

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

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

FOR QUARTER ENDED JUNE 30, 2002 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 NO. 1-12504

**THE MACERICH COMPANY**

(Exact name of registrant as specified in its charter)

**MARYLAND**

(State or other jurisdiction of  
incorporation or organization)

**95-4448705**

(I.R.S. Employer Identification Number)

**401 Wilshire Boulevard, Suite 700,  
Santa Monica, CA**

(Address of principal executive office)

**90401**

(Zip code)

**(310) 394-6000**

Registrant's telephone number, including area code

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

**Common stock, par value \$.01 per share: 36,257,095 shares**

Number of shares outstanding of the registrant's common stock, as of August 8, 2002.

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 twelve (12) months (or such shorter period that the Registrant was required to file such report) and (2) has been subject to such filing requirements for the past ninety (90) days. Yes  No

Form 10-Q

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**CONSOLIDATED BALANCE SHEETS**  
(Dollars in thousands, except share data)  
(Unaudited)

|   | June 30,<br>2002    | December 31,<br>2001 |
|---|---------------------|----------------------|
| <b>ASSETS</b>   |                     |                      |
| Property, net   | \$ 2,024,896        | \$ 1,887,329         |
| Cash and cash equivalents   | 59,605              | 26,470               |
| Tenant receivables, including accrued overage rents of \$326 in 2002 and \$6,390 in 2001  | 34,562              | 42,537               |
| Deferred charges and other assets, net  | 61,953              | 59,640               |
| Investments in joint ventures and the Management Companies  | 260,985             | 278,526              |
|   | <b>\$ 2,442,001</b> | <b>\$ 2,294,502</b>  |
| <b>LIABILITIES, PREFERRED STOCK AND COMMON STOCKHOLDERS' EQUITY:</b>  |                     |                      |
| Mortgage notes payable:   |                     |                      |
| Related parties   | \$ 81,054           | \$ 81,882            |
| Others  | 1,259,713           | 1,157,630            |
|   | 1,340,767           | 1,239,512            |
| Bank notes payable  | 175,000             | 159,000              |
| Convertible debentures  | 125,148             | 125,148              |
| Accounts payable and accrued expenses   | 21,450              | 26,161               |
| Due to affiliates   | 11,157              | 998                  |
| Other accrued liabilities   | 26,160              | 28,394               |
| Preferred stock dividend payable  | 5,013               | 5,013                |
|   | <b>1,704,695</b>    | <b>1,584,226</b>     |
| Minority interest in Operating Partnership  | 115,237             | 113,986              |
| Commitments and contingencies (Note 9)  |                     |                      |
| Series A cumulative convertible redeemable preferred stock, \$.01 par value, 3,627,131 shares authorized, issued and outstanding at June 30, 2002 and December 31, 2001 | 98,934              | 98,934               |
| Series B cumulative convertible redeemable preferred stock, \$.01 par value, 5,487,471 shares authorized, issued and outstanding at June 30, 2002 and December 31, 2001 | 148,402             | 148,402              |
|   | <b>247,336</b>      | <b>247,336</b>       |

**Common stockholders' equity:**

|  |                     |                     |
|--|---------------------|---------------------|
| Common stock, \$.01 par value, 100,000,000 shares authorized, 36,257,095 and 33,981,946 shares issued and outstanding at June 30, 2002 and December 31, 2001, respectively | 360                 | 340                 |
| Additional paid in capital   | 416,085             | 366,349             |
| Accumulated deficit  | (27,658)            | (4,944)             |
| Accumulated other comprehensive loss   | (5,161)             | (5,820)             |
| Unamortized restricted stock   | (8,893)             | (6,971)             |
| <b>Total common stockholders' equity</b>   | <b>374,733</b>      | <b>348,954</b>      |
| <b>Total liabilities, preferred stock and common stockholders' equity</b>  | <b>\$ 2,442,001</b> | <b>\$ 2,294,502</b> |

The accompanying notes are an integral part of these financial statements.

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**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Dollars in thousands, except share and per share amounts)  
(Unaudited)

|  | Six Months Ended June 30, |                  |
|--|---------------------------|------------------|
|  | 2002                      | 2001             |
| <b>REVENUES:</b>   |                           |                  |
| Minimum rents  | \$ 97,723                 | \$ 97,292        |
| Percentage rents   | 2,288                     | 2,948            |
| Tenant recoveries  | 51,380                    | 51,993           |
| Other  | 4,667                     | 5,069            |
| <b>Total revenues</b>  | <b>156,058</b>            | <b>157,302</b>   |
| <b>EXPENSES:</b>   |                           |                  |
| Shopping center and operating expenses   | 53,353                    | 51,727           |
| General and administrative expense   | 3,544                     | 3,515            |
| Interest expense:  |                           |                  |
| Related parties  | 2,899                     | 3,959            |
| Others   | 47,260                    | 51,534           |
| <b>Total interest expense</b>  | <b>50,159</b>             | <b>55,493</b>    |
| Depreciation and amortization  | 33,635                    | 32,317           |
| Equity in income of unconsolidated joint ventures and the management companies | 5,406                     | 12,681           |
| Loss on sale or write-down of assets   | (3,701)                   | (188)            |
| <b>Income before extraordinary item and minority interest</b>                  | <b>17,072</b>             | <b>26,743</b>    |
| Extraordinary loss on early extinguishment of debt                             | —                         | (187)            |
| <b>Income of the Operating Partnership from continuing operations</b>          | <b>17,072</b>             | <b>26,556</b>    |
| <b>Discontinued Operations:</b>  |                           |                  |
| Gain on sale of asset  | 13,916                    | —                |
| Income from discontinued operations  | 292                       | 728              |
| <b>Income before minority interest</b>   | <b>31,280</b>             | <b>27,284</b>    |
| Less minority interest in net income of the Operating Partnership              | 5,180                     | 4,377            |
| <b>Net income</b>  | <b>26,100</b>             | <b>22,907</b>    |
| Less preferred dividends   | 10,026                    | 9,662            |
| <b>Net income available to common stockholders</b>                             | <b>\$ 16,074</b>          | <b>\$ 13,245</b> |
| <b>Earnings per common share—basic:</b>  |                           |                  |
| Income from continuing operations before extraordinary item                    | \$ 0.15                   | \$ 0.38          |
| Extraordinary item   | —                         | (0.01)           |
| Discontinued operations  | 0.30                      | 0.02             |
| <b>Net income per share available to common stockholders</b>                   | <b>\$ 0.45</b>            | <b>\$ 0.39</b>   |

