Radius Health, Inc.
Form PRE 14C
December 16, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14C
(Rule 14c-101)

INFORMATION REQUIRED IN INFORMATION STATEMENT

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c)

of the Securities Exchange Act of 1934

Check the appropriate box:

x	Preliminary Information Statement
o	Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))
o	Definitive Information Statement

RADIUS HEALTH, INC.
(Name of Registrant As Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

x	No fee required
o	Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11
(1)	Title of each class of securities to which transaction applies:
(2)	Aggregate number of securities to which transaction applies:
(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4)	Proposed maximum aggregate value of transaction:
(5)	Total fee paid:
o	Fee paid previously with preliminary materials.
o	Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
(1)	Amount Previously Paid:
(2)	Form, Schedule or Registration Statement No.:

(3)	Filing Party:
(4)	Date Filed:

Radius Health, Inc.

201 Broadway, 6th Floor
Cambridge, MA 02139

INFORMATION STATEMENT NOTICE

WE ARE NOT ASKING YOU FOR A PROXY AND

YOU ARE REQUESTED NOT TO SEND US A PROXY

Dear Stockholders:

The purpose of this notice and attached Information Statement is to inform you of the following actions taken by the Board of Directors of Radius Health, Inc. (the Company, we or us) and the majority stockholders of the Company as discussed below, each of which will become effective on January , 2012, the date that is twenty-one (21) calendar days after the date this Information Statement was first mailed to our stockholders:

1. On November 7, 2011, the Board of Directors (the Board) of the Company adopted and approved the Company s 2011 Equity Incentive Plan, which provided for 3,597,889 shares of the Company s common stock, par value $0.0001 per share (the Common Stock), to be eligible for issuance to employees, consultants and non-employee directors as further described in the Information Statement;

2. On December 15, 2011, the Board adopted and approved an amendment (the Plan Amendment) to the Company s 2011 Equity Incentive Plan (as amended, the 2011 Plan), providing for an increase in the number of shares of Common Stock eligible for issuance thereunder from 3,597,889 to 4,252,953 as further described in the Information Statement; and

3. On December 15, 2011, the Board of the Company adopted and approved, subject to stockholder approval, an amendment (the Charter Amendment) to the Certificate of Designations of the Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock, Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock, Series A-5 Convertible Preferred Stock and Series A-6 Convertible Preferred Stock of the Company (the Certificate of Designations) to provide that shares of Common Stock issuable under the 2011 Plan shall be Excluded Stock under the Certificate of Designations so that the shares of Common Stock issued under the 2011 Plan will not be subject to the anti-dilution adjustment provisions in the Certificate of Designations.

We received the written consent, in lieu of a meeting of stockholders, of (i) the holders of shares of the Company s Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and/or Series A-3 Convertible Preferred Stock representing at least 70% of the voting power of the shares of the Company s Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and Series A-3 Convertible Preferred Stock then outstanding (the Senior Majority) and (ii) a majority of the outstanding shares of the Company s Common Stock, on an as-converted basis, on November 18, 2011 approving the 2011 Equity Incentive Plan, and on December 16, 2011 approving the

Plan Amendment and the Charter Amendment. A copy of each of the stockholder consents, the 2011 Plan and the Charter Amendment, which has been recommended by the Company s Board of Directors (the Board), is attached to this Information Statement as Exhibit A, Exhibit B and Exhibit C, respectively.

Pursuant to the rules and regulations promulgated by the Securities and Exchange Commission (the SEC) under the Securities Exchange Act of 1934, as amended (the Exchange Act), an Information Statement must be provided to the holders of voting stock of the Company who did not sign the written consent at least 20 days prior to the effective date of the actions set forth in the consent. This notice and Information Statement will also be considered the notice required by Section 228(e) of the General Corporation Law of the State of Delaware (DGCL). You are encouraged to read the attached Information Statement, including the exhibits, for further information regarding this action.

This Information Statement is solely for your information and does not require or request you to do anything. This is not a notice of a meeting of stockholders and no stockholders meeting will be held to consider the matters described in the Information Statement.

By Order of the Board of Directors,

Michael S. Wyzga
President and Chief Executive Officer

Cambridge, Massachusetts

December , 2011

Radius Health, Inc.

201 Broadway, 6th Floor
Cambridge, MA 02139

INFORMATION STATEMENT

The Company is mailing this Information Statement to you, as a holder of shares of our capital stock, to provide you with information regarding the following actions that were taken by written consent in lieu of a special meeting of stockholders by the holders of shares of our Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and/or Series A-3 Convertible Preferred Stock representing at least 70% of the voting power of the shares of our Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and Series A-3 Convertible Preferred Stock (the Senior Majority) and a majority of the outstanding shares of our Common Stock on an as-converted basis, each of which will become effective on January , 2012, the date that is twenty-one (21) calendar days after the date this Information Statement was first mailed to our stockholders:

1. On November 7, 2011, the Board of Directors of the Company (the Board) adopted and approved the Company s 2011 Equity Incentive Plan, which provides for 3,597,889 shares of the Company s common stock, par value $0.0001 per share (the Common Stock), to be eligible for issuance to employees, consultants and non-employee directors as further described below;

2. On December 15, 2011, the Board adopted and approved an amendment (the Plan Amendment) to the Company s 2011 Equity Incentive Plan (as amended, the 2011 Plan), providing for an increase in the number of shares of Common Stock eligible for issuance thereunder from 3,597,889 to 4,252,953 as further described in the Information Statement; and

3. On December 15, 2011, the Board adopted and approved, subject to stockholder approval, an amendment (the Charter Amendment) to the Certificate of Designations of the Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock, Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock, Series A-5 Convertible Preferred Stock and Series A-6 Convertible Preferred Stock of the Company (the Certificate of Designations), to provide that shares of Common Stock issuable under the 2011 Plan shall be Excluded Stock under the Certificate of Designations so that the shares of Common Stock issued under the 2011 Plan will not be subject to the anti-dilution adjustment provisions in the Certificate of Designations.

On November 18, 2011, the holders of:

- 353,798 shares of the Company s Series A-1 Convertible Preferred Stock outstanding on November 7, 2011 (the First Record Date);
- 981,684 shares of the Company s Series A-2 Convertible Preferred Stock outstanding on the First Record Date; and

- 142,227 shares of the Company s Series A-3 Convertible Preferred Stock outstanding on the First Record Date,

representing approximately 96% of the outstanding shares, as of the First Record Date, of the Company s Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and

Series A-3 Convertible Preferred Stock, collectively, and approximately 92% of the outstanding shares, on the First Record Date, of our Common Stock on an as-converted basis, executed a written consent in accordance with Section 228 of the DGCL and the Company s Bylaws (the Bylaws) approving the 2011 Plan.

On December 16, 2011, the holders of:

- 747,552 shares of the Company s Series A-1 Convertible Preferred Stock outstanding on December 15, 2011 (the Second Record Date);
- 871,966 shares of the Company s Series A-2 Convertible Preferred Stock outstanding on the Second Record Date; and
- 116,994 shares of the Company s Series A-3 Convertible Preferred Stock outstanding on the Second Record Date,

representing approximately 84% of the outstanding shares, as of the Second Record Date, of the Company s Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and Series A-3 Convertible Preferred Stock, collectively, and approximately 83% of the outstanding shares, on the Second Record Date, of our Common Stock on an as-converted basis, executed a written consent in accordance with Section 228 of the DGCL and the Bylaws approving the Plan Amendment and the Charter Amendment.

WE ARE NOT ASKING YOU FOR A PROXY AND
YOU ARE REQUESTED NOT TO SEND US A PROXY.

This Information Statement is being mailed on or about December , 2011 to stockholders of record on the First Record Date and the Second Record Date. On the First Record Date, there were:

- 592,581 shares of our Common Stock outstanding; and
- 1,549,130 shares of our Preferred Stock, par value $0.0001 per share (the Preferred Stock), outstanding, consisting of:
- 413,254 shares of Series A-1 Convertible Preferred Stock;
- 983,208 shares of Series A-2 Convertible Preferred Stock;

- 142,227 shares of Series A-3 Convertible Preferred Stock;
- 3,998 shares of Series A-4 Convertible Preferred Stock; and
- 6,443 shares of Series A-5 Convertible Preferred Stock.

As of the Second Record Date, there were:

- 599,247 shares of our Common Stock outstanding; and
- 2,075,488 shares of our Preferred Stock outstanding, consisting of:
  - 939,612 shares of Series A-1 Convertible Preferred Stock;
  - 983,208 shares of Series A-2 Convertible Preferred Stock; and
  - 142,227 shares of Series A-3 Convertible Preferred Stock;
  - 3,998 shares of Series A-4 Convertible Preferred Stock; and
  - 6,443 shares of Series A-5 Convertible Preferred Stock.

