Loans to SPG-FCM

As part of the Mills acquisition in 2007, the Operating Partnership made loans to SPG-FCM Ventures, LLC, or SPG-FCM, which were used to repay loans and other obligations. As of December 31, 2011 and 2010, the outstanding balance of our remaining loan to SPG-FCM was $651.0 million. The loan bears interest at a rate of LIBOR plus 275 basis points and matures on June 7, 2012. During 2011, 2010 and 2009, we recorded approximately $9.8 million, $9.9 million and $9.3 million in interest income (net of inter-entity eliminations) related to this loan, respectively. We also recorded fee income, including fee income amortization related to up-front fees on those loans during 2011, 2010 and 2009 of approximately $1.0 million, $0.9 million and $3.7 million (net of inter-entity eliminations), respectively, for providing refinancing services to Mills' properties and SPG-FCM.

Cash Flows

Our net cash flow from operating activities and distributions of capital from unconsolidated entities totaled $2.4 billion during 2011. In addition, we received net proceeds from our debt financing and repayment activities in 2011 of $256.5 million. These activities are further discussed below in "Financing and Debt". During the 2011 period, we or the Operating Partnership also:

- paid stockholder dividends and unitholder distributions of $1.2 billion,
- paid preferred stock dividends and preferred unit distributions totaling $5.3 million,
- funded consolidated capital expenditures of $445.5 million (includes development and other costs of $67.9 million, renovation and expansion costs of $157.1 million, and tenant costs and other operational capital expenditures of $220.5 million),
- funded investments in unconsolidated entities of $20.8 million, and
- funded property acquisitions and acquired additional interests in previously unconsolidated entities for $1.3 billion.

In general, we anticipate that cash generated from operations will be sufficient to meet operating expenses, monthly debt service, recurring capital expenditures, and distributions to stockholders necessary to maintain our REIT qualification on a long-term basis. In addition, we expect to be able to obtain capital for nonrecurring capital expenditures, such as acquisitions, major building renovations and expansions, as well as for scheduled principal maturities on outstanding indebtedness, from:

- excess cash generated from operating performance and working capital reserves,
- borrowings on the Credit Facility,
- additional secured or unsecured debt financing, or
- additional equity raised in the public or private markets.

We expect to generate positive cash flow from operations in 2012, and we consider these projected cash flows in our sources and uses of cash. These cash flows are principally derived from rents paid by our retail tenants, many of whom are still recovering from the recent economic downturn. A significant deterioration in projected cash flows from operations could cause us to increase our reliance on available funds from the Credit Facility, curtail planned capital expenditures, or seek other additional sources of financing as discussed above.