|   |            |            |
|---|------------|------------|
| Weighted average number of common shares outstanding—basic  | 35,498,000 | 33,706,000 |
| Weighted average number of common shares outstanding—basic, assuming full conversion of operating partnership units outstanding | 46,651,000 | 44,860,000 |
| Earnings per common share—diluted:  |            |            |
| Income from continuing operations before extraordinary item   | \$ 0.15    | \$ 0.37    |
| Extraordinary item  | —          | —          |
| Discontinued operations   | 0.30       | 0.02       |
| Net income per share—available to common stockholders   | \$ 0.45    | \$ 0.39    |
| Weighted average number of common shares outstanding—diluted for EPS  | 46,651,000 | 44,860,000 |

The accompanying notes are an integral part of these financial statements.

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**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Dollars in thousands, except share and per share amounts)  
(Unaudited)

|   | Three Months Ended June 30, |           |
|---|-----------------------------|-----------|
|   | 2002                        | 2001      |
| <b>REVENUES:</b>  |                             |           |
| Minimum rents   | \$ 49,587                   | \$ 49,005 |
| Percentage rents  | 991                         | 1,105     |
| Tenant recoveries   | 26,313                      | 27,274    |
| Other   | 2,217                       | 2,629     |
| Total revenues  | 79,108                      | 80,013    |
| <b>EXPENSES:</b>  |                             |           |
| Shopping center and operating expenses  | 27,654                      | 27,676    |
| General and administrative expense  | 2,012                       | 1,832     |
| Interest expense:   |                             |           |
| Related parties   | 1,454                       | 1,474     |
| Others  | 23,582                      | 26,023    |
| Total interest expense  | 25,036                      | 27,497    |
| Depreciation and amortization   | 17,126                      | 16,300    |
| Equity in (loss) income of unconsolidated joint ventures and the management companies | (900)                       | 6,625     |
| (Loss) gain on sale or write-down of assets   | (2,533)                     | 132       |
| Income before extraordinary item and minority interest                                | 3,847                       | 13,465    |
| Extraordinary loss on early extinguishment of debt                                    | —                           | (1)       |
| Income of the Operating Partnership from continuing operations                        | 3,847                       | 13,464    |
| Discontinued Operations:  |                             |           |
| Loss on sale of asset   | (508)                       | —         |
| Income from discontinued operations   | 4                           | 442       |
| Income before minority interest   | 3,343                       | 13,906    |
| Less minority interest in net income of the Operating Partnership                     | (393)                       | 2,249     |
| Net income  | 3,736                       | 11,657    |
| Less preferred dividends  | 5,013                       | 4,831     |
| Net income (loss) available to common stockholders                                    | \$ (1,277)                  | \$ 6,826  |
| Earnings per common share—basic:  |                             |           |
| Income (loss) from continuing operations before extraordinary item                    | \$ (0.03)                   | \$ 0.19   |
| Extraordinary item  | —                           | —         |
| Discontinued operations   | (0.01)                      | 0.01      |
| Net income (loss) per share available to common stockholders                          | \$ (0.04)                   | \$ 0.20   |

|   |            |            |
|---|------------|------------|
| Weighted average number of common shares outstanding—basic  | 36,241,000 | 33,771,000 |
| Weighted average number of common shares outstanding—basic, assuming full conversion of operating partnership units outstanding | 47,393,000 | 44,924,000 |
| Earnings per common share—diluted:  |            |            |
| Income (loss) from continuing operations before extraordinary item  | \$ (0.03)  | \$ 0.19    |
| Extraordinary item  | —          | —          |
| Discontinued operations   | (0.01)     | 0.01       |
| Net income (loss) per share—available to common stockholders  | \$ (0.04)  | \$ 0.20    |
| Weighted average number of common shares outstanding—diluted for EPS  | 47,393,000 | 44,924,000 |