Each share of Preferred Stock is convertible into 10 shares of Common Stock. Under the terms of the Internal Revenue Code of 1986, as amended (the Code), the affirmative vote of the holders of a majority in voting power of our outstanding shares on an as-converted basis was required to enable us to grant incentive stock options (as defined in the Code) under the 2011 Plan. Under the terms of the DGCL and the Certificate of Designations, the affirmative vote of the holders of at least the Senior Majority and of a majority of our outstanding shares of Common Stock on an as-converted basis was required to approve the Charter Amendment.

On the First Record Date:

- 1,077,082 shares of Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and/or Series A-3 Convertible Preferred Stock constituted the Senior Majority; and

- 8,041,941 shares of Common Stock constituted a majority of the outstanding shares of our Common Stock on an as-converted basis.

On the Second Record Date:

- 1,445,533 shares of Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and/or Series A-3 Convertible Preferred Stock constituted the Senior Majority; and

- 10,677,064 shares of Common Stock constituted a majority of the outstanding shares of our Common Stock on an as-converted basis.

This is not a notice of a special meeting of stockholders and no stockholders meeting will be held to consider any matter described in this Information Statement.

The stockholders representing the Senior Majority and holding a majority of the outstanding shares of our Common Stock on an as-converted basis have voted to approve the 2011 Plan, the Plan Amendment and the Charter Amendment, which vote is sufficient to satisfy the stockholder vote requirement for each action. Accordingly, no additional votes will be needed to approve these matters.

ACTION 1 2011 EQUITY INCENTIVE PLAN

PROPOSAL AND BACKGROUND INFORMATION

The 2011 Plan was adopted by our Board of Directors (the Board) on November 7, 2011, amended on December 15, 2011, and approved by our stockholders on November 18, 2011 and December 16, 2011, as further described above, for the benefit of employees, consultants and non-employee directors of the Company and its affiliates. In connection with the adoption and approval of the 2011 Plan, we will not make any further awards under the Radius Health, Inc. 2003 Long-Term Incentive Plan (as amended) (the 2003 Plan), which is referred to as the suspension of the 2003 Plan, as of November 7, 2011. No new awards may be granted under the 2003 Plan, but awards outstanding at the time of suspension remain outstanding in accordance with their terms.

The following is a summary of the principal features of the 2011 Plan. The following description of the 2011 Plan is a summary and so is qualified by reference to the complete text of the 2011 Plan, attached to this Information Statement as Exhibit B, which is incorporated herein by reference.

SUMMARY OF THE 2011 PLAN

The 2011 Plan provides for the grant of incentive stock options (ISOs) to employees, and for the grant of nonqualified stock options to purchase shares of Common Stock, restricted stock, restricted stock units, stock appreciation rights, stock grants, performance units and performance awards to employees, consultants and non-employee directors, for the purposes of encouraging their ownership of Common Stock and providing additional incentives to promote the success of our business through the grant of awards of or pertaining to the Common Stock. ISOs are intended to be incentive stock options, as that term is defined in Section 422 of the Code.

The Employee Retirement Income Security Act of 1974 does not govern the 2011 Plan. In addition, the 2011 Plan does not qualify under Section 401(a) of the Code.

The main features of the 2011 Plan are summarized in this Information Statement. However, if there are any inconsistencies between this Information Statement and the 2011 Plan or the terms of any option or other award, the 2011 Plan and the terms of the option or other award will always control.

Securities Subject to the 2011 Plan

Under the terms of the 2011 Plan, the aggregate number of shares of Common Stock that may be subject to options and other awards is equal to the sum of (i) 2,655,064 shares of Common Stock and (ii) any shares underlying awards outstanding under the 2003 Plan as of November 7, 2011 that, on or after that date, are forfeited or lapse without the issuance of shares. The maximum number of shares of Common Stock that may be issued under the 2011 Plan, including ISOs, is 4,252,953. The shares of Common Stock covered by the 2011 Plan are authorized but unissued shares, treasury shares or Common Stock purchased on the open market.

To the extent that an award terminates, expires or lapses for any reason or is settled in cash, any shares subject to the award (to the extent of such termination, expiration, lapse or cash settlement) may be used again for new grants under the 2011 Plan. Shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any award or the exercise price of an option may be used again for new grants under the 2011 Plan.

The maximum number of shares of Common Stock that may be subject to one or more awards to a participant pursuant to the 2011 Plan during any calendar year is 1,250,000 and the maximum amount that may be paid to a participant in cash during any calendar year with respect to cash-based awards is $2,000,000. However, these limits will not apply to certain awards granted under the 2011 Plan until the earliest to occur of the first material modification of the 2011 Plan following the date on which our Common Stock is listed on any securities exchange or designated on an interdealer quotation system (the Public Trading Date), the issuance of all of the shares reserved for issuance under the 2011 Plan, the expiration of the 2011 Plan or the first meeting of our stockholders at which directors are to be elected that occurs after the close of the third calendar year following the calendar year in which the Public Trading Date occurs.

Administration

The 2011 Plan provides that the Compensation Committee of the Board (the Compensation Committee) currently administers the 2011 Plan, although the Board may exercise any powers and responsibilities assigned to the Compensation Committee at any time.

The Compensation Committee has the authority to administer and interpret the 2011 Plan, including the power to determine eligibility, the types and sizes of awards, the price, timing and other terms and conditions of awards and the acceleration or waiver of any vesting or forfeiture restriction. The Compensation Committee may delegate to an executive officer or officers the authority to grant awards to non-officer employees and to consultants, in accordance with any guidelines as the Compensation Committee may determine.

Eligibility

Persons eligible to participate in the 2011 Plan include employees, consultants and non-employee directors of the Company and its affiliates, as determined by the Compensation Committee. Only employees of the Company and certain of its parent and subsidiary corporations are eligible to receive grants of options intended to qualify as ISOs.

Stock Options

The 2011 Plan authorizes the grant of stock options, including ISOs and nonqualified stock options. Under the 2011 Plan, the exercise price of ISOs granted pursuant to the 2011 Plan will not be less than 100% of the fair market value of the Common Stock on the date of grant, and the exercise price of nonqualified stock options granted pursuant to the 2011 Plan will be determined by the Compensation Committee. Stock options are subject to such vesting and exercisability conditions as are determined by the Compensation Committee and set forth in a written stock option agreement. In no event may an ISO have a term extending beyond the tenth anniversary of the date of grant. ISOs granted to any person who owns, as of the date of grant, stock possessing more than ten percent of the total combined voting power of all classes of the Company s stock, however, are required to have an exercise price that is not less than 110% of the fair market value of the Common Stock on the date of grant and may not have a term extending beyond the fifth anniversary of the date of grant. The aggregate fair market value of the shares with respect to which options intended to be ISOs are exercisable for the first time by an employee in any calendar year may not exceed $100,000, or such other amount as the Code provides without being treated as a nonqualified stock option.

Stock Appreciation Rights

A stock appreciation right (or a SAR) is the right to receive payment of an amount equal to the excess of the fair market value of a share of Common Stock on the date of exercise of the SAR over the grant price of the SAR. The grant price of each SAR granted under the 2011 Plan will be no less than the fair market value of a share of Common Stock on the date of grant of the SAR. The Compensation

Committee is authorized to issue SARs in such amounts and on such terms and conditions as it may determine, consistent with the terms of the 2011 Plan.

Restricted Stock

Restricted stock is the grant of shares of Common Stock at a price, if any, determined by the Compensation Committee, which shares are nontransferable and may be subject to forfeiture until specified vesting conditions are met. Restricted stock will be evidenced by a written agreement. During the period of restriction, restricted stock is subject to restrictions and vesting requirements, as provided by the Compensation Committee. The restrictions may lapse in accordance with a schedule or other conditions determined by the Compensation Committee.

Restricted Stock Units

A restricted stock unit provides for the issuance of a share of Common Stock at a future date upon the satisfaction of specific conditions set forth in the applicable award agreement. The Compensation Committee will specify, or permit the restricted stock unit holder to elect, the conditions and dates upon which payments under the restricted stock units will made, which dates may not be earlier than the date as of which the restricted stock units vest and which conditions and dates will be subject to compliance with Section 409A of the Code. On the distribution dates, the Company will transfer to the participant one unrestricted, fully transferable share of the Common Stock (or the fair market value of one such share of Common Stock in cash) for each restricted stock unit scheduled to be paid out on such date and not previously forfeited.

