
 - 2006 Acquisitions, which increased depreciation and amortization by approximately \$4.2 million
 - Increased depreciation expense on our real estate properties, which properties were recorded at fair value by the Company in connection with the Merger, which increased depreciation and amortization by approximately \$14.0 million
 - Increased amortization expense associated with amounts paid to acquire certain property and asset management rights, which rights were recorded at fair value by the Company in connection with the Merger, increased depreciation and amortization by approximately \$5.2 million
 - Increased amortization expense of intangible assets, other than the amounts paid to acquire certain property and asset management rights, which intangible assets were recorded at fair value by the Company in connection with the Merger, which increased depreciation and amortization by approximately \$83.1 million
- The following significant factor caused a material change in the depreciation and amortization of the Predecessor:
 - 2006 Acquisitions, which increased depreciation and amortization by approximately \$2.0 million

During the period to December 31, 2007, the Company recorded an impairment charge of \$27.7 million over its real estate assets. This impairment charge is a result of the expected hold period applied by management in relation to our real estate assets, in accordance with SFAS No. 144.

An impairment charge of \$552.9 million of goodwill and other intangibles was also recorded by the Company during the period to December 31, 2007. This impairment charge was required due to the significant reduction in the Company's and its affiliates' forecast cash flow streams derived from certain property and funds management services. Upon announcement of our ultimate parents' liquidity and refinancing position

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on December 17, 2007, there was a severe market reaction which significantly impaired our and our ultimate parents' ability to continue to grow our funds management business.

General and administrative expenses were \$28.7 million for the year ended December 31, 2006, \$51.9 million for the period from January 1, 2007 through April 4, 2007 and \$20.5 million for the period from April 5, 2007 through December 31, 2007.

- The following significant factors caused material changes in the general and administrative expenses of the Predecessor:

- Increased advisory and legal fees incurred by the Predecessor in connection with the Mergers, which increased general and administrative expenses by approximately \$22.5 million

- Increased payroll related expenses, primarily attributable to the Predecessor's recognition of compensation expense associated with stock-based compensation that vested in connection with the Merger, which increased general and administrative expenses by approximately \$19.2 million

- There were no significant factors that caused material changes in the general and administrative expenses of the Company.

Other Income and Expenses:

Interest expense was \$94.2 million for the year ended December 31, 2006, \$26.8 million for the period from January 1, 2007 through April 4, 2007 and \$78.8 million for the period from April 5, 2007 through December 31, 2007.

- The following significant factors caused material changes in the interest expense of the Company:

- The \$303.4 million note payable to Centro Property Trust, which was entered into on April 5, 2007, which increased interest expense by approximately \$12.0 million

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- Interest incurred on the Tender Facility, which increased interest expense by approximately \$3.5 million

- Debt issuance costs incurred in connection with the Tender Facility, which increased interest expense by approximately \$3.0 million

- Increased borrowings outstanding under the Amended July 2007 Revolving Facility, combined with a higher interest rate, which increased interest expense by approximately \$9.6 million

- Increased amortization of the premium on mortgages and notes payable, primarily due to fair value adjustments recorded by the Company in connection with the Merger, which decreased interest expense by approximately \$4.1 million

- The conversion of \$114.8 million of the \$115.0 million aggregate principle amount of the 3.75% Convertible Senior Notes, partially offset by the September 2006 Debt Offering, which debt was subsequently redeemed during the three months ended June 30, 2007, which decreased interest expense by approximately \$4.8 million

- The repayment of the Amended Secured Term Loan on April 20, 2007, which decreased interest by approximately \$6.0 million

- Increased capitalized interest with respect to our redevelopment projects, due to increased interest rates and increased project spending, which decreased interest expense by approximately \$1.8 million

- The repayment of mortgage debt, which decreased interest expense by approximately \$1.6 million

- The following significant factors caused material variances in the interest expense of the Predecessor:
 - The September 2006 Debt Offering, which debt was subsequently redeemed during the three months ended June 30, 2007, which increased interest expense by approximately \$2.0 million

- Increased capitalized interest with respect to our redevelopment projects, due to increased interest rates and increased project spending, which decreased interest expense by approximately \$1.6 million

Results of operations for the twelve months ended December 31, 2006 compared to the twelve months ended December 31, 2005

Revenues:

Total revenues were \$459.6 million in 2006, a decrease of \$14.3 million, or 3%, from \$473.9 million in 2005. Significant changes are discussed below.

Rental income decreased \$22.9 million, or 6%, from \$359.4 million in 2005 to \$336.5 million in 2006. The following significant factors accounted for this variance:

- 2006 Acquisitions, which increased rental income by approximately \$2.1 million
- 2005 Acquisitions, which increased rental income by approximately \$8.5 million
- Consolidation Adjustments, which increased rental income by approximately \$1.0 million
- Net increases in rental rates and straight-line rent adjustments, which increased rental income by approximately \$11.1 million
- Increased lease settlement income, which increased rental income by approximately \$1.9 million
- The sale of the Galileo Properties, which decreased rental income by approximately \$47.3 million

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Expense reimbursements increased \$3.8 million, or 4%, from \$97.7 million in 2005 to \$101.5 million in 2006. The following significant factors accounted for this variance:

- 2005 Acquisitions, which increased expense reimbursements by approximately \$2.7 million
- A net increase in the amount of reimbursable real estate taxes, which increased expense reimbursements by approximately \$2.3 million
- A net increase in the amount of reimbursable property operating expenses, including electricity, insurance, water and sewer expenses, which increased expense reimbursements by approximately \$8.6 million
- The sale of the Galileo Properties, which decreased expense reimbursements by approximately \$10.6 million

Fee income increased \$5.7 million, or 52%, from \$11.0 million in 2005 to \$16.7 million in 2006. Fee income is derived from services provided to our joint ventures and other managed projects, and the significant variances in the following fee revenues, which are primarily attributable to an increase in the number of properties being managed by us, accounted for the net increase in fee income:

- Property management fee revenue, which increased fee income by approximately \$4.6 million
- Asset management fee revenue, which increased fee income by approximately \$1.6 million
- Acquisition fee revenue, which decreased fee income by approximately \$0.8 million

Operating Expenses:

Total operating expenses were \$258.5 million in 2006, a decrease of \$9.0 million, or 3%, from \$267.5 million in 2005. Significant changes are discussed below.