The accompanying notes are an integral part of these financial statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Dollars in thousands)  
(Unaudited)

|   | For the six months ended June 30, |           |
|---|-----------------------------------|-----------|
|   | 2002                              | 2001      |
| Cash flows from operating activities:   |                                   |           |
| Net income—available to common stockholders                                       | \$ 16,074                         | \$ 13,245 |
| Preferred dividends   | 10,026                            | 9,662     |
| Net income  | 26,100                            | 22,907    |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                   |           |
| Extraordinary loss on early extinguishment of debt                                | —                                 | 187       |
| (Gain) loss on sale or write-down of assets                                       | (10,215)                          | 188       |
| Depreciation and amortization   | 33,750                            | 32,491    |
| Amortization of net discount on trust deed note payable                           | 17                                | 17        |
| Minority interest in net income of the Operating Partnership                      | 5,180                             | 4,377     |
| Changes in assets and liabilities:  |                                   |           |
| Tenant receivables, net   | 7,975                             | 4,595     |
| Other assets  | (691)                             | 236       |
| Accounts payable and accrued expenses   | (4,711)                           | (4,551)   |
| Due to affiliates   | 10,159                            | (6,315)   |
| Other liabilities   | (2,234)                           | 178       |
| Total adjustments   | 39,230                            | 31,403    |
| Net cash provided by operating activities   | 65,330                            | 54,310    |
| Cash flows from investing activities:   |                                   |           |
| Acquisitions of property and property improvements                                | (159,649)                         | (4,703)   |
| Redevelopment and expansions of centers   | (13,058)                          | (13,491)  |
| Renovations of centers  | (1,066)                           | (3,921)   |
| Tenant allowances   | (4,705)                           | (5,140)   |
| Deferred leasing charges  | (6,254)                           | (4,431)   |
| Equity in income of unconsolidated joint ventures and the management companies    | (5,406)                           | (12,681)  |
| Distributions from joint ventures   | 29,232                            | 23,982    |
| Contributions to joint ventures   | (6,285)                           | (9,202)   |
| Proceeds from sale of assets  | 23,817                            | —         |
| Net cash used in investing activities   | (143,374)                         | (29,587)  |
| Cash flows from financing activities:   |                                   |           |
| Proceeds from mortgages, notes and debentures payable                             | 124,000                           | 134,410   |
| Payments on mortgages, notes and debentures payable                               | (6,762)                           | (103,286) |
| Deferred financing costs  | (1,809)                           | (1,499)   |
| Net proceeds from equity offerings  | 51,963                            | —         |

|   |           |           |
|---|-----------|-----------|
| Dividends and distributions                           | (46,187)  | (53,595)  |
| Dividends to preferred stockholders                   | (10,026)  | (9,662)   |
| Net cash provided by (used in) financing activities   | 111,179   | (33,632)  |
| Net increase (decrease) in cash                       | 33,135    | (8,909)   |
| Cash and cash equivalents, beginning of period        | 26,470    | 36,273    |
| Cash and cash equivalents, end of period              | \$ 59,605 | \$ 27,364 |
| Supplemental cash flow information:                   |           |           |
| Cash payment for interest, net of amounts capitalized | \$ 50,625 | \$ 55,977 |

The accompanying notes are an integral part of these financial statements.

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**NOTES TO CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollars in thousands)**  
**(Unaudited)**

**1. Interim Financial Statements and Basis of Presentation:**

The accompanying consolidated financial statements of The Macerich Company (the "Company") have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. They do not include all of the information and footnotes required by GAAP for complete financial statements and have not been audited by independent public accountants.

The unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the financial statements for the interim periods have been made. The results for interim periods are not necessarily indicative of the results to be expected for a full year. The accompanying consolidated balance sheet as of December 31, 2001 has been derived from the audited financial statements, but does not include all disclosures required by GAAP.

Certain reclassifications have been made in the 2001 consolidated financial statements to conform to the 2002 financial statement presentation.

*Accounting Pronouncements:*

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") 133, "Accounting for Derivative Instruments and Hedging Activities," ("SFAS 133") which requires companies to record derivatives on the balance sheet, measured at fair value. Changes in the fair values of those derivatives are accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The key criterion for hedge accounting is that the hedging relationship must be highly effective in achieving offsetting changes in fair value or cash flows. In June 1999, the FASB issued SFAS 137, "Accounting for Derivative Instruments and Hedging Activities," which delayed the implementation of SFAS 133 from January 1, 2000 to January 1, 2001. In June 2000, the FASB issued SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities—an Amendment of FASB Statement No. 133," ("SFAS 138"), which amended the accounting and reporting standards of SFAS 133. As a result of the adoption of SFAS 133 on January 1, 2001, the Company recorded a transition adjustment of \$7,148 to accumulated other comprehensive income related to treasury rate lock transactions settled in prior years. The entire transition adjustment was reflected in the quarter ended March 31, 2001. The Company reclassified \$659 and expects to reclassify \$1,328 from accumulated other comprehensive income to earnings for the six months ended June 30, 2002 and for the year ended December 31, 2002, respectively.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which is effective for fiscal years beginning after June 15, 2002. The statement provides accounting and reporting standards for recognizing obligations related to asset retirement costs associated with the retirement of tangible long-lived assets. Under this statement, legal obligations associated with the retirement of long-lived assets are to be recognized at their fair value in the period in which they are incurred if a reasonable estimate of fair value can be made. The fair value of the asset retirement costs is capitalized as part of the carrying amount of the long-lived asset and expensed using a systematic and rational method over the assets' useful life. Any subsequent changes to the fair value of the liability will be expensed. The Company does not believe that the adoption of SFAS No. 143 will have a material impact on its consolidated financial statements.

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On July 1, 2001, the Company adopted SFAS No. 141, "Business Combinations" ("SFAS 141"). SFAS 141 requires that the purchase method of accounting be used for all business combinations for which the date of acquisition is after June 30, 2001. SFAS 141 also establishes specific criteria for the recognition of intangible assets. The Company has determined that the adoption of SFAS 141 will not have an impact on its consolidated financial statements.