Performance Units

Performance units represent the participant s right to receive an amount, based on the value of the Common Stock, if performance goals established by the Compensation Committee are achieved. The Compensation Committee will determine the applicable performance period, the performance goals and such other conditions that apply to the performance unit.

Performance Awards

A performance award is cash bonus award, stock bonus award, performance award or incentive award that is paid in cash, shares of Common Stock or a combination of both, as determined by the Compensation Committee. The Compensation Committee will determine the applicable performance period, the performance goals and such other conditions that apply to the performance award.

Stock Grants

A stock grant is a grant in the form of shares of Common Stock. The number or value of shares of any stock grant will be determined by the Compensation Committee.

Qualified Performance-Based Awards

Any award under the 2011 Plan, other than a stock grant, may be issued as a qualified performance-based award that is earned based on the attainment of performance criteria. The Compensation Committee may grant qualified performance-based awards to employees who are or may be covered employees, as defined in Section 162(m) of the Code, that are intended to be performance-based compensation within the meaning of Section 162(m) of the Code in order to preserve the deductibility of these awards for federal income tax purposes. The qualified performance-based awards may be linked to any one or more of the performance criteria set forth in the 2011 Plan or other specific criteria determined by the Compensation Committee.

Dividends, Dividend Equivalents

The 2011 Plan authorizes the Compensation Committee to provide a participant with the right to receive dividends or dividend equivalents with respect to shares of Common Stock covered by an award granted under the 2011 Plan. Dividends and dividend equivalents may be settled in cash or shares of Common Stock, as determined by the Compensation Committee.

Payment Methods

The Compensation Committee determines the methods by which payments by any option granted under the 2011 Plan may be paid, including, without limitation: (1) cash or check, (2) by placing a market sell order with a broker with respect to shares of Common Stock then-issuable upon exercise or vesting of an award, and directly the broker to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate payments required (provided that payment of such proceeds is then made to the Company upon settlement of such sale), (3) shares of Common Stock issuable pursuant to the award or previously held, or (4) such other legal consideration deemed acceptable by the Compensation Committee.

Forfeiture of Unvested Awards; Leave of Absence

Upon the termination of service of the holder of an option or stock appreciation right, unless otherwise provided by the Compensation Committee, the award generally will expire on a date not later than three months after the termination of service. Except as otherwise determined by the Compensation Committee, in the event that the employment or services of the holder of an award is terminated, the unvested portion of the award will generally be forfeited or may be subject to repurchase by the Company, and will cease to vest or become exercisable after the termination.

The Compensation Committee may provide that an award will continue to vest for some or all of the period of a leave of absence, or that vesting of an award will be tolled during a leave of absence, consistent with applicable law.

Transferability

Generally, awards under the 2011 Plan may only be transferred by will or the laws of descent and distribution, unless and until such award has been exercised or the shares underlying such award have been issued and all restrictions applicable to such shares have lapsed. However, subject to certain terms and conditions, the Compensation Committee may permit a holder to transfer an nonqualified stock option or shares of restricted stock to any family member under applicable securities laws.

Adjustments; Corporate Transactions

In the event of a declaration of a stock dividend, a stock split, a reverse stock split, a recapitalization, a reclassification, a reorganization or a similar occurrence, the Compensation Committee will make appropriate adjustments to:

- the number and kind of shares available for future grants;
- the number and kind of shares covered by each outstanding award;
- the grant or exercise price under each outstanding award; and
- the repurchase right of each share of restricted stock.

In the event that such a corporate action occurs that is not included in the list of actions covered in the immediately preceding sentence, the Compensation Committee may equitably adjust any outstanding awards under the 2011 Plan in such manner as it may deem equitable and appropriate.

In the event of a merger or consolidation, the sale or exchange of all Common Stock, the sale, transfer or disposition of all or substantially all of the Company s assets or a liquidation or dissolution of the Company, the Compensation Committee may take one or more of the following actions with respect to outstanding options and SARs:

- provide for the assumption or substitution of the awards;
- cancel the awards;
- accelerate the awards in whole or in part;
- cash out the awards;
- convert the awards into the right to receive liquidation proceeds; or
- any combination of the above.

Upon a liquidation or dissolution of the Company, except as otherwise provided in an applicable award agreement, all forfeiture restrictions and/or performance goals with respect to an award will automatically be deemed terminated or satisfied, as applicable.

In the event of a change of control of the Company (as defined in the 2011 Plan), the Compensation Committee will take any action it deems necessary or appropriate, including to accelerate an award in whole or in part. A SAR granted in tandem with a stock option that can only be exercised during limited periods following a change of control of the Company may entitle the holder to receive an amount based on the highest price paid or offered for the Common Stock in a transaction relating to the change of control or paid during the thirty-day period immediately preceding the change of control.

Termination or Amendment

The Board may terminate, amend or modify the 2011 Plan at any time. However, stockholder approval of an amendment is required to increase the aggregate share limit, change the description of eligible participants or to the extent necessary to comply with applicable law.

The term of the 2011 Plan will expire on the tenth anniversary of the date on which it was originally approved by the Board. No ISO may be granted pursuant to the 2011 Plan after the earlier of the tenth anniversary of the date on which the 2011 Plan was adopted by the Board or the tenth anniversary of the approval of the 2011 Plan by the Company s shareholders.

Tax Withholding

The Company may require participants to discharge applicable withholding tax obligations with respect to any award granted to the participant. The plan administrator may in its discretion allow a holder to meet any such withholding tax obligations by electing to have the Company withhold shares of Common Stock otherwise issuable under any award (or allow the return of shares of Common Stock) having a fair market value equal to the sums required to be withheld.

ACTION 2 AMENDMENT TO CERTIFICATE OF DESIGNATIONS

The Charter Amendment was adopted by the Board on December 15, 2011, and approved by our stockholders on December 16, 2011, as further described above, in order to provide that shares issuable under the 2011 Plan shall be Excluded Stock under the Certificate of Designations, to the effect that the issuance of shares of our capital stock under the 2011 Plan will not result in an anti-dilution adjustment under the terms of Section 7 of the Certificate of Designations, pursuant to which all shares of Preferred Stock have weighted-average anti-dilution protection (based on an initial conversion price per share of $8.142), subject to certain exceptions.

The description of the Charter Amendment in this Information Statement is intended to be a summary only and is qualified in its entirety by the terms of the Charter Amendment included in the Certificate of Amendment attached to this Information Statement as Exhibit C, which is incorporated herein by reference.

Reasons for the Charter Amendment

The Charter Amendment will allow us to issue shares of our capital stock to employees, consultants and non-employee directors under the 2011 Plan without triggering an adjustment to the conversion price of the Preferred Stock under Section 7 of the Certificate of Designations.

Effectiveness of Charter Amendment

The Company intends to file the Certificate of Amendment setting forth the Charter Amendment with the Secretary of State of the State of Delaware following the effectiveness of the Stockholder Consent upon the expiration of 20 days after the mailing of this Information Statement to our stockholders as required under Rule 14c-2 under the Exchange Act.

STOCKHOLDER ACTION

Vote Required

On November 7, 2011, the First Record Date, there were:

- 592,581 shares of our Common Stock outstanding; and

- 1,549,130 shares of our Preferred Stock outstanding, consisting of:

- 413,254 shares of Series A-1 Convertible Preferred Stock;
- 983,208 shares of Series A-2 Convertible Preferred Stock;
- 142,227 shares of Series A-3 Convertible Preferred Stock;
- 3,998 shares of Series A-4 Convertible Preferred Stock; and
- 6,443 shares of Series A-5 Convertible Preferred Stock.

As of December 15, 2011, the Second Record Date, there were:

- 599,247 shares of our Common Stock outstanding; and

- 2,075,488 shares of our Preferred Stock outstanding, consisting of:

- 939,612 shares of Series A-1 Convertible Preferred Stock;
- 983,208 shares of Series A-2 Convertible Preferred Stock;

- 142,227 shares of Series A-3 Convertible Preferred Stock;
- 3,998 shares of Series A-4 Convertible Preferred Stock; and
- 6,443 shares of Series A-5 Convertible Preferred Stock.

Each share of Preferred Stock is convertible into 10 shares of Common Stock. Under the terms of the Code, the affirmative vote of the holders of a majority in voting power of our outstanding shares on an as-converted basis was required to enable us to grant incentive stock options (as defined in the Code) under the 2011 Plan. Under the terms of the DGCL and the Certificate of Designations, the affirmative vote of the holders of at least the Senior Majority and of a majority of our outstanding shares on an as-converted basis was required to approve the Charter Amendment.