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Operating costs decreased \$2.5 million, or 3%, from \$75.6 million in 2005 to \$73.1 million in 2006. The following significant factors accounted for this variance:

- 2005 Acquisitions, which increased operating costs by approximately \$2.1 million
- Increased payroll and payroll related expenses, attributable to increased personnel levels necessary to administer the growing number of properties under management, which increased operating costs by approximately \$1.5 million
- Increased insurance expense, attributable to higher premiums under our renewed policy, which increased operating costs by approximately \$1.3 million
- Decreased capitalization with respect to our redevelopment projects, due to the completion of certain projects, which increased operating costs by approximately \$3.5 million
- The sale of the Galileo Properties, which decreased operating costs by approximately \$9.5 million
- Decreased legal fees for tenant related matters, which decreased operating costs by approximately \$1.1 million

Real estate taxes decreased \$4.7 million, or 7%, from \$64.5 million in 2005 to \$59.8 million in 2006. The following significant factors accounted for this variance:

- 2005 Acquisitions, which increased real estate taxes by approximately \$2.2 million
- The sale of the Galileo Properties, which decreased real estate taxes by approximately \$7.2 million

Depreciation and amortization decreased \$0.8 million, or 1%, from \$89.8 million in 2005 to \$89.1 million in 2006. The following significant factors accounted for this variance:

- 2006 Acquisitions, which increased depreciation and amortization by approximately \$1.1 million

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- 2005 Acquisitions, which increased depreciation and amortization by approximately \$4.3 million
- Increased depreciation expense on properties previously under redevelopment, or classified as held for sale, which increased depreciation and amortization by approximately \$3.1 million
- Increased amortization expense associated with amounts paid to acquire certain property and asset management rights in conjunction with the Galileo Transactions, which increased depreciation and amortization by approximately \$1.1 million
- The sale of the Galileo Properties, which decreased depreciation and amortization by approximately \$11.4 million

Provision for doubtful accounts decreased \$3.3 million, or 29%, from \$11.2 million in 2005 to \$7.9 million in 2006. The following significant factors accounted for this variance:

- Reserves taken on properties previously under redevelopment, partially offset by lower write-offs, which increased provision for doubtful accounts by approximately \$1.9 million
- Lower reserve levels on the Galileo Properties, combined with the collection of previously reserved receivables associated with these same properties, which decreased provision for doubtful accounts by approximately \$5.5 million

General and administrative expenses increased \$2.3 million, or 9%, from \$26.4 million in 2005 to \$28.7 million in 2006. The following significant factors accounted for this variance:

- Increased payroll related expenses, primarily attributable to the increased personnel levels necessary to service the growth of properties under management in our portfolio, which were comprised of the following, which increased general and administrative expenses by approximately \$4.3 million:
 - Increased payroll and payroll related expenses of approximately \$3.2 million

- Increased compensation expense, primarily attributable to stock-based awards granted during 2006, of approximately \$1.1 million
- Costs incurred in connection with our increased offshore accounting efforts, which increased general and administrative expenses by approximately \$1.4 million
- A change in accounting classification whereby expenses previously billed to the Galileo Properties and reflected as management fee income, an offset to general and administrative expenses, are now classified as fee income in the consolidated statement of operations, which change resulted in an increase in general and administrative expenses by approximately \$1.5 million
- Reserves taken in 2005 in connection with specific tenant litigations, which decreased general and administrative expenses by approximately \$2.8 million
- The following non-recurring expenses, which were recorded in 2005 in connection with the Galileo Transactions and the payment of the Special Dividend, which decreased general and administrative expenses by approximately \$2.2 million:
 - Personnel expense of approximately \$1.5 million
 - Additional stock option expense of approximately \$0.7 million attributable to, and recorded as a result of, the stock option revaluation resulting from the payment of the Special Dividend

Other Income and Expenses:

Equity in income of unconsolidated ventures increased \$1.1 million, or 28%, from \$4.0 million in 2005 to \$5.1 million in 2006. The following significant factors accounted for this variance:

- Increased income before depreciation, attributable to the following significant factors, which increased equity in income unconsolidated ventures by approximately \$7.7 million:

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- The operating performance of Galileo America LLC, a joint venture in which we acquired an ownership interest in August 2005, which increased income before depreciation by approximately \$4.0 million
- Improved operating performance of BPR Shopping Center, L.P., and the allocation of 2005 income in 2006, which increased income before depreciation by approximately \$3.0 million
- Increased depreciation, attributable to an increased number of operating properties owned by unconsolidated ventures, which decreased equity in income of unconsolidated ventures by approximately \$6.6 million

Interest expense decreased \$23.8 million, or 20%, from \$118.0 million in 2005 to \$94.2 million in 2006. The following significant factors accounted for this variance:

- A higher interest rate on our then existing \$150.0 million variable rate secured term loan (prior to August 2006 amendments), which increased interest expense by approximately \$2.5 million
- Increased interest rates on our derivative financial instruments that convert fixed rate debt to variable rate debt, which increased interest expense by approximately \$1.8 million
- The 2005 write-off of premiums associated with the repayment of the secured mortgage indebtedness discussed below, which increased interest expense by approximately \$4.2 million
- A net decrease in interest expense recorded on our outstanding notes payable, attributable to the following significant transactions, which decreased interest expense by approximately \$8.3 million:
 - The September 2006 Debt Offering, which increased interest expense by approximately \$2.1 million
 - The public offering of \$125.0 million aggregate principal amount of senior unsecured, 7-year fixed rate notes with a coupon of 5.125% and \$125.0 million aggregate principal amount of senior unsecured, 10-year fixed rate notes with a coupon of 5.25% in September 2005 (collectively, the September 2005 Debt Offering), which increased interest expense by approximately \$9.3 million