In October 2001, the FASB issued SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This statement supersedes SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" ("SFAS 121"). SFAS 144 establishes a single accounting model, based on the framework established in SFAS 121, for long-lived assets to be disposed of by sale. The Company adopted SFAS 144 on January 1, 2002. The Company sold Boulder Plaza on March 19, 2002 and in accordance with SFAS 144 the results of Boulder Plaza for the periods from January 1, 2002 to March 19, 2002 and from January 1,

2001 to June 30, 2001 have been reclassified into "discontinued operations" on the consolidated statements of operations. Total revenues associated with Boulder Plaza were \$470 and \$1,152 for the periods January 1, 2002 to March 19, 2002 and January 1, 2001 to June 30, 2001, respectively.

In May 2002, the FASB issued SFAS No. 145, "Rescission of FAS Nos. 4, 44, and 64, Amendment of FAS 13, and Technical Corrections" ("SFAS 145"), which is effective for fiscal years beginning after May 15, 2002. SFAS 145 rescinds SFAS 4, SFAS 44 and SFAS 64 and amends SFAS 13 to modify the accounting for sales-leaseback transactions. SFAS 4 required the classification of gains and losses resulting from extinguishments of debt to be classified as extraordinary items. SFAS 64 amended SFAS 4 and is no longer necessary because SFAS 4 has been rescinded. The Company expects to reclassify a loss of \$2,034 and \$304 for the years ending December 31, 2001 and 2000, respectively, from extraordinary items upon adoption of SFAS 145 on January 1, 2003.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. SFAS No. 146 is effective prospectively for exit or disposal activities initiated after December 31, 2002, with earlier adoption encouraged. The Company does not believe that the adoption of SFAS No. 146 will have a material impact on its consolidated financial statements.

*Stock-based compensation expense.* In the second quarter of 2002 and effective beginning in the first quarter of 2002, the Company adopted the expense recognition provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation". The Company values stock options issued using the Black-Scholes option-pricing model and recognizes this value as an expense over the period in which the options vest. Under this standard, recognition of expense for stock options is applied to all options granted after the beginning of the year of adoption. Prior to the second quarter of 2002, the Company followed the intrinsic method set forth in APB Opinion 25, "Accounting for Stock Issued to Employees". The Company has not issued stock options in 2002 and accordingly the Company has not recognized any stock-based compensation expense for the six months ending June 30, 2002.

#### Earnings Per Share ("EPS"):

The computation of basic earnings per share is based on net income and the weighted average number of common shares outstanding for the six and three months ending June 30, 2002 and 2001. The computation of diluted earnings per share does not include the effect of outstanding restricted stock and common stock options issued under the employee and director stock incentive plans as they

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are antidilutive using the treasury method. The Operating Partnership units ("OP units") not held by the Company have been included in the diluted EPS calculation since they are redeemable on a one-for-one basis for shares of common stock. The following table reconciles the basic and diluted earnings per share calculation:

|  | For the Six Months Ended June 30,     |               |                |                          |               |                |
|--|---------------------------------------|---------------|----------------|--------------------------|---------------|----------------|
|  | 2002                                  |               |                | 2001                     |               |                |
|  | Net Income                            | Shares        | Per Share      | Net Income               | Shares        | Per Share      |
|  | (In thousands, except per share data) |               |                |                          |               |                |
| Net income   | \$ 26,100                             |               |                | \$ 22,907                |               |                |
| Less: Preferred stock dividends                    | 10,026                                |               |                | 9,662                    |               |                |
| <b>Basic EPS:</b>                                  |                                       |               |                |                          |               |                |
| Net income—available to common stockholders        | 16,074                                | 35,498        | \$ 0.45        | 13,245                   | 33,706        | \$ 0.39        |
| <b>Diluted EPS:</b>                                |                                       |               |                |                          |               |                |
| Effect of dilutive securities:                     |                                       |               |                |                          |               |                |
| Conversion of OP units                             | 5,180                                 | 11,153        |                | 4,377                    | 11,154        |                |
| Employee stock options and restricted stock        | n/a—antidilutive for EPS              |               |                | n/a—antidilutive for EPS |               |                |
| Convertible preferred stock                        | n/a—antidilutive for EPS              |               |                | n/a—antidilutive for EPS |               |                |
| Convertible debentures                             | n/a—antidilutive for EPS              |               |                | n/a—antidilutive for EPS |               |                |
| <b>Net income—available to common stockholders</b> | <b>\$ 21,254</b>                      | <b>46,651</b> | <b>\$ 0.45</b> | <b>\$ 17,622</b>         | <b>44,860</b> | <b>\$ 0.39</b> |
|  | For the Three Months Ended June 30,   |               |                |                          |               |                |
|  | 2002                                  |               |                | 2001                     |               |                |
|  | Net Income                            | Shares        | Per Share      | Net Income               | Shares        | Per Share      |
|  | (In thousands, except per share data) |               |                |                          |               |                |
| Net income   | \$ 3,736                              |               |                | \$ 11,657                |               |                |
| Less: Preferred stock dividends                    | 5,013                                 |               |                | 4,831                    |               |                |
| <b>Basic EPS:</b>                                  |                                       |               |                |                          |               |                |
| Net income (loss)—available to common stockholders | (1,277)                               | 36,241        | (0.04)         | 6,826                    | 33,771        | \$ 0.20        |

|  |                          |        |           |                          |        |         |
|--|--------------------------|--------|-----------|--------------------------|--------|---------|
| Diluted EPS:                                       |                          |        |           |                          |        |         |
| Effect of dilutive securities:                     |                          |        |           |                          |        |         |
| Conversion of OP units                             | (393)                    | 11,152 |           | 2,249                    | 11,153 |         |
| Employee stock options and restricted stock        | n/a—antidilutive for EPS |        |           | n/a—antidilutive for EPS |        |         |
| Convertible preferred stock                        | n/a—antidilutive for EPS |        |           | n/a—antidilutive for EPS |        |         |
| Convertible debentures                             | n/a—antidilutive for EPS |        |           | n/a—antidilutive for EPS |        |         |
| Net income (loss)—available to common stockholders | \$ (1,670)               | 47,393 | \$ (0.04) | \$ 9,075                 | 44,924 | \$ 0.20 |