On the First Record Date:

- 1,077,082 shares of Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and/or Series A-3 Convertible Preferred Stock constituted the Senior Majority; and

- 8,041,941 shares of Common Stock constituted a majority of the outstanding shares of our Common Stock on an as-converted basis.

On the Second Record Date:

- 1,445,533 shares of Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and/or Series A-3 Convertible Preferred Stock constituted the Senior Majority; and

- 10,677,064 shares of Common Stock constituted a majority of the outstanding shares of our Common Stock on an as-converted basis.

On November 18, 2011, the holders of:

- 353,798 shares of the Company s Series A-1 Convertible Preferred Stock outstanding on the First Record Date;
- 981,684 shares of the Company s Series A-2 Convertible Preferred Stock outstanding on the First Record Date; and
- 142,227 shares of the Company s Series A-3 Convertible Preferred Stock outstanding on the First Record Date,

representing approximately 96% of the outstanding shares, on the First Record Date, of the Company s Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and Series A-3 Convertible Preferred Stock, collectively, and approximately 92% of the outstanding shares, on the First Record Date, of our Common Stock on an as-converted basis, executed a written consent in accordance with Section 228 of the DGCL and the Bylaws approving the 2011 Plan.

On December 16, 2011, the holders of:

- 747,552 shares of the Company s Series A-1 Convertible Preferred Stock outstanding on the Second Record Date;
- 871,966 shares of the Company s Series A-2 Convertible Preferred Stock outstanding on the Second Record Date; and
- 116,994 shares of the Company s Series A-3 Convertible Preferred Stock outstanding on the Second Record Date,

representing approximately 84% of the outstanding shares, on the Second Record Date, of the Company s Series A-1 Convertible Preferred Stock, Series A-2 Convertible Preferred Stock and Series A-3 Convertible Preferred Stock, collectively, and approximately 83% of the outstanding shares, on the Second Record Date, of our Common Stock on an as-converted basis, executed a written consent in accordance with Section 228 of the DGCL and the Bylaws approving the Plan Amendment and the Charter Amendment.

Dissenters Rights of Appraisal

Under Delaware law, stockholders will not have any opportunity to dissent or appraisal rights in connection with the actions described in this Information Statement.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our Common Stock as of December 16, 2011 by: (i) each person known by the Company to be the beneficial owner calculated in accordance with Rule 13d-3(d)(1) promulgated under the Exchange Act of more than 5% of the outstanding shares of Common Stock; (ii) each director and executive officer of the Company; and (iii) all officers and directors as a group. Unless otherwise stated in the table or its footnotes, the person and entities listed below have the sole voting power and investment power with respect to the shares set forth next to one s name. Unless otherwise noted, the address of each stockholder below is c/o Radius Health, Inc., 201 Broadway, 6th Floor, Cambridge, MA 02139.

Name, (Title) and Address	Shares Beneficially Owned	Title of Class	Percentage of Class(1)(a)	Percentage of Converted Common Stock(1)(b)
Michael S. Wyzga (Chief Executive Officer, President and Director)	0		0%	0%
C. Richard Lyttle, Ph.D. (Chief Scientific Officer)	590,637(2)	Common Stock	52.58%	
		Converted Common Stock		2.71%
Nick Harvey (Chief Financial Officer, Treasurer, and Secretary)	179,513(3)	Common Stock	23.97%	
		Converted Common Stock		0.84%
Louis Brenner	0		0%	0%
		Converted Common Stock		0.90%
Gary Hattersley	86,163(4)	Common Stock	12.57%	
		Converted Common Stock		0.40%
Dr. Ansbert Gadicke (Director)	8,397,070(5)	Common Stock	93.34%	
	384,261(6)	Series A-1 Preferred Stock	40.90%	
	402,155(7)	Series A-2 Preferred Stock	40.90%	
	53,331(8)	Series A-3 Preferred Stock	37.50%	
		Converted Common Stock		39.52%

Name, (Title) and Address	Shares Beneficially Owned	Title of Class	Percentage of Class(1)(a)	Percentage of Converted Common Stock(1)(b)
Alan H. Auerbach (Director)	106,943(9)	Common Stock	15.14%	
		Converted Common Stock		0.05%
Jonathan Fleming (Director)	1,364,834(10)	Common Stock	70.04%	
	109,718(11)	Series A-2 Preferred Stock	11.16%	
	25,233(12)	Series A-3 Preferred Stock	17.74%	
		Converted Common Stock		6.42%
Kurt C. Graves (Director)	42,780(13)	Common Stock	6.66%	
		Converted Common Stock		0.20%
Dr. Martin Muenchbach (Director)	1,896,980(14)	Common Stock	75.99%	
	84,536(15)	Series A-1 Preferred Stock	9.00%	
	105,162(16)	Series A-2 Preferred Stock	10.70%	
		Converted Common Stock		8.93%
Elizabeth Stoner (Director)	10,000(17)	Common Stock	1.64%	
		Converted Common Stock		0.05%
Entities affiliated with MPM Bioventures III, L.P. c/o MPM Capital 200 Clarendon St., 54th Fl. Boston, MA 02116	8,397,070(18)	Common Stock	93.34%	
	384,261(19)	Series A-1 Preferred Stock	40.90%	
	402,155(20)	Series A-2 Preferred Stock	40.90%	
	53,331(21)	Series A-3 Preferred Stock	37.50%	
		Converted Common Stock		39.52%

Name, (Title) and Address	Shares Beneficially Owned	Title of Class	Percentage of Class(1)(a)	Percentage of Converted Common Stock(1)(b)
The Wellcome Trust Limited as trustee of The Wellcome Trust 215 Euston Road London NW1 2BE England	2,868,910(22)	Common Stock	82.72%	
	76,566(23)	Series A-1 Preferred Stock	8.15%	
	210,325	Series A-2 Preferred Stock	21.39%	
		Converted Common Stock		13.50%
HealthCare Ventures VII, L.P. 55 Cambridge Parkway Suite 102 Cambridge, MA 02142	2,292,053(24)	Common Stock	81.62%	
	58,953(25)	Series A-1 Preferred Stock	6.27%	
	98,278	Series A-2 Preferred Stock	10.00%	
	63,663	Series A-3 Preferred Stock	44.76%	
		Converted Common Stock		10.79%

Name, (Title) and Address	Shares Beneficially Owned	Title of Class	Percentage of Class(1)(a)	Percentage of Converted Common Stock(1)(b)
Entities affiliated with Saints Captial VI, L.P. 475 Sansome Street Suite 1850 San Francisco, CA 94111	1,856,104(26)	Common Stock	76.07%	
	49,127(27)	Series A-1 Preferred Stock	5.21%	
	109,718(28)	Series A-2 Preferred Stock	11.16%	
	25,233(29)	Series A-3 Preferred Stock	17.74%	
		Converted Common Stock		8.74%
BB Biotech Ventures II, L.P. Traflagar Court Les Banques St. Peter Port Guernsey Channel Islands GY1 3QL	1,896,980(30)	Common Stock	75.99%	
	84,536(31)	Series A-1 Preferred Stock	9.00%	
	105,162	Series A-2 Preferred Stock	10.70%	
		Converted Common Stock		8.93%

Entities affiliated with		(884)		(884)				
Contributions from noncontrolling interests							41	41
Other comprehensive loss						(1,983)		(1,983)
Balance, March 31, 2018	$3,895		$1,769,306		$ (35,580)	$(9,694)	$178,416	$1,906,343
Balance, January 1, 2019	$3,893		$1,766,993		$ (186,431)	$(10,549)	$176,793	$1,750,699
Net income					49,666		1,588	51,254
Shares issued under benefit plans, net	10		8,141					8,151
Dividends paid – common shares					(50,816)			(50,816)

($.395 per share)						
Distributions to noncontrolling interests					(1,572)	(1,572)
Contributions from noncontrolling interests					326	326
Other comprehensive income				69		69
Other, net		1,955			368	2,323
Balance, March 31, 2019	$3,903	$1,777,089	$ (187,581)	$(10,480)	$177,503	$1,760,434

See Notes to Condensed Consolidated Financial Statements.