- The repayment of \$100.0 million in principal amount of our outstanding 7.75% unsecured senior notes, due April 5, 2005, with a portion of the proceeds from our then existing \$150.0 million unsecured term loan (the Unsecured Term Loan) on April 5, 2005, which decreased interest expense by approximately \$2.5 million
- The repayment of \$250.0 million in principal amount of our outstanding 5.875% unsecured senior notes, due June 15, 2007, with the proceeds from the September 2005 Debt Offering, which decreased interest expense by approximately \$10.3 million
- The 2005 payment of accrued interest and a make-whole premium in connection with our redemption of all \$250.0 million of our outstanding 5.875% senior notes due June 15, 2007, which decreased interest expense by approximately \$7.1 million
- A decrease in the average balance outstanding under our then existing \$350.0 million variable rate revolving credit facility, partially offset by a higher interest rate on such revolving credit facility, which decreased interest expense by approximately \$1.1 million
- The repayment of the Unsecured Term Loan in August 2005, which decreased interest expense by approximately \$2.3 million
- A net decrease in the amount of mortgage debt outstanding, primarily attributable to the repayment of approximately \$100.6 million of secured mortgage indebtedness with a portion of the proceeds from the Galileo Transactions, as well as the repayment of other mortgage indebtedness upon maturity, partially offset by the assumption of mortgages in connection with the 2006 Acquisitions and 2005 Acquisitions, which decreased interest expense by approximately \$5.4 million

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- Prepayment penalties incurred in connection with the 2005 repayment of the secured mortgage indebtedness discussed above, which decreased interest expense by approximately \$11.2 million
- Decreased amortization of debt issuance costs, primarily attributable to the non-recurring write-off in 2005 of unamortized issuance costs associated with our then outstanding 5.875% unsecured notes, which decreased interest expense by approximately \$1.1 million
- Increased capitalized interest with respect to our redevelopment projects, due to increased interest rates and increased project spending, which decreased interest expense by approximately \$3.2 million

Minority interest in income of consolidated partnership and joint ventures decreased \$5.2 million from \$5.9 in 2005 to \$0.7 million in 2006. This decrease is primarily attributable to the allocation of a portion of the gain from the sale of the Galileo Properties to the limited partners of DownREIT Partnership in 2005, which allocation did not recur in 2006.

Discontinued Operations:

For the year ended December 31, 2006, properties that had been either disposed of (by sale, abandonment, or in a distribution to owner) or classified as held for sale generated approximately \$6.2 million, \$14.6 million and \$(0.9) million in results of operations, gain on sale and impairment of real estate held for sale, respectively. For the year ended December 31, 2005, such properties generated approximately \$11.8 million and \$17.8 million in results of operations and gain on sale, respectively. Accordingly, these amounts have been classified as discontinued operations.

Gain on Sale of Real Estate:

Gain on sale of real estate was approximately \$186.9 million for the year ended December 31, 2005. This gain is directly attributable to the sale of the Galileo Properties in connection with the Galileo Transactions.

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Liquidity and Capital Resources

As of December 31, 2007, we had approximately \$41.5 million in available cash, cash equivalents and marketable securities. In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility.

Short-Term Liquidity Needs

In addition to short-term indebtedness, our short-term liquidity requirements consist primarily of funds necessary to pay for management fees, operating and other expenses directly associated with our portfolio of properties, interest expense and scheduled principal payments on our outstanding debt, capital expenditures incurred to facilitate the leasing of space (*e.g.*, tenant improvements and leasing commissions), and capital expenditures incurred in our development and redevelopment projects. We presently have \$306.8 million of debt under our Amended July 2007 Revolving Facility scheduled to mature on the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event under our Amended July 2007 Revolving Facility occurs. We also have an aggregate of \$171.7 million of mortgage debt scheduled to mature during 2008. Although we have historically met our short-term liquidity requirements with cash generated from operations and borrowings under credit facilities, we are presently unable to make draws on our Amended July 2007 Revolving Facility. Due to covenants contained in certain of our debt agreements, we are currently prohibited from incurring additional indebtedness and are limited to distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility for additional borrowings to meet our short-term liquidity requirements. We are currently working with the lenders under our Amended July 2007 Revolving Facility to refinance our short-term indebtedness and are considering additional plans with respect to meeting our short-term liquidity requirements. There can be no assurances that we will be able to refinance our short-term debt on favorable terms or at all. In addition, there are certain factors that may have a material adverse effect on our cash flow from operations which would further constrain our ability to satisfy our short-term liquidity requirements.

Refer to Note 12 to the Consolidated Financial Statements for details relating to the total short-term debt as at December 31, 2007.

We derive substantially all of our revenue from tenants under existing leases at our properties. Therefore, our operating cash flow is dependent on the rents that we are able to charge to our tenants, and the ability of these tenants to make their rental payments. We believe that the nature of the properties in which we typically invest primarily community and neighborhood shopping centers provides a more stable revenue flow in uncertain economic times because, even in difficult economic times, consumers still need to purchase basic living essentials such as food and soft goods. However, general economic downturns, or economic downturns in one or more markets in which we own properties, still may adversely impact the ability of our tenants to make rental payments and our property manager's ability to re-lease space on favorable terms as leases expire. In either of these instances, our cash flow would be adversely affected.

In some cases, we have invested as a co-venturer or partner in the development or redevelopment of new properties, instead of developing projects directly. We have also agreed to contribute our pro rata share of any additional capital that may be required by our joint ventures, with the exception of the Residual Joint Venture, which pro rata share is not expected to be material. In connection with the First Amendment to the

July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility, and are limited to financing any capital requirements from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. The Residual Joint Venture has up to \$80.0 million of borrowing available to it under the Preston Ridge Facility (only \$40.0 million can be borrowed on or before April 30, 2008). If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance these joint venture obligations following exhaustion of the Preston Ridge Facility.