## 2. Organization:

The Company is involved in the acquisition, ownership, redevelopment, management and leasing of regional and community shopping centers located throughout the United States. The Company is the sole general partner of, and owns a majority of the ownership interests in, The Macerich Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"). As of June 30, 2002, the Operating Partnership owns or has an ownership interest in 47 regional shopping centers and three community shopping centers aggregating approximately 42 million square feet of gross leasable area ("GLA"). These 50 regional and community shopping centers are referred to hereinafter as the "Centers", unless the context otherwise requires. The Company is a self-administered and self-managed real estate investment trust ("REIT") and conducts all of its operations through the Operating Partnership and the Company's three management companies, Macerich Property Management Company, LLC, a single-member Delaware limited liability company, Macerich Manhattan Management Company, a California corporation, and Macerich Management Company, a California corporation (collectively, the "Management Companies"). The term "Management Companies" includes Macerich Property Management Company, a California corporation, prior to the merger with Macerich Property Management Company, LLC on March 29, 2001.

The Company was organized to qualify as a REIT under the Internal Revenue Code of 1986, as amended. As of June 30, 2002, the 20% limited partnership interest of the Operating Partnership not owned by the Company is reflected in these financial statements as minority interest.

## 3. Investments in Unconsolidated Joint Ventures and the Management Companies:

The following are the Company's investments in various joint ventures. The Operating Partnership's interest in each joint venture as of June 30, 2002 is as follows:

| Joint Venture                    | The Operating Partnership's Ownership % |
|----------------------------------|---|
| Macerich Northwestern Associates | 50%                                     |
| Manhattan Village, LLC           | 10%                                     |
| MerchantWired, LLC               | 9.64%                                   |
| Pacific Premier Retail Trust     | 51%                                     |
| Panorama City Associates         | 50%                                     |
| SDG Macerich Properties, L.P.    | 50%                                     |
| West Acres Development           | 19%                                     |

As of March 28, 2001, the Operating Partnership also owned all of the non-voting preferred stock of Macerich Property Management Company and Macerich Management Company, which is generally entitled to dividends equal to 95% of the net cash flow of each company. Macerich Manhattan Management Company is a wholly owned subsidiary of Macerich Management Company. Effective March 29, 2001, Macerich Property Management Company merged with and into Macerich Property Management Company, LLC ("MPMC, LLC"). MPMC, LLC is a single-member Delaware limited liability company and is 100% owned by the Operating Partnership. The ownership structure of Macerich Management Company has remained unchanged.

The Company accounts for the Management Companies (exclusive of MPMC, LLC) and joint ventures using the equity method of accounting. Effective March 29, 2001, the Company consolidated the accounts for MPMC, LLC.

On September 30, 2000, Manhattan Village, a 551,847 square foot regional shopping center, 10% of which was owned by the Operating Partnership, was sold. The joint venture sold the property for

\$89,000, including a note receivable from the buyer for \$79,000 at a fixed interest rate of 8.75% payable monthly, until its maturity date of September 30, 2001. On December 28, 2001, the note receivable was paid down by \$5,000 and the maturity date was extended to September 30, 2002 at a new fixed interest rate of 9.5%. On July 2, 2002, the note receivable of \$74,000 was paid down in full.

MerchantWired LLC was formed by six major mall companies, including the Company, to provide a private, high-speed IP network to malls across the United States. The members of MerchantWired LLC agreed to sell all their collective membership interests in MerchantWired LLC under the terms of a definitive agreement with Transaction Network Services, Inc ("TNSI"). The transaction was expected to close in the second quarter of 2002, but TNSI unexpectedly informed the members of MerchantWired LLC that it would not complete the transaction. As a result, MerchantWired LLC is shutting down its operations and transitioning its customers to alternate service providers. The Company does not anticipate making further cash contributions to MerchantWired LLC, and wrote-off their remaining investment of \$8,947 in the three months ended June 30, 2002, which is reflected in the equity in income (loss) of unconsolidated joint ventures.



Combined and condensed balance sheets and statements of operations are presented below for all unconsolidated joint ventures and the Management Companies.