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WEINGARTEN REALTY INVESTORS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
Note 1. Summary of Significant Accounting Policies
Business
Weingarten Realty Investors is a real estate investment trust ("REIT") organized under the Texas Business Organizations Code. We currently operate, and intend to operate in the future, as a REIT.
We, and our predecessor entity, began the ownership of shopping centers and other commercial real estate in 1948. Our primary business is leasing space to tenants in the shopping centers we own or lease. We also provide property management services for which we charge fees to either joint ventures where we are partners or other outside owners.
We operate a portfolio of neighborhood and community shopping centers, totaling approximately 34.6 million square feet of gross leaseable area that is either owned by us or others. We have a diversified tenant base, with our largest tenant comprising only 2.5% of base minimum rental revenues during the first three months of 2019. Total revenues generated by our centers located in Houston and its surrounding areas was 20.2% of total revenue for the three months ended March 31, 2019, and an additional 9% of total revenue was generated during this period from centers that are located in other parts of Texas. Also, in Florida and California, an additional 19.4% and 18.4%, respectively, of total revenue was generated during the first three months of 2019.
Basis of Presentation
Our condensed consolidated financial statements include the accounts of our subsidiaries, certain partially owned real estate joint ventures or partnerships and variable interest entities ("VIEs") which meet the guidelines for consolidation. All intercompany balances and transactions have been eliminated.
The condensed consolidated financial statements included in this report are unaudited; however, amounts presented in the condensed consolidated balance sheet as of December 31, 2018 are derived from our audited financial statements at that date. In our opinion, all adjustments necessary for a fair presentation of such financial statements have been included. Such adjustments consisted of normal recurring items. Interim results are not necessarily indicative of results for a full year.
The condensed consolidated financial statements and notes are presented as permitted by Form 10-Q and certain information included in our annual financial statements and notes thereto has been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and related notes for the year ended December 31, 2018.
Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Such statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. We have evaluated subsequent events for recognition or disclosure in our condensed consolidated financial statements.
Leases
As part of our operations, we are primarily a lessor of commercial retail space. In certain instances, we are also a lessee, primarily of ground leases associated with our operations. Our contracts are reviewed to determine if they qualify as a lease. A contract is determined to be a lease when the right to obtain substantially all of the economic benefits and to direct the use of an identified asset is transferred to a customer over a defined period of time for consideration. During this review, we evaluate among other items, asset specification, substitution rights, purchase options, operating rights and control over the asset during the contract period.
We have elected accounting policy practical expedients, both as a lessor and a lessee, to not separate any nonlease components (primarily common area maintenance) within a lease contract for all classes of underlying assets (primarily real estate assets). We have determined to account for both the lease and nonlease components as a single component when the lease component is the predominate component of a contract. As a lessor, we have further determined that this policy will be effective only on a lease that has been classified as an operating lease and the revenue recognition pattern and timing is the same for both types of components. Therefore, Accounting Standards

Codification ("ASC") No. 842, “Leases” will be applied to these lease contracts for both types of components. Additionally, for lessee leases, we have also elected not to apply the overall balance sheet recognition requirements to short-term leases.

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Significant judgments and assumptions are inherent in not only determining if a contract contains a lease but also the lease classification, terms, payments, and, if needed, discount rates. Judgments include the nature of any options with the determination if they will be exercised, evaluation of implicit discount rates, assessment and consideration of "fixed" payments for straight-line rent revenue calculations and the evaluation of asset identification and substitution rights. The determination of the discount rate used in a lease should be the incremental borrowing rate of the lease contract. For lessee leases, this rate is often not readily determinable as the lessor's initial direct costs and expected residual value are at the end of the lease term and unknown. Therefore, as the lessee, our incremental borrowing rate will be used. Selected discount rates reflect rates that we would have to pay to borrow on a fully collateralized basis over a term similar to the lease. Additionally, we obtain lender quotes with similar terms and if not available, the asset type, risk free rates and financing spreads to account for creditworthiness and collateral.

Our lessor leases are principally related to our shopping centers. We believe risk of an inadequate residual value of the leased asset upon the termination of these leases is low due to our ability to re-lease the space, the long-lived nature of our real estate assets and the propensity of real estate assets to hold their value over a long period of time.

Revenue Recognition

At the inception of a revenue producing contract, we determine if a contract qualifies as a lease and if not, then as a customer contract. Based on this determination, the appropriate GAAP is applied to the contract, including revenue recognition.

Rentals, net

Rental revenue is primarily derived from operating leases and, therefore, is generally recognized on a straight-line basis over the term of the lease, which typically begins the date the tenant takes control of the space. Variable rental revenue consists primarily of tenant reimbursements of taxes, maintenance expenses and insurance, is subject to our interpretation of lease provisions and is recognized over the term of leases as services are provided. Additionally, variable rental revenue based on a percentage of tenants' sales is recognized only after the tenant exceeds their sales breakpoint. In circumstances where we provide a tenant improvement allowance for improvements that are owned by the tenant, we recognize the allowance as a reduction of rental revenue on a straight-line basis over the term of the lease. Further, at the lease commencement date, we consider the collectability of a lease when determining revenue to be recognized. Prior to the adoption of ASC No. 842, "Leases," rental revenues were recognized under ASC No. 840, "Leases."

Other

Other revenue consists of both customer contract revenue and income from contractual agreements with third parties or partially owned real estate joint ventures or partnerships, which do not meet the definition of a lease or a customer contract. Revenues which do not meet the definition of a lease or customer contract are recognized as the related services are performed under the respective agreements.

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We have identified primarily three types of customer contract revenue: (1) management contracts with partially-owned real estate joint ventures or partnerships or third parties, (2) licensing and occupancy agreements and (3) certain non-tenant contracts. At contract inception, we assess the services provided in these contracts and identify any performance obligations that are distinct. To identify the performance obligation, we consider all services whether explicitly stated or implied by customary business practices. We have identified the following substantive services, which may or may not be included in each contract type, that represent performance obligations:

Contract Type	Performance Obligation Description	Elements of Performance Obligations	Payment Timing
Management Agreements	• Management and asset management services • Construction and development services • Marketing services	• Over time • Right to invoice • Long-term contracts	Typically monthly or quarterly
	• Leasing and legal preparation services • Sales commissions	• Point in time • Long-term contracts	
Licensing and Occupancy Agreements	• Rent of non-specific space	• Over time • Right to invoice • Short-term contracts	Typically monthly
	• Set-up services	• Point in time • Right to invoice	
Non-tenant Contracts	• Placement of miscellaneous items at our centers that do not qualify as a lease, i.e. advertisements, trash bins, etc.	• Point in time • Long-term contracts	Typically monthly
	• Set-up services	• Point in time • Right to invoice	

We also assess collectability of the customer contract revenue prior to recognition. None of these customer contracts include a significant financing component.

Unamortized Lease Costs, net

Lease costs represent the initial direct costs incurred in origination, negotiation and processing of a lease agreement. Such costs include outside broker commissions and other independent third party costs, as well as internal leasing commissions paid directly related to completing a lease and are amortized over the life of the lease on a straight-line basis. Costs related to salaries and benefits, supervision, administration, unsuccessful origination efforts and other activities are charged to expense as incurred. Also included are in place lease costs which are amortized over the life of the applicable lease terms on a straight-line basis.

Accrued Rent, Accrued Contract Receivables and Accounts Receivable, net

Receivables include rental revenue, amounts billed and currently due from customer contracts and receivables attributable to straight-line rental commitments. Accrued contract receivables includes amounts due from customers for contracts that do not qualify as a lease in which we earned the right to the consideration through the satisfaction of the performance obligation, but before the customer pays consideration or before payment is due. Upon the adoption of ASC No. 842, “Leases,” rental revenues are assessed for collectability and upon the determination that the collection of rents is not probable, accrued rent and accounts receivables are reduced as an adjustment to rental revenues. Revenue from leases where collection is deemed to be less than probable is recorded on a cash basis until collectability is determined to be probable. Prior to the adoption of ASC No. 842, “Leases,” an allowance for the uncollectible portion of accrued rents and accounts receivable was determined based upon an analysis of balances outstanding, historical bad debt levels, tenant creditworthiness and current economic trends. Additionally, estimates of the expected recovery of pre-petition and post-petition claims with respect to tenants in bankruptcy are considered in assessing the collectability of the related receivables. Management’s estimate of the collectability of accrued rents and accounts receivable is based on the best information available to management at the time of evaluation.

Restricted Deposits and Mortgage Escrows

Restricted deposits and mortgage escrows consist of escrow deposits held by lenders primarily for property taxes, insurance and replacement reserves and restricted deposits that are held for a specific use or in a qualified escrow account for the purposes of completing like-kind exchange transactions.