During 2007, we and our predecessor, as applicable, completed 14 redevelopment projects in our Consolidated Portfolio, the aggregate cost of which, including costs incurred in prior years on these projects, was approximately \$81.8 million. In addition, we develop outparcels of properties in our Consolidated Portfolio and during 2007, we and our predecessor, as applicable, completed five outparcel development projects, the aggregate cost of which, including costs incurred in prior years on the projects, was approximately \$10.9 million. Our current redevelopment pipeline in our consolidated portfolio is comprised of 27 projects, the aggregate cost of which, including costs incurred in prior years

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on these projects, is expected to be approximately \$236.5 million. Our current outparcel development pipeline in our Consolidated Portfolio is comprised of three projects, the aggregate cost of which, including costs incurred in prior years on these projects, is expected to be approximately \$9.0 million. In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility, and are limited to financing any development and redevelopment costs from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance further development and redevelopment in our Consolidated Portfolio following exhaustion of the Preston Ridge Facility.

We also redevelop properties in our joint venture portfolios. During 2007, our joint venture portfolios completed one redevelopment project, the aggregate cost of which, including costs incurred in prior years on the project, was approximately \$2.3 million, of which our pro rata share was approximately \$0.1 million. Our current joint venture redevelopment pipeline is comprised of 10 projects, the aggregate cost of which, including costs incurred in prior years, is expected to be approximately \$144.6 million, of which our pro rata share will be approximately \$24.5 million. In addition, we also redevelop outparcels at properties in our joint venture portfolios and during 2007, our joint venture portfolios completed two outparcel development projects, the aggregate cost of which, including costs incurred in prior years on these projects, was approximately \$6.8 million, of which our pro rata share was approximately \$2.4 million. Currently, there are no outparcel developments in the pipeline for our joint venture portfolios. In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility and are limited to financing any development and redevelopment costs from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. The Residual Joint Venture has up to \$80.0 million of borrowing available to it under the Preston Ridge Facility (only \$40.0 million can be borrowed on or before April 30, 2008). If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance further development and redevelopment in our joint venture portfolios following exhaustion of the Preston Ridge Facility.

As discussed in detail in Item 1, the short-term credit facilities of CPT provided under the Australian Extension Deed, the Preston Ridge Facilities of the Residual Joint Venture, and the Super Bridge Loan of Super LLC provided under the Super Bridge Loan Extension Agreement are cross-defaulted with the Company's revolver facility provided under the Amended July 2007 Revolving Facility.

We regularly incur significant expenditures in connection with the re-leasing of our retail space, principally in the form of tenant improvements and leasing commissions. The amounts of these expenditures can vary significantly, depending on negotiations with tenants and the willingness of tenants to pay higher base rents over the lives of the leases. In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility, and are limited to financing any capital expenditures from distributions received from the Residual Joint Venture that are funded with borrowings from the Preston Ridge Facility. If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to further finance these tenant improvements and leasing commissions following exhaustion of the Preston Ridge Facility.

Additionally, the limited partners of the DownREIT Partnership have a redemption right for their Class A Preferred Units which will be exercisable starting April 20, 2008. Each Class A Preferred Unit is redeemable for \$33.15 plus all accrued and unpaid distributions. The aggregate redemption amount payable to all limited partners would be approximately \$83.2 million. The DownREIT Partnership must pay the redemption amount on June 27, 2008 to any redeeming limited partners which it receives a notice of redemption from on or prior to June 13, 2008.

Due to covenants contained in certain of our debt agreements, we are presently unable to incur additional indebtedness, and this restriction will limit our flexibility in restructuring our existing indebtedness (including refinancing indebtedness coming due in 2008). Presently, we are limited to financing any development and redevelopment projects from distributions received from the Residual Joint Venture that are funded

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with borrowings from the Preston Ridge Facility. The Residual Joint Venture has up to \$80.0 million of borrowing available to it under the Preston Ridge Facility (only \$40.0 million can be borrowed on or before April 30, 2008). If we are unable to negotiate additional capacity under the Preston Ridge Facility or negotiate other liquidity facilities, we may be unable to finance development and redevelopment costs following exhaustion of the Preston Ridge Facility. In addition, due to financing constraints of our Australian parents, it is unlikely that they will be able to make additional equity contributions to alleviate any short-term liquidity issues we may encounter.

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Our long-term liquidity requirements consist primarily of funds necessary to pay for the principal amount of our long-term debt as it matures, significant non-recurring capital expenditures that need to be made periodically at our properties, redevelopment or development projects that we undertake at our properties and the costs associated with acquisitions of properties that we pursue. We intend to satisfy these requirements principally through the most advantageous source of capital available to us at the time, which may include the incurrence of new debt through borrowings (through private incurrence of secured and unsecured debt), capital raised through the disposition of assets, joint venture capital transactions and funding from Centro. Until such time as we are able to put in place an appropriate liquidity facility or raise additional capital, we do not presently have access to the capital necessary to satisfy these long-term liquidity requirements.

Our ability to incur additional debt is dependent upon a number of factors, including our degree of leverage, the value of our unencumbered assets, our credit rating and borrowing restrictions imposed by existing lenders. In connection with our refinancing difficulties, our credit ratings were downgraded by Standard & Poor's, Fitch Ratings and Moody's, all to below investment grade. Standard & Poor's cut its rating of us to CCC+, or credit watch with developing implications. Fitch Ratings cut its rating of us to CCC which is a high default risk or rating watch negative. Moody's cut its rating of us to B3. There may be additional reductions in our ratings depending on our operating performance and our ability to refinance the Amended July 2007 Revolving Facility. As a result of these downgrades, the terms of any financings we enter into in the future, as well as our ability to secure any such financings, may be adversely affected.

Based on an internal evaluation, the estimated value of our properties is above the outstanding amount of mortgage debt encumbering the properties. Nonetheless, the matters discussed herein under Recent Developments have made it difficult for us to refinance property level debt in the ordinary course, and we were required to pay higher interest rates on certain property level debt because we were unable to refinance such debt.