**COMBINED AND CONDENSED BALANCE SHEETS OF JOINT VENTURES  
AND THE MANAGEMENT COMPANIES**

|  | June 30,<br>2002    | December 31,<br>2001 |
|--|---------------------|----------------------|
| <b>Assets:</b>                                 |                     |                      |
| Properties, net                                | \$ 2,037,375        | \$ 2,179,908         |
| Other assets                                   | 114,807             | 157,494              |
| <b>Total assets</b>                            | <b>\$ 2,152,182</b> | <b>\$ 2,337,402</b>  |
| <b>Liabilities and partners' capital:</b>      |                     |                      |
| Mortgage notes payable                         | \$ 1,449,909        | \$ 1,457,871         |
| Other liabilities                              | 39,208              | 138,531              |
| The Company's capital                          | 260,985             | 278,526              |
| Outside partners' capital                      | 402,080             | 462,474              |
| <b>Total liabilities and partners' capital</b> | <b>\$ 2,152,182</b> | <b>\$ 2,337,402</b>  |

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**COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES  
AND THE MANAGEMENT COMPANIES**

Six Months Ended June 30, 2002

|   | SDG<br>Macerich<br>Properties, L.P. | Pacific<br>Premier<br>Retail Trust | Other<br>Joint Ventures | Management<br>Companies | Total              |
|---|-------------------------------------|------------------------------------|-------------------------|-------------------------|--------------------|
| <b>Revenues:</b>                              |                                     |                                    |                         |                         |                    |
| Minimum rents                                 | \$ 45,987                           | \$ 50,906                          | \$ 11,573               | —                       | \$ 108,466         |
| Percentage rents                              | 1,634                               | 1,471                              | 545                     | —                       | 3,650              |
| Tenant recoveries                             | 20,896                              | 18,621                             | 4,004                   | —                       | 43,521             |
| Management fee                                | —                                   | —                                  | —                       | \$ 4,421                | 4,421              |
| Other   | 613                                 | 844                                | 6,241                   | —                       | 7,698              |
| <b>Total revenues</b>                         | <b>69,130</b>                       | <b>71,842</b>                      | <b>22,363</b>           | <b>4,421</b>            | <b>167,756</b>     |
| <b>Expenses:</b>                              |                                     |                                    |                         |                         |                    |
| Shopping center and operating expenses        | 26,314                              | 21,119                             | 10,967                  | —                       | 58,400             |
| Interest expense                              | 15,052                              | 24,206                             | 5,785                   | (148)                   | 44,895             |
| Management Company expense                    | —                                   | —                                  | —                       | 4,082                   | 4,082              |
| Depreciation and amortization                 | 12,765                              | 11,880                             | 7,356                   | 734                     | 32,735             |
| <b>Total operating expenses</b>               | <b>54,131</b>                       | <b>57,205</b>                      | <b>24,108</b>           | <b>4,668</b>            | <b>140,112</b>     |
| Gain (loss) on sale or write-down of assets   | 12                                  | —                                  | (106,868)               | (33)                    | (106,889)          |
| <b>Net income (loss)</b>                      | <b>\$ 15,011</b>                    | <b>\$ 14,637</b>                   | <b>\$ (108,613)</b>     | <b>\$ (280)</b>         | <b>\$ (79,245)</b> |
| Company's pro rata share of net income (loss) | \$ 7,506                            | \$ 7,443                           | \$ (9,277)              | \$ (266)                | \$ 5,406           |

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**COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES  
AND THE MANAGEMENT COMPANIES**

Six Months Ended June 30, 2001

|  | SDG<br>Macerich<br>Properties, L.P. | Pacific<br>Premier<br>Retail Trust | Other<br>Joint Ventures | Management<br>Companies | Total |
|--|-------------------------------------|------------------------------------|-------------------------|-------------------------|-------|
|--|-------------------------------------|------------------------------------|-------------------------|-------------------------|-------|

|   |    |               |    |               |    |                |    |              |                |               |
|---|----|---------------|----|---------------|----|----------------|----|--------------|----------------|---------------|
| <b>Revenues:</b>                              |    |               |    |               |    |                |    |              |                |               |
| Minimum rents                                 | \$ | 45,362        | \$ | 48,750        | \$ | 9,957          | —  | \$           | 104,069        |               |
| Percentage rents                              |    | 2,087         |    | 1,422         |    | 578            |    |              | 4,087          |               |
| Tenant recoveries                             |    | 21,286        |    | 17,591        |    | 4,583          |    |              | 43,460         |               |
| Management fee                                |    | —             |    | —             |    | —              | \$ | 5,402        | 5,402          |               |
| Other   |    | 1,298         |    | 891           |    | 7,550          |    |              | 9,739          |               |
| <b>Total revenues</b>                         |    | <b>70,033</b> |    | <b>68,654</b> |    | <b>22,668</b>  |    | <b>5,402</b> | <b>166,757</b> |               |
| <b>Expenses:</b>                              |    |               |    |               |    |                |    |              |                |               |
| Shopping center and operating expenses        |    | 26,047        |    | 19,347        |    | 18,193         |    |              | 63,587         |               |
| Interest expense                              |    | 19,740        |    | 24,786        |    | 3,852          |    | (67)         | 48,311         |               |
| Management Company expense                    |    | —             |    | —             |    | —              |    | 5,924        | 5,924          |               |
| Depreciation and amortization                 |    | 12,439        |    | 11,213        |    | 3,317          |    | 533          | 27,502         |               |
| <b>Total operating expenses</b>               |    | <b>58,226</b> |    | <b>55,346</b> |    | <b>25,362</b>  |    | <b>6,390</b> | <b>145,324</b> |               |
| Gain (loss) on sale or write-down of assets   |    | (12)          |    | 72            |    | 259            |    |              | 319            |               |
| <b>Net income (loss)</b>                      | \$ | <b>11,795</b> | \$ | <b>13,380</b> | \$ | <b>(2,435)</b> | \$ | <b>(988)</b> | \$             | <b>21,752</b> |
| Company's pro rata share of net income (loss) | \$ | 5,897         | \$ | 6,824         | \$ | 899            | \$ | (939)        | \$             | 12,681        |

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**COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES  
AND THE MANAGEMENT COMPANIES**