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Our restricted deposits and mortgage escrows consist of the following (in thousands):

	March 31, 2019	December 31, 2018
Restricted deposits	$ 9,166	$ 8,150
Mortgage escrows	1,968	2,122
Total	$ 11,134	$ 10,272

Other Assets, net

Other assets include an asset related to the debt service guaranty (see Note 5 for further information), tax increment revenue bonds, right-of-use assets, investments, investments held in a grantor trust, deferred tax assets, prepaid expenses, the net value of above-market leases, deferred debt costs associated with our revolving credit facilities and other miscellaneous receivables. Right-of-use assets are amortized to achieve the recognition of rent expense on a straight-line basis after adjusting for the corresponding lease liabilities' interest over the lives of the leases. Investments held in a grantor trust and investments in mutual funds are adjusted to fair value at each period with changes included in our Condensed Consolidated Statements of Operations. Investments held to maturity are carried at amortized cost and are adjusted using the interest method for amortization of premiums and accretion of discounts. Our tax increment revenue bonds have been classified as held to maturity and are recorded at amortized cost offset by a recognized credit loss (see Note 16 for further information). Above-market leases are amortized as adjustments to rental revenues over terms of the acquired leases. Deferred debt costs, including those classified in debt, are amortized primarily on a straight-line basis, which approximates the effective interest rate method, over the terms of the debt. Other miscellaneous receivables have a reserve applied to the carrying amount when it becomes apparent that conditions exist that may lead to our inability to fully collect on outstanding amounts due. Such conditions include delinquent or late payments on receivables, deterioration in the ongoing relationship with the borrower and other relevant factors. We establish a reserve when expected loss conditions exist by reviewing the borrower's ability to generate revenues to meet debt service requirements and assessing the fair value of any collateral.

Other Liabilities, net

Other liabilities include non-qualified benefit plan liabilities, deferred revenue, lease liabilities, the net value of below-market leases and other miscellaneous liabilities. Lease liabilities are amortized to rent expense using the effective interest rate method, over the lease life. Below-market leases are amortized as adjustments to rental revenues over terms of the acquired leases.

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Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss by component consists of the following (in thousands):

	Gain on Investments	Gain on Cash Flow Hedges	Defined Benefit Pension Plan-Actuarial Loss	Total
Balance, December 31, 2018	$ —	$ (4,501)	$ 15,050	$ 10,549
Amounts reclassified from accumulated other comprehensive loss		219	(288) [1]	(69)
Net other comprehensive loss (income)	—	219	(288)	(69)
Balance, March 31, 2019	$ —	$ (4,282)	$ 14,762	$ 10,480

	Gain on Investments	Gain on Cash Flow Hedges	Defined Benefit Pension Plan-Actuarial Loss	Total
Balance, December 31, 2017	$ (1,541)	$ (7,424)	$ 15,135	$ 6,170
Cumulative effect adjustment of accounting standards	1,541			1,541
Change excluding amounts reclassified from accumulated other comprehensive loss		(1,379)		(1,379)
Amounts reclassified from accumulated other comprehensive loss		3,633 [2]	(271) [1]	3,362
Net other comprehensive loss (income)	—	2,254	(271)	1,983
Balance, March 31, 2018	$ —	$ (5,170)	$ 14,864	$ 9,694

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(1)This reclassification component is included in the computation of net periodic benefit cost (see Note 12 for additional information).

(2)This reclassification component is included in interest expense (see Note 5 for additional information)

Additionally, as of March 31, 2019 and December 31, 2018, the net gain balance in accumulated other comprehensive loss relating to previously terminated cash flow interest rate swap contracts was $4.3 million and $4.5 million, respectively, which will be reclassified to net interest expense as interest payments are made on the originally hedged debt. Within the next 12 months, approximately $.9 million in accumulated other comprehensive loss is expected to be reclassified as a reduction to interest expense related to our interest rate contracts.

Reclassifications

We have reclassified prior years' miscellaneous lease-related revenues identified during our implementation of Accounting Standard Update ("ASU") No. 2016-02, "Leases" of $.4 million to Rentals, net from Other revenue in our Condensed Consolidated Statements of Operations to conform to the current year presentation (see Note 2 for further information).

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Note 2. Newly Issued Accounting Pronouncements

Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-02, "Leases." This ASU was further updated by ASU No. 2018-01, "Land Easement Practical Expedient for Transition for Topic 842," ASU No. 2018-10, "Codification Improvements to Topic 842," ASU No. 2018-11, "Targeted Improvements for Topic 842," ASU No. 2018-20, "Narrow-Scope Improvements for Lessors" and ASU No. 2019-01, "Codification Improvements to Topic 842." These ASUs set out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The ASUs require lessees to adopt a right-of-use asset approach that will bring substantially all leases onto the balance sheet, with the exception of short-term leases. The subsequent accounting for this right-of-use asset will be based on a dual-model approach, under which the lease will be classified as either a finance or an operating lease. The lessor accounting model under these ASUs is similar to current guidance, but certain underlying principles in the lessor model have been aligned with the new revenue recognition standard. A practical expedient was added for lessors to elect, by class of underlying assets, to account for lease and nonlease components as a single lease component if certain criteria are met. The provisions of these ASUs were effective for us as of January 1, 2019. We adopted this guidance as of January 1, 2019 and applied it on a modified retrospective approach.

Upon adoption, we applied the following practical expedients:

- The transition method in which the application date of January 1, 2019 is the beginning of the reporting period that we first applied the new guidance.
- The practical expedient package which allows an entity not to reassess (1) whether any expired or existing contracts are or contain leases; (2) the lease classification for expired or existing leases; and (3) initial direct costs for any existing leases.
- The practical expedient which allows an entity not to reassess whether any existing or expired land easements that were not previously accounted for as a lease or if the contract contains a lease.
- As an accounting policy election, a lessor may choose not to separate the nonlease components, by class of underlying assets, from the lease components and instead account for both types of components as a single component under certain conditions.
- As an accounting policy election, a lessee may choose not to separate the nonlease components, by class of underlying assets, from the lease components and instead account for both types of components as a single component.
- As an accounting policy election, a lessee may choose by class of the underlying asset, not to apply the recognition requirements to short-term leases.

The adoption resulted in the following changes as of January 1, 2019:

- From the Lessor Perspective:

Our existing leases will continue to be classified as operating leases, however, leases entered into or modified after January 1, 2019 may be classified as either operating or sales-type leases, based on specific classification criteria. We believe the majority of our leases will continue to be classified as operating leases, and all operating leases will continue to have a similar pattern of recognition as under current GAAP.

Capitalization of leasing costs has been limited under the new ASU which no longer allows indirect costs to be capitalized. Therefore indirect, internally-generated leasing and legal costs are no longer capitalized and are recorded in General and administrative expenses in our Condensed Consolidated Statement of Operations in the period of adoption prospectively. We continue to capitalize direct costs as defined within the ASU.

We are entitled to receive tenant reimbursements for operating expenses for common area maintenance (“CAM”). These ASUs have defined CAM reimbursement revenue as a nonlease component, which would need to be accounted for in accordance with Topic 606. However, we have applied the practical expedient for all of our real estate related leases, to account for the lease and nonlease components as a single, combined operating lease component as long as the nonlease component is not the predominate component of the combined components within a contract.

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We previously accounted for real estate taxes that are paid directly by the tenant on a gross basis in our consolidated financial statements. These ASUs have indicated that a lessor should exclude from variable payments, lessor costs paid by a lessee directly to a third party. Therefore, we have excluded any costs paid directly by the tenant from our revenues and expenses and will only include as variable payments those which are reimbursed to us by our tenants. Real estate taxes paid directly by our tenants was $1.2 million for the three months ended March 31, 2018.

•From the Lessee Perspective:

We have ground lease agreements in which we are the lessee for land underneath all or a portion of 12 centers and four administrative office leases that we account for as operating leases. Also, we have one finance lease in which we are the lessee of two centers with a $21.9 million lease obligation.

We recognized right-of-use assets for our operating leases in Other Assets, along with corresponding lease liabilities in Other Liabilities on January 1, 2019 in the amounts of $44.2 million and $42.9 million, respectively, in the Condensed Consolidated Balance Sheet. The difference between the right-of-use assets and the lease liabilities is primarily associated with intangibles related to ground leases. For these existing operating leases, we continue to recognize a single lease expense for both our ground and office operating leases, currently included in Operating expenses and General and administrative expenses, respectively, in the Condensed Consolidated Statements of Operations.

We continue to recognize our finance lease asset balance in Property and our finance lease liability in Debt in our Condensed Consolidated Balance Sheets. Finance leases charge a portion of the payment to both asset amortization and interest expense.

In June 2018, the FASB issued ASU No. 2018-07, "Improvements to Nonemployee Share-Based Payment Accounting." This ASU amends prior employee share-based payment guidance to include nonemployee share-based payment transactions for acquiring services or property. This ASU now aligns the determination of the measurement date, the accounting for performance conditions, and the accounting for share-based payments after vesting in addition to other items. The provisions of ASU No. 2018-07 were effective for us as of January 1, 2019 using a modified transition method upon adoption. The adoption of this ASU did not have a material impact to our consolidated financial statements.

Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13, "Measurement of Credit Losses on Financial Instruments." This ASU was further updated by ASU No. 2018-19, "Codification Improvements to Topic 326, Financial Instruments - Credit Losses." These ASUs amend prior guidance on the impairment of financial instruments, and adds an impairment model that is based on expected losses rather than incurred losses with the recognition of an allowance based on an estimate of expected credit losses. The provisions of the ASUs are effective for us as of January 1, 2020, and early adoption is permitted for fiscal years beginning after December 15, 2018. We are currently assessing the impact, if any, that the adoption of the ASUs will have on our consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, "Changes to the Disclosure Requirements for Fair Value Measurement." This ASU amends and removes several disclosure requirements including the valuation processes for Level 3 fair value measurements. The ASU also modifies some disclosure requirements and requires additional disclosures for changes in unrealized gains and losses included in other comprehensive income for recurring Level 3 fair value measurements and requires the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. The provisions of ASU No. 2018-13 are effective for us as of January 1, 2020 using a prospective transition method for amendments effecting changes in unrealized gains and losses, significant unobservable inputs used to develop Level 3 fair value measurements and narrative description on uncertainty of measurements. The remaining provisions of the ASU are to be applied retrospectively, and early adoption is permitted. Although we are still assessing the impact of this ASU's adoption, we do not believe this ASU will have a material impact to our consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-14, "Changes to the Disclosure Requirements for Defined Benefit Plans." This ASU clarifies current disclosures and removes several disclosures requirements including accumulated other comprehensive income expected to be recognized over the next fiscal year and amount and timing of plan assets expected to be returned to the employer. The ASU also requires additional disclosures for the weighted-average interest crediting rates for cash balance plans and explanations for significant gains and losses related to changes in the benefit plan obligation. The provisions of ASU No. 2018-14 are effective for us as of December 31, 2020 using a retrospective basis for all periods presented, and early adoption is permitted. Although we are still assessing the impact of this ASU's adoption, we do not believe this ASU will have a material impact to our consolidated financial statements.

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Note 3. Property

Our property consists of the following (in thousands):

	March 31, 2019	December 31, 2018
Land	$908,682	$ 919,237
Land held for development	42,795	45,673
Land under development	56,750	55,793
Buildings and improvements	2,914,394	2,927,954
Construction in-progress	182,174	156,411
Total	$4,104,795	$ 4,105,068

During the three months ended March 31, 2019, we sold three centers and other property. Aggregate gross sales proceeds from these transactions approximated $67.2 million and generated gains of approximately $17.8 million. Also, during the three months ended March 31, 2019, we acquired one center with an aggregate gross purchase price of approximately $20.3 million, and we invested $22.5 million in new development projects.

Note 4. Investment in Real Estate Joint Ventures and Partnerships

We own interests in real estate joint ventures or limited partnerships and have tenancy-in-common interests in which we exercise significant influence, but do not have financial and operating control. We account for these investments using the equity method, and our interests ranged for the periods presented from 20% to 90% in both 2019 and 2018. Combined condensed financial information of these ventures (at 100%) is summarized as follows (in thousands):

	March 31, 2019	December 31, 2018
Combined Condensed Balance Sheets		
ASSETS		
Property	$1,285,877	$ 1,268,557
Accumulated depreciation	(312,192)	(305,327)
Property, net	973,685	963,230
Other assets, net	104,048	104,267
Total Assets	$1,077,733	$ 1,067,497
LIABILITIES AND EQUITY		
Debt, net (primarily mortgages payable)	$267,766	$ 269,113
Amounts payable to Weingarten Realty Investors and Affiliates	11,694	11,732
Other liabilities, net	25,949	24,717
Total Liabilities	305,409	305,562
Equity	772,324	761,935
Total Liabilities and Equity	$1,077,733	$ 1,067,497

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	Three Months Ended March 31,	
	2019	2018
Combined Condensed Statements of Operations		
Revenues, net	$32,515	$33,886
Expenses:		
Depreciation and amortization	7,849	8,043
Interest, net	2,459	3,524
Operating	6,100	6,428
Real estate taxes, net	4,535	4,942
General and administrative	69	225
Provision for income taxes	33	36
Total	21,045	23,198
Gain on dispositions	535	3,533
Net income	$12,005	$14,221

Our investment in real estate joint ventures and partnerships, as reported in our Condensed Consolidated Balance Sheets, differs from our proportionate share of the entities' underlying net assets due to basis differences, which arose upon the transfer of assets to the joint ventures. The net positive basis differences, which totaled $6.2 million and $5.2 million at March 31, 2019 and December 31, 2018, respectively, are generally amortized over the useful lives of the related assets.

During 2018, a center was sold through a series of partial sales with gross sales proceeds of approximately $33.9 million, of which our share of the gain, included in equity earnings in real estate joint ventures and partnerships, totaled $6.3 million.

Note 5. Debt

Our debt consists of the following (in thousands):

	March 31, 2019	December 31, 2018
Debt payable, net to 2038 (1)	$1,705,776	$ 1,706,886
Unsecured notes payable under credit facilities	—	5,000
Debt service guaranty liability	60,900	60,900
Finance lease obligation	21,875	21,898
Total	$1,788,551	$ 1,794,684

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(1) At both March 31, 2019 and December 31, 2018, interest rates ranged from 3.3% to 7.0% at a weighted average rate of 4.0%.

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The allocation of total debt between fixed and variable-rate as well as between secured and unsecured is summarized below (in thousands):

	March 31, 2019	December 31, 2018
As to interest rate (including the effects of interest rate contracts):		
Fixed-rate debt	$1,770,930	$ 1,771,999
Variable-rate debt	17,621	22,685
Total	$1,788,551	$ 1,794,684
As to collateralization:		
Unsecured debt	$1,452,892	$ 1,457,432
Secured debt	335,659	337,252
Total	$1,788,551	$ 1,794,684

We maintain a $500 million unsecured revolving credit facility, which was amended and extended on March 30, 2016. This facility expires in March 2020, provides for two consecutive six-month extensions upon our request, and borrowing rates that float at a margin over LIBOR plus a facility fee. At both March 31, 2019 and December 31, 2018, the borrowing margin and facility fee, which are priced off a grid that is tied to our senior unsecured credit ratings, were 90 and 15 basis points, respectively. The facility also contains a competitive bid feature that allows us to request bids for up to $250 million. Additionally, an accordion feature allows us to increase the facility amount up to $850 million.

Additionally, we have a $10 million unsecured short-term facility, which was amended and extended on March 27, 2019, that we maintain for cash management purposes, which matures in March 2020. At both March 31, 2019 and December 31, 2018, the facility provided for fixed interest rate loans at a 30-day LIBOR rate plus a borrowing margin, facility fee and an unused facility fee of 125, 10, and 5 basis points, respectively.

The following table discloses certain information regarding our unsecured notes payable under our credit facilities (in thousands, except percentages):

	March 31, 2019		December 31, 2018	
Unsecured revolving credit facility:				
Balance outstanding	$—		$ 5,000	
Available balance	497,946		492,946	
Letters of credit outstanding under facility	2,054		2,054	
Variable interest rate (excluding facility fee)	3.3	%	3.3	%
Unsecured short-term facility:				
Balance outstanding	$—		$ —	
Variable interest rate (excluding facility fee)	—	%	—	%
Both facilities:				
Maximum balance outstanding during the period	$5,000		$ 26,500	
Weighted average balance	500		1,096	
Year-to-date weighted average interest rate (excluding facility fee)	3.3	%	2.9	%

Related to a development project in Sheridan, Colorado, we have provided a guaranty for the payment of any debt service shortfalls until a coverage rate of 1.4x is met on tax increment revenue bonds issued in connection with the project. The bonds are to be repaid with incremental sales and property taxes and a public improvement fee ("PIF") to be assessed on current and future retail sales and, to the extent necessary, any amounts we may have to provide under a guaranty. The incremental taxes and PIF are to remain intact until the earlier of the date the bond liability has been paid in full or 2040. Therefore, a debt service guaranty liability equal to the fair value of the amounts funded under the bonds was recorded. As of both March 31, 2019 and December 31, 2018, we had $60.9 million outstanding for the debt service guaranty liability.