We have selectively effected asset sales to generate cash proceeds. During 2007, we, and our predecessor, as applicable, generated approximately \$21.9 million in gross proceeds through the culling of non-core and non-strategic properties and approximately \$8.2 million from the disposition of certain properties and land parcels held through joint ventures. During 2006, our predecessor generated approximately \$124.0 million in gross proceeds through the culling of non-core and non-strategic properties and approximately \$1.4 million from the disposition of certain properties and land parcels held through joint ventures. Our ability to generate cash from asset sales is limited by market conditions. Our ability to sell properties in the future in order to raise cash will necessarily be limited if market conditions make such sales unattractive.

The following table summarizes all of our known contractual cash obligations, excluding interest, to pay third parties as of December 31, 2007 (based on a calendar year, dollars in thousands):

Contractual Cash Obligations	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Long-Term Debt (1)	\$ 1,756,754	\$ 478,478	\$ 446,203	\$ 321,534	\$ 510,539
Capital Lease Obligations	30,902	696	1,369	1,544	27,293
Operating Leases (2)	55,783	3,629	6,942	6,415	38,797

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Redemption Rights (3)		83,214		83,214						
Total	\$	1,926,653	\$	566,017	\$	454,514	\$	329,493	\$	576,629

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- (1) Long-term debt includes scheduled amortization and scheduled maturities for mortgage loans, notes payable and credit facilities.
 - (2) Operating leases include ground leases for shopping centers that we operate and our administrative office space.
 - (3) The limited partners of the DownREIT Partnership have a redemption right for their Class A Preferred Units which will be exercisable starting April 20, 2008. Each Class A Preferred Unit is redeemable for \$33.15 plus all accrued and unpaid distributions.

In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility. We are presently considering what our plans will be with respect to satisfying our contractual cash obligations, the balance of which represents the amount maturing under our Amended July 2007 Revolving Facility, as well as maturing mortgages and scheduled amortization.

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The following table summarizes certain terms of our existing credit agreements as of December 31, 2007 (dollars in thousands):

Loan	Amount Available to be Drawn	Amount Drawn as of December 31, 2007	Current Interest Rate (1)	Maturity Date
Amended July 2007 Revolving Facility (2)	\$	\$ 306,800	LIBOR plus 175 bp	Variable
Secured Term Loans		181,488	Variable (3)	2009 - 2010
Total Credit Agreements	\$	\$ 488,288		

(1) We incur interest using a 30-day LIBOR rate, which was 4.60% at December 31, 2007.

(2) We are presently (and were as of December 31, 2007) unable to make draws on our Amended July 2007 Revolving Facility. Under the terms of the Amended July 2007 Revolving Facility, we incur an annual facility fee of 22.5 basis points on this facility. The Amended July 2007 Revolving Facility is scheduled to mature on the earlier to occur of (i) September 30, 2008, and (ii) the date on which any trigger event, as defined in the agreement, occurs. Total fees incurred in securing this extension in maturity of the facility were approximately \$3.3 million.

(3) We incur interest using a 30-day LIBOR rate, which was 4.60% at December 31, 2007, plus spreads ranging from 135 to 175 basis points.

In connection with the First Amendment to the July 2007 Revolving Facility, we are no longer permitted to make draws under our Amended July 2007 Revolving Facility. In addition, the Amended July 2007 Revolving Facility requires that we maintain certain financial coverage ratios and other debt covenants. These coverage ratios and debt covenants include:

- Total debt to total adjusted assets of no more than 65%;
- Total secured debt to total adjusted assets of no more than 40%;
- Unencumbered total asset value not to be less than 100% of the aggregate principal amount of all of our outstanding unsecured debt; and
- Consolidated income available for debt service of at least 1.5 times the maximum annual service charge on total debt.

As of December 31, 2007, we had approximately \$830.2 million of indebtedness outstanding, excluding the impact of unamortized premiums, under three indentures, having a weighted average interest rate of 5.84%. These indentures also contain covenants that require us to maintain

certain financial coverage ratios.

In addition to our Amended July 2007 Revolving Facility and the Indentures, as of December 31, 2007, we had approximately \$438.2 million of mortgage debt outstanding, excluding the impact of unamortized premiums, having a weighted average interest rate of 7.08% per annum. It should be noted that as at December 31, 2007, the Super Bridge Loan (totaling \$1.86 billion) of our parent is secured by its 100% membership interest in the Company.

Our management team continues to work closely with counterparts of our ultimate parent investors, CPL and CPT, our lenders, and lenders of Super LLC, CPL and CPT. We and our ultimate parent investors are focused upon the extension of the debt of our ultimate parents to at least September 30, 2008, as this is required under the Extension Agreements.

In conjunction with our ultimate parent investors, the Company is assessing a number of options to address the current liquidity issues. Covenants contained in certain of our debt agreements currently prevent us from incurring any additional debt, and any new sources of long-term financing would be required to be approved by the lenders under the Extension Agreements.

Resolution of our liquidity issues may be, in part, achieved through asset sales. If we are required to dispose of real estate assets quickly and in a manner other than normal fashion to assist with our liquidity position, it is possible that these real estate assets would be sold at an accounting loss. Additionally, our ability to sell real estate assets is restricted by a loan-to-asset covenant ratio as contained in the Indentures.

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In terms of potential equity investments, our ultimate parent investors are considering such options which may result in equity contributions into us to assist with our liquidity position.

Off-Balance Sheet Arrangements

We do not believe that we currently have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

However, in a few cases, we have made commitments to provide funds to unconsolidated joint ventures under certain circumstances. The liabilities associated with these joint ventures do not show up as liabilities on our Consolidated Financial Statements.