Three Months Ended June 30, 2002

|   | SDG<br>Macerich<br>Properties, L.P. | Pacific<br>Premier<br>Retail Trust | Other<br>Joint Ventures | Management<br>Companies | Total |                 |    |              |               |                 |
|---|-------------------------------------|------------------------------------|-------------------------|-------------------------|-------|-----------------|----|--------------|---------------|-----------------|
| <b>Revenues:</b>                              |                                     |                                    |                         |                         |       |                 |    |              |               |                 |
| Minimum rents                                 | \$                                  | 23,270                             | \$                      | 25,632                  | \$    | 5,866           | —  | \$           | 54,768        |                 |
| Percentage rents                              |                                     | 419                                |                         | 557                     |       | 321             |    |              | 1,297         |                 |
| Tenant recoveries                             |                                     | 10,566                             |                         | 9,242                   |       | 2,098           |    |              | 21,906        |                 |
| Management fee                                |                                     | —                                  |                         | —                       |       | —               | \$ | 2,249        | 2,249         |                 |
| Other   |                                     | 317                                |                         | 410                     |       | 1,995           |    |              | 2,722         |                 |
| <b>Total revenues</b>                         |                                     | <b>34,572</b>                      |                         | <b>35,841</b>           |       | <b>10,280</b>   |    | <b>2,249</b> | <b>82,942</b> |                 |
| <b>Expenses:</b>                              |                                     |                                    |                         |                         |       |                 |    |              |               |                 |
| Shopping center and operating expenses        |                                     | 13,453                             |                         | 10,588                  |       | 2,530           |    |              | 26,571        |                 |
| Interest expense                              |                                     | 7,505                              |                         | 12,102                  |       | 2,023           |    | (58)         | 21,572        |                 |
| Management Company expense                    |                                     | —                                  |                         | —                       |       | —               |    | 2,099        | 2,099         |                 |
| Depreciation and amortization                 |                                     | 6,363                              |                         | 6,044                   |       | 1,007           |    | 429          | 13,843        |                 |
| <b>Total operating expenses</b>               |                                     | <b>27,321</b>                      |                         | <b>28,734</b>           |       | <b>5,560</b>    |    | <b>2,470</b> | <b>64,085</b> |                 |
| Gain (loss) on sale or write-down of assets   |                                     | 12                                 |                         | —                       |       | (92,807)        |    | (33)         | (92,828)      |                 |
| <b>Net income (loss)</b>                      | \$                                  | <b>7,263</b>                       | \$                      | <b>7,107</b>            | \$    | <b>(88,087)</b> | \$ | <b>(254)</b> | \$            | <b>(73,971)</b> |
| Company's pro rata share of net income (loss) | \$                                  | 3,632                              | \$                      | 3,612                   | \$    | (7,903)         | \$ | (241)        | \$            | (900)           |

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**COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES  
AND THE MANAGEMENT COMPANIES**

Three Months Ended June 30, 2001

| SDG<br>Macerich<br>Properties, L.P. | Pacific<br>Premier<br>Retail Trust | Other<br>Joint Ventures | Management<br>Companies | Total |
|-------------------------------------|------------------------------------|-------------------------|-------------------------|-------|
|-------------------------------------|------------------------------------|-------------------------|-------------------------|-------|

| Revenues:                                     |           |               |           |               |           |                |           |              |               |              |
|---|-----------|---------------|-----------|---------------|-----------|----------------|-----------|--------------|---------------|--------------|
| Minimum rents                                 | \$        | 22,552        | \$        | 24,640        | \$        | 4,992          | —         | \$           | 52,184        |              |
| Percentage rents                              |           | 415           |           | 566           |           | 443            |           |              | 1,424         |              |
| Tenant recoveries                             |           | 10,403        |           | 9,000         |           | 2,338          |           |              | 21,741        |              |
| Management fee                                |           | —             |           | —             |           | —              | \$        | 2,351        | 2,351         |              |
| Other   |           | 804           |           | 287           |           | 5,582          |           |              | 6,673         |              |
| <b>Total revenues</b>                         |           | <b>34,174</b> |           | <b>34,493</b> |           | <b>13,355</b>  |           | <b>2,351</b> | <b>84,373</b> |              |
| Expenses:                                     |           |               |           |               |           |                |           |              |               |              |
| Shopping center and operating expenses        |           | 12,791        |           | 10,095        |           | 11,281         |           | —            | 34,167        |              |
| Interest expense                              |           | 9,289         |           | 12,419        |           | 2,010          |           | (34)         | 23,684        |              |
| Management Company expense                    |           | —             |           | —             |           | —              |           | 1,982        | 1,982         |              |
| Depreciation and amortization                 |           | 6,291         |           | 5,702         |           | 2,478          |           | 239          | 14,710        |              |
| <b>Total operating expenses</b>               |           | <b>28,371</b> |           | <b>28,216</b> |           | <b>15,769</b>  |           | <b>2,187</b> | <b>74,543</b> |              |
| Gain (loss) on sale or write-down of assets   |           | (11)          |           | —             |           | (1)            |           | —            | (12)          |              |
| <b>Net income (loss)</b>                      | <b>\$</b> | <b>5,792</b>  | <b>\$</b> | <b>6,277</b>  | <b>\$</b> | <b>(2,415)</b> | <b>\$</b> | <b>164</b>   | <b>\$</b>     | <b>9,818</b> |
| Company's pro rata share of net income (loss) | <b>\$</b> | <b>2,895</b>  | <b>\$</b> | <b>3,202</b>  | <b>\$</b> | <b>373</b>     | <b>\$</b> | <b>155</b>   | <b>\$</b>     | <b>6,625</b> |

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Significant accounting policies used by the unconsolidated joint ventures and the Management Companies are similar to those used by the Company.