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During the year ended December 31, 2018, we prepaid, without penalty, our $200 million unsecured variable-rate term loan, swapped to a fixed rate of 2.5%, and terminated three interest rate swap contracts that had an aggregate notional amount of $200 million, and we recognized a $3.4 million gain due to the probability that the related hedged forecasted transactions would no longer occur. Additionally during the year ended December 31, 2018, we paid at par $51.0 million of outstanding debt. These transactions resulted in a net gain upon their extinguishment of $.4 million, excluding the effect of the swap termination.

Various leases and properties, and current and future rentals from those leases and properties, collateralize certain debt. At both March 31, 2019 and December 31, 2018, the carrying value of such assets aggregated $.6 billion. Additionally at both March 31, 2019 and December 31, 2018, investments of $5.2 million are held as collateral for letters of credit totaling $5.0 million.

Scheduled principal payments on our debt (excluding $21.9 million of a finance lease obligation, $(4.4) million net premium/(discount) on debt, $(6.5) million of deferred debt costs, $1.7 million of non-cash debt-related items, and $60.9 million debt service guaranty liability) are due during the following years (in thousands):

2019 remaining	$71,427
2020	5,296
2021	18,434
2022	307,922
2023	347,815
2024	252,153
2025	293,807
2026	277,291
2027	38,288
2028	92,159
Thereafter	10,435
Total	$1,715,027

Our various debt agreements contain restrictive covenants, including minimum interest and fixed charge coverage ratios, minimum unencumbered interest coverage ratios, minimum net worth requirements and maximum total debt levels. We are not aware of any non-compliance with our public debt and revolving credit facility covenants as of March 31, 2019.

Note 6. Lease Obligations

We are engaged in the operation of shopping centers, which are either owned or, with respect to certain shopping centers, operated under operating ground leases. These ground leases expire at various dates through 2069 with renewal options ranging from five years to 20 years, which have been predominantly excluded from our lease liabilities, and in some cases, include options to purchase the underlying asset by either the lessor or lessee. Generally, our ground lease variable payments for real estate taxes, insurance and utilities are paid directly by us and are not a component of rental expense. Most of our leases have increasing minimum rental rates during the terms of the leases through escalation provisions and also may include an amount based on a percentage of operating revenues or sublease tenant revenue. Space in our shopping centers is leased to tenants pursuant to agreements that generally provide for terms of 10 years or less and may include multiple options to extend the lease term in increments up to five years, for annual rentals subject to upward adjustments based on operating expense levels, sales volume, or contractual increases as defined in the lease agreements.

Also, we have two properties under a finance lease that consists of variable lease payments with a purchase option. The right-of-use asset associated with this finance lease at March 31, 2019 was $1.7 million. At December 31, 2018, the related assets associated with a capital lease in buildings and improvements total $15.7 million, and the balance of accumulated depreciation was $14.1 million. Amortization of property under the finance lease is included in depreciation and amortization expense. Note that amounts prior to January 1, 2019 were accounted for under ASC No. 840 “Leases.”

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A schedule of lease costs including weighted average lease terms and weighted-average discount rates is as follows (in thousands, except as noted):

	Three Months Ended March 31, 2019
Lease cost:	
Operating lease cost:	
Included in Operating expense	$761
Included in General and administrative expense	61
Finance cost:	
Amortization of right-of-use asset (included in Depreciation and Amortization expense)	45
Interest on lease liability (included in Interest expense)	410
Short-term lease cost	27
Variable lease cost	73
Sublease income (included in Rentals, net)	(6,703)
Total lease cost	$(5,326)
Weighted-average remaining lease term (in years):	
Operating leases	42.6
Finance lease	4.8
Weighted-average discount rate (percentage):	
Operating leases	4.9 %
Finance lease	7.5 %

A reconciliation of our lease liabilities on an undiscounted cash flow basis, which primarily represents shopping center ground leases, for the subsequent five years and thereafter ending December 31, as calculated as of March 31, 2019, is as follows (in thousands):

	Operating	Finance
Lease payments:		
2019 remaining	$1,733	$1,302
2020	2,545	1,744
2021	2,334	1,751
2022	2,318	1,759
2023	2,283	23,037
2024	2,115	
Thereafter	97,187	
Total	$110,515	$29,593
Lease liabilities[1]	42,425	21,875
Undiscounted excess amount	$68,090	$7,718

(1) Operating lease liabilities are included in Other Liabilities, and finance lease liabilities are included in Debt, net in our Condensed Consolidated Balance Sheet.

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Scheduled minimum rental payments as defined under ASC No. 840, "Leases" under the terms of all non-cancelable operating leases in which we are the lessee, principally for shopping center ground leases, for the subsequent five years and thereafter ending December 31, as calculated as of December 31, 2018, were as follows (in thousands):

	Operating	Finance
Lease payments:		
2019	$2,779	$1,642
2020	2,536	1,635
2021	2,334	1,627
2022	2,318	1,618
2023	2,283	22,878
Thereafter	99,302	
Total	$111,552	$29,400

Future undiscounted, sublease payments, applicable to the ground lease rentals, under the terms of all non-cancelable tenant leases, excluding estimated variable payments for the subsequent five years and thereafter ending December 31, as calculated as of March 31, 2019 and December 31, 2018, were as follows (in thousands):

	March 31, 2019	December 31, 2018
Sublease payments:		
Finance lease[(1)]	$13,887	$14,382
Operating leases:		
2019 remaining	$17,318	$22,528
2020	21,766	20,903
2021	19,708	18,886
2022	17,970	17,245
2023	15,839	15,128
2024	10,733	
Thereafter	33,922	43,439
Total	$137,256	$138,129

(1) The sublease payments related to our finance lease represents cumulative payments through the lease term ending in 2023.

Note 7. Common Shares of Beneficial Interest

We have a $200 million share repurchase plan under which we may repurchase common shares of beneficial interest ("common shares") from time-to-time in open-market or in privately negotiated purchases. The timing and amount of any shares repurchased will be determined by management based on its evaluation of market conditions and other factors. The repurchase plan may be suspended or discontinued at any time, and we have no obligations to repurchase any amount of our common shares under the plan.

We did not repurchase any shares during the three months ended March 31, 2019. At March 31, 2019 and as of the date of this filing, $181.5 million of common shares remained available to be repurchased under this plan.

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Note 8. Leasing Operations

As a commercial real estate lessor, generally our leases are for terms of 10 years or less and may include multiple options, upon tenant election, to extend the lease term in increments up to five years. Our leases typically do not include an option to purchase. Tenant terminations prior to the lease end date occasionally results in a one-time termination fee based on the remaining unpaid lease payments including variable payments and could be material to the tenant. Many of our leases have increasing minimum rental rates during the terms of the leases through escalation provisions. In addition, the majority of our leases provide for variable rental revenues, such as, reimbursements of real estate taxes, maintenance and insurance and may include an amount based on a percentage of the tenants' sales.

Future undiscounted, lease payments for tenant leases, excluding estimated variable payments, at March 31, 2019 is as follows (in thousands):

2019 remaining	$266,529
2020	321,566
2021	270,622
2022	214,807
2023	167,279
Thereafter	518,134
Total payments due	$1,758,937

Future minimum rental income as defined under ASC No. 840 "Leases" from tenant leases, excluding estimated contingent rentals, at December 31, 2018 is as follows (in thousands):

2019	$347,476
2020	305,404
2021	253,269
2022	198,414
2023	151,538
Thereafter	473,416
Total payments due	$1,729,517

Variable lease payments recognized in Rentals, net are as follows (in thousands):

	Three Months Ended March 31, 2019
Variable lease payments	$27,930

Note 9. Supplemental Cash Flow Information

Cash, cash equivalents and restricted cash equivalents consists of the following (in thousands):

	March 31, 2019	March 31, 2018
Cash and cash equivalents	$60,570	$88,238
Restricted deposits and mortgage escrows (see Note 1)	11,134	7,395
Total	$71,704	$95,633

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Supplemental disclosure of non-cash transactions is summarized as follows (in thousands):

	Three Months Ended March 31,	
	2019	2018
Accrued property construction costs	$11,570	$12,444
Right-of-use assets exchanged for operating lease liabilities	42,913	—

Note 10. Earnings Per Share

Earnings per common share – basic is computed using net income attributable to common shareholders and the weighted average number of shares outstanding – basic. Earnings per common share – diluted includes the effect of potentially dilutive securities. Earnings per common share – basic and diluted components for the periods indicated are as follows (in thousands):

	Three Months Ended March 31,	
	2019	2018
Numerator:		
Net income	$51,254	$148,969
Net income attributable to noncontrolling interests	(1,588)	(2,145)
Net income attributable to common shareholders - basic	49,666	146,824
Income attributable to operating partnership units	—	528