The following is a brief summary of the unconsolidated joint venture obligations that we have as of December 31, 2007, and to which we expect to make additional capital contributions:

- *Centro GA America LLC.* We have a 5% interest in this joint venture, which interest was acquired on August 10, 2005 in conjunction with the Galileo Transactions. Under the terms of this joint venture, we are not obligated to contribute any additional capital to the venture; however, in the event that additional capital is contributed by our joint venture partner, we have the option to contribute the amount necessary to maintain our 5% ownership interest. We anticipate making additional capital contributions from time to time to maintain our 5% ownership interest. As of December 31, 2007, the joint venture was comprised of 126 stabilized retail assets, four retail properties under redevelopment and one new development property and had loans outstanding of approximately \$1.3 billion. As of December 31, 2007, the book value of our investment in Galileo America LLC was approximately \$49.9 million.
- *NP / I&G Institutional Retail Company II, LLC.* In February 2006, our predecessor formed a second strategic joint venture with JP Morgan Investment Management Inc. to acquire high-quality institutional grade community and neighborhood shopping centers on a nationwide basis. Under the terms of this joint venture, we have a 20% interest in the venture and have committed to contribute our pro rata share of any capital required by the venture for asset acquisitions. As of December 31, 2007, we had contributed approximately \$14.7 million. Additionally, we have agreed to contribute our pro rata share of any additional capital that might be required by the joint venture; however, we do not expect that any significant additional capital contributions will be required. As of December 31, 2007, the joint venture owned three stabilized retail properties. The joint venture had loans outstanding of approximately \$46.9 million as of December 31, 2007. As of December 31, 2007, the book value of our investment in NP / I&G Institutional Retail Company II, LLC was approximately \$15.0 million.

- *NPK Redevelopment I, LLC.* We have a joint venture with Kmart Corporation (Sears Holding Corp.) pursuant to which the joint venture will redevelop three Kmart Supercenter properties formerly owned by Kmart. Under the terms of this joint venture, we have agreed to contribute \$6.0 million which had been fully contributed as of December 31, 2007. We will have a 20% interest in the venture and are responsible for contributing our pro rata share of any additional capital that might be required by the joint venture; however, we do not expect that any significant capital contributions will be required. The joint venture had no loans outstanding as of December 31, 2007. As of December 31, 2007, the book value of our investment in NPK Redevelopment I, LLC was approximately \$9.5 million.

In addition, the following is a brief summary of the other unconsolidated joint venture obligations that we have as of December 31, 2007. Although we have agreed to contribute certain amounts of capital that may be required by these joint ventures, as more fully described below, we do not expect that any significant capital contributions to the following joint ventures will be required.

- *Arapahoe Crossings, L.P.* We, together with a U.S. partnership comprised substantially of foreign investors, have an interest in a joint venture which owns Arapahoe Crossings, a community shopping center located in Aurora, Colorado. Under the terms of this joint venture, we have a 30% interest and we have agreed to contribute our pro rata share of any capital that might be required by the joint venture. The joint venture had loans outstanding of approximately \$47.0 million as of December 31, 2007.

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As of December 31, 2007, the book value of our investment in Arapahoe Crossings, L.P. was approximately \$14.4 million.

- *BPR Land Partnership, L.P.* We have a 50% interest in a joint venture that owns approximately 10.3 acres of undeveloped land in Frisco, Texas. Under the terms of this joint venture, we have agreed to contribute our pro rata share of any capital that might be required by the joint venture. The joint venture had no loans outstanding as of December 31, 2007. As of December 31, 2007, the book value of our investment in BPR Land Partnership, L.P. was approximately \$3.8 million.
- *BPR South, L.P.* We have a 50% interest in a joint venture that owns approximately 6.6 acres of undeveloped land in Frisco, Texas. Under the terms of this joint venture, we have agreed to contribute our pro rata share of any capital that might be required by the joint venture. The joint venture had no loans outstanding as of December 31, 2007. As of December 31, 2007, the book value of our investment in BPR South, L.P. was approximately \$1.4 million.
- *The Residual Joint Venture.* In August 2007, we formed the Residual Joint Venture with Super LLC, our sole and managing member. In connection with the formation of the Residual Joint Venture, we contributed 49% of our interest in certain subsidiaries, owning 18 real properties with an approximate value of \$396.0 million, to the Residual Joint Venture. We distributed the remaining 51% of our interest in the transferred entities to Super LLC, and Super LLC contributed such interest in the transferred entities to the Residual Joint Venture. Following these transactions, we owned 49% of the non-managing interest in the Residual Joint Venture, and Super LLC owned 51% of the managing member interest in the Residual Joint Venture. In November 2007, we contributed 49% of our interest in certain additional subsidiaries, owning 25 real properties with an approximate value of \$605.0 million, to the Residual Joint Venture. We distributed the remaining 51% of our interest in the additional transferred entities to Super LLC, and Super LLC contributed such interest in the additional transferred entities to the Residual Joint Venture. Also in November 2007, Super LLC contributed its interest in certain subsidiaries, owning 39 real properties with an approximate value of \$385.0 million, to the Residual Joint Venture. Immediately following such contribution, Super LLC contributed a percentage of membership interests in the Residual Joint Venture such that we continued to own 49% of the non-managing interest in the Residual Joint Venture, and Super LLC continued to own 51% of the managing member interest in the Residual Joint Venture. The Residual Joint Venture owned 79 stabilized retail properties and three properties under redevelopment as of December 31, 2007. Under the terms of the Residual Joint Venture, we are not obligated to contribute any additional capital to the Residual Joint Venture. The Residual Joint Venture had loans outstanding of approximately \$0.7 billion as of December 31, 2007. As of December 31, 2007, the book value of our investment in the Residual Joint Venture was approximately \$340.3 million.

On March 28, 2008, we executed the Contribution Agreement. The Contribution Agreement was released from escrow and became effective as of March 30, 2008. Pursuant to the Contribution Agreement, we contributed 49% of our interest in certain subsidiaries (including the owner of The Centre at Preston Ridge) owning 31 real properties with an approximate fair market value of \$780 million to the Residual Joint Venture. We distributed 51% of our interest in the transferred entities to Super LLC, and Super LLC contributed such interest in the transferred entities to the Residual Joint Venture. Following these transactions, we owned 49% of the interests in the transferred entities, and Super LLC owned 51% of the interests in the transferred

entities.

- *NP/I&G Institutional Retail Company, LLC.* We have a strategic joint venture with JPMorgan Investment Management Inc. to acquire high-quality institutional grade community and neighborhood shopping centers on a nationwide basis. The joint venture owned 11 stabilized retail properties and one retail property under redevelopment as of December 31, 2007. Under the terms of this joint venture, we have a 20% interest in the venture and are responsible for contributing our pro rata share of any capital that might be required by the joint venture. Our predecessor initially committed to contribute up to a maximum amount of \$30.0 million to the joint venture, however, in connection with the acquisition of certain assets during 2005, our predecessor, together with the DownREIT Partnership, contributed a disproportionate share of capital to the venture, such that our predecessor's total capital investment as of December 31, 2005 was \$41.4 million. The excess contribution was returned to our predecessor in February 2006. During the year ended December 31, 2007, in

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connection with the acquisition of certain other assets, our predecessor increased our committed capital to the venture to \$31.9 million, of which approximately \$28.2 million had been contributed as of December 31, 2007. We do not expect that any significant additional capital contributions will be required, nor do we expect that any additional acquisitions of property will be made by the joint venture. The joint venture had loans outstanding of approximately \$280.8 million as of December 31, 2007. As of December 31, 2007, the book value of our investment in NP/I&G Institutional Retail Company, LLC was approximately \$37.1 million.

- *NP/SSP Baybrook, LLC.* We have a third strategic joint venture with JP Morgan Investment Management Inc., which venture was formed for the specific purpose of acquiring Baybrook Gateway, a shopping center located in Webster, Texas. Under the terms of this joint venture, we have a 20% interest in the venture and are responsible for contributing our pro rata share of any capital that might be required by the joint venture; however, we do not expect that any significant additional capital contributions will be required. The joint venture had loans outstanding of approximately \$41.0 million as of December 31, 2007. As of December 31, 2007, the book value of our investment in NP/SSP Baybrook, LLC was approximately \$2.7 million.

- *Westgate Mall, LLC.* We, together with Transwestern Investment Company and The Richard E. Jacobs Group, have an interest in a joint venture that was formed for the specific purpose of acquiring and redeveloping Westgate Mall, an enclosed mall located on 55 acres of land in Fairview Park, Ohio. The joint venture is currently redeveloping the mall into a large community shopping center. Under the terms of this joint venture, we have a 10% interest in the venture and have agreed to contribute our pro rata share of any capital that might be required by the joint venture. The joint venture had loans outstanding of approximately \$55.2 million as of December 31, 2007. As of December 31, 2007, the book value of our investment in Westgate Mall, LLC was approximately \$1.5 million.

Other Funding Obligations

In addition to the joint venture obligations described above, we also had the following contingent contractual obligations as of December 31, 2007, none of which we believe will materially adversely affect us:

- *Letters of Credit.* We have arranged for the provision of 8 separate letters of credit in connection with certain property or insurance related matters. If these letters of credit are drawn, we will be obligated to reimburse the providing bank for the amount of the draw. As of December 31, 2007, there was no balance outstanding under any of the letters of credit. If the letters of credit were fully drawn, the combined maximum amount of exposure would be approximately \$14.9 million.

- *Non-Recourse and Other Debt Guarantees.* Under certain of our non-recourse loans and those of our joint ventures, we could, under certain circumstances, be responsible for portions of the mortgage indebtedness in connection with certain customary non-recourse carve out provisions such as environmental conditions, misuse of funds and material misrepresentations. As of December 31, 2007, we had mortgage and term loans outstanding of

approximately \$619.7 million, excluding the impact of unamortized premiums, and our unconsolidated joint ventures had mortgage loans outstanding of approximately \$1.8 billion. In addition, we have guaranteed certain construction and other obligations related to certain joint venture development projects; however we do not expect that our obligations under such guarantees will be material if called upon.

- *Leasing Commitments.* We have entered into leases, as lessee, in connection with ground leases for shopping centers which we operate and our administrative office space. These leases are accounted for as operating leases. The minimum annual rental commitments for these leases during the next five fiscal years and thereafter are approximately as follows (dollars in thousands):

Year		
2008	\$	3,629
2009		3,553
2010		3,389
2011		3,287
2012		3,128
Thereafter		38,797

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- *Redemption Rights.* The limited partners of the DownREIT Partnership have a redemption right for their Class A Preferred Units which will be exercisable starting April 20, 2008. Each Class A Preferred Unit is redeemable for \$33.15 plus all accrued and unpaid distributions. The aggregate redemption amount payable to all limited partners would be approximately \$83.2 million. The DownREIT Partnership must pay the redemption amount on June 27, 2008 to any redeeming limited partners which it receives a notice of redemption from on or prior to June 13, 2008.

We are not presently involved in any material litigation arising outside the ordinary course of business. However, we are involved in routine litigation arising in the ordinary course of business, none of which is believed to be material in light of our reserves for such matters. In connection with a specific tenant litigation, and based upon certain rulings occurring during the third quarter of 2005, we maintain an aggregate reserve of approximately \$4.8 million as of December 31, 2007. Given the increase in the reserve previously taken by our predecessor, and the current status of the tenant litigation, we believe that any loss in excess of the established reserve would be immaterial.

For a discussion of other factors which may adversely affect our liquidity and capital resources, please see the section titled "Risk Factors" in Item 1A of this Annual Report on Form 10-K.

Inflation

The majority of our 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 get closer to, current market rates. This belief is based upon an analysis of relevant market conditions, including a comparison of comparable market rental rates, discussions with our property manager, 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.

In the normal course of business, we also face risks that are either non-financial or non-qualitative. Such risks principally include credit risks and legal risks.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

As of December 31, 2007, we had approximately \$8.7 million of outstanding floating rate mortgages. We also had approximately \$306.8 million outstanding under our floating rate Amended July 2007 Revolving Facility and \$181.5 million outstanding under floating rate secured term loans. We do not believe that the interest rate risk represented by our floating rate debt is material as of December 31, 2007, in relation to our approximately \$1.8 billion of outstanding total debt and our approximately \$5.7 billion of total assets as of that date. This assessment may

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change depending upon changes in market floating interest rates in the short-term. In addition, as discussed below, we have converted \$65.0 million of fixed rate borrowings to floating rate borrowings through the use of hedging agreements.

As of December 31, 2007, we had two reverse arrears swap agreements. The two reverse arrears swap agreements effectively convert the interest rate on \$65.0 million of the debt from a fixed rate to a blended floating rate of 30 basis points over the six-month LIBOR rate. These two swaps will terminate on February 1, 2011.

Hedging agreements may expose us to the risk that the counterparties to these agreements may not perform, which could increase our exposure to fluctuating interest rates. Generally, the counterparties to hedging agreements that we enter into are major financial institutions. We may borrow additional money with floating interest rates in the future. Increases in interest rates, or the loss of the benefit of existing or future hedging agreements, would increase our expense, which would adversely affect cash flow and our ability to service our debt. Future increases in interest rates will

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increase our interest expense as compared to the fixed rate debt underlying our hedging agreements and we could be required to make payments to unwind such agreements.

If market rates of interest on our variable rate debt increase by 1%, the increase in annual interest expense on our variable rate debt would decrease future earnings and cash flows by approximately \$5.6 million. If market rates of interest on our variable rate debt decrease by 1%, the decrease in interest expense on our variable rate debt would increase future earnings and cash flows by approximately \$5.6 million. This assumes that the amount outstanding under our variable rate debt remains at approximately \$562.0 million (including the impact of \$65.0 million in reverse arrears swap agreements), the balance as of December 31, 2007. If market rates of interest increase by 1%, the fair value of our total outstanding debt would decrease by approximately \$58.7 million. If market rates of interest decrease by 1%, the fair value of our total outstanding debt would increase by approximately \$86.7 million. This assumes that our total debt outstanding remains at approximately \$1.8 billion, the balance as of December 31, 2007.

As of December 31, 2007, we had no material exposure to foreign currency exchange risk, commodity price risk or equity price risk. In addition to the other factors which may constrain our ability to refinance our short-term debt obligations addressed elsewhere in this Annual Report on Form 10-K, our ability to refinance such obligations may be further constrained as a result of recent dislocations in the global credit markets.

Item 8. *Financial Statements and Supplementary Data*

Financial statements required by this item appear with an Index to Financial Statements and Schedules, starting on page F-1 of this Annual Report on Form 10-K.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on that evaluation and the material weaknesses described in Management's report on internal control over financial reporting set forth on page F-2 of this Annual Report on Form 10-K, our Chief Executive Officer and Chief

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Financial Officer concluded that these disclosure controls and procedures were not effective as of the end of the period covered by this Annual Report on Form 10-K.

Management's Report on Internal Control Over Financial Reporting

Management's report on internal control over financial reporting is set forth on page F-2 of this Annual Report on Form 10-K, and is incorporated herein by reference.

Changes in Internal Control Over Financial Reporting

Other than the material weaknesses described in Management's report on internal control over financial reporting and our plans for remediation discussed therein, there has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. *Other Information*

Not applicable.

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PART III

Item 10. *Directors, Executive Officers, and Corporate Governance*

DIRECTORS AND EXECUTIVE OFFICERS

Our Executive Officers and Directors

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As a result of the Merger described in Item 1 of this Annual Report on Form 10-K, the Common Stock of New Plan ceased to be outstanding as of April 20, 2007, and was accordingly de-listed under Section 12 of the Securities Exchange Act of 1934, as amended. As a result of the Merger and Liquidation, all of New Plan's assets were transferred to us and we assumed all of its liabilities. We are a Maryland limited liability company. In accordance with our organizational documents, our business and affairs are managed by our sole member, Super LLC. In accordance with Super LLC's organizational documents, Super LLC's business and affairs are managed by six members, each of whose affairs are governed by a board of directors. Accordingly, we do not have any directors. All of our named executives are employed by the Management Joint Venture, but were paid up until December 31, 2007 by us. Where the named executive was employed by the Management Joint Venture prior to April 20, 2007, the executive was paid directly by the Management Joint Venture.

Set forth below are the name, age and position of each of our executive officers:

Glenn J. Rufrano, age 58, has served as the Chief Executive Officer and President for us and the Management Joint Venture since April 20, 2007. Mr. Rufrano served as the Chief Executive Officer of New Plan from February 2000 through February 20, 2007. From February 2000 until March 2002, Mr. Rufrano also served as President of New Plan. He was a partner in The O'Connor Group, a diversified real estate firm, from its inception in 1983 until March 2000. He was Chief Financial Officer of The O'Connor Group from June 1990 to November 1994 and President and Chief Operating Officer from November 1994 to March 2000. He also was Co-Chairman of The Peabody Group, an association between The O'Connor Group and J.P. Morgan & Co., Inc., from September 1998 to March 2000.

John Braddon, age 42, has served as the Executive Vice President and Chief Financial Officer for us and the Management Joint Venture since May 21, 2007. Mr. Braddon served as Vice President, Corporate Reporting of the Management Joint Venture from January 2006 until May 2007. Prior thereto, he served as Audit Director at ANZ Bank in Australia since February 2005. Prior thereto, he served as Financial Controller for Uecomm Pty Ltd. since December 2001.

Steven Siegel, age 48, has served as the Executive Vice President for us and the Management Joint Venture since April 20, 2007 and Secretary since May 21, 2007. Mr. Siegel was Executive Vice President since March 2002 and the General Counsel of New Plan since 1991. He was New Plan's Senior Vice President from September 1998 to March 2002. Mr. Siegel also served as the Secretary of New Plan from 1991 to September 1998 and from April 1999 to April 20, 2007.

Basil Donnelly, age 43, has served as our Executive Vice President since February 27, 2007, and has served as our Assistant Secretary since May 21, 2007. Mr. Donnelly has also served as Senior