Included in mortgage notes payable are amounts due to affiliates of Northwestern Mutual Life ("NML") of \$155,380 and \$157,567 as of June 30, 2002 and December 31, 2001, respectively. NML is considered a related party because they are a joint venture partner with the Company in Macerich Northwestern Associates. Interest expense incurred on these borrowings amounted to \$5,217 and \$5,367 for the six months ended June 30, 2002 and 2001, respectively; and \$2,614 and \$2,686 for the three months ended June 30, 2002 and 2001, respectively.

#### 4. Property:

Property is summarized as follows:

|                                | June 30,<br>2002    | December 31,<br>2001 |
|--------------------------------|---------------------|----------------------|
| Land                           | \$ 411,046          | \$ 382,739           |
| Building improvements          | 1,809,497           | 1,688,720            |
| Tenant improvements            | 68,649              | 66,808               |
| Equipment and furnishings      | 20,211              | 18,405               |
| Construction in progress       | 79,551              | 71,161               |
|                                | <b>2,388,954</b>    | <b>2,227,833</b>     |
| Less, accumulated depreciation | (364,058)           | (340,504)            |
|                                | <b>\$ 2,024,896</b> | <b>\$ 1,887,329</b>  |

A gain on sale or write-down of assets of \$10,215 for the six months ended June 30, 2002 includes a gain of \$13,916 as a result of the Company selling Boulder Plaza on March 19, 2002 and is offset by a loss of \$3,029 as a result of writing-off the Company's various technological investments in the quarter ended June 30, 2002.

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#### 5. Mortgage Notes Payable:

Mortgage notes payable at June 30, 2002 and December 31, 2001 consist of the following:

| Property Pledged As Collateral | Carrying Amount of Notes |               |       |               | Interest Rate | Payment Terms | Maturity Date |
|--------------------------------|--------------------------|---------------|-------|---------------|---------------|---------------|---------------|
|                                | 2002                     |               | 2001  |               |               |               |               |
|                                | Other                    | Related Party | Other | Related Party |               |               |               |

**Wholly Owned Centers:**

|  |                     |                  |                     |                  |       |               |      |
|--|---------------------|------------------|---------------------|------------------|-------|---------------|------|
| Capitola Mall(b)                               | —                   | \$ 47,271        | —                   | \$ 47,857        | 7.13% | 380(a)        | 2011 |
| Carmel Plaza                                   | \$ 28,213           | —                | \$ 28,358           | —                | 8.18% | 202(a)        | 2009 |
| Chesterfield Towne Center                      | 62,290              | —                | 62,742              | —                | 9.07% | 548(c)        | 2024 |
| Citadel  | 69,979              | —                | 70,708              | —                | 7.20% | 554(a)        | 2008 |
| Corte Madera, Village at                       | 70,262              | —                | 70,626              | —                | 7.75% | 516(a)        | 2009 |
| Crossroads Mall-Boulder(d)                     | —                   | 33,783           | —                   | 34,025           | 7.08% | 244(a)        | 2010 |
| Fresno Fashion Fair                            | 68,362              | —                | 68,724              | —                | 6.52% | 437(a)        | 2008 |
| Greeley Mall                                   | 13,826              | —                | 14,348              | —                | 8.50% | 187(a)        | 2003 |
| Green Tree Mall/Crossroads—<br>OK/Salisbury(e) | 117,714             | —                | 117,714             | —                | 7.23% | interest only | 2004 |
| Northwest Arkansas Mall                        | 59,266              | —                | 59,867              | —                | 7.33% | 434(a)        | 2009 |
| The Oaks(f)                                    | 108,000             | —                | —                   | —                | 2.99% | interest only | 2004 |
| Pacific View(g)                                | 88,274              | —                | 88,715              | —                | 7.16% | 602(a)        | 2011 |
| Queens Center                                  | 97,732              | —                | 98,278              | —                | 6.88% | 633(a)        | 2009 |
| Rimrock Mall(h)                                | 45,754              | —                | 45,966              | —                | 7.45% | 320(a)        | 2011 |
| Santa Monica Place                             | 83,913              | —                | 84,275              | —                | 7.70% | 606(a)        | 2010 |
| South Plains Mall                              | 63,148              | —                | 63,474              | —                | 8.22% | 454(a)        | 2009 |
| South Towne Center                             | 64,000              | —                | 64,000              | —                | 6.61% | interest only | 2008 |
| Valley View Center                             | 51,000              | —                | 51,000              | —                | 7.89% | interest only | 2006 |
| Vintage Faire Mall                             | 68,922              | —                | 69,245              | —                | 7.89% | 508(a)        | 2010 |
| Westside Pavilion                              | 99,058              | —                | 99,590              | —                | 6.67% | interest only | 2008 |
| <b>Total—Wholly Owned Centers</b>              | <b>\$ 1,259,713</b> | <b>\$ 81,054</b> | <b>\$ 1,157,630</b> | <b>\$ 81,882</b> |       |               |      |

**Joint Venture Centers (at pro rata share):**

|  |                     |                   |                     |                   |          |               |      |
|--|---------------------|-------------------|---------------------|-------------------|----------|---------------|------|
| Broadway Plaza(50%)(i)                       | —                   | \$ 34,955         | —                   | \$ 35,328         | 6.68%    | 257(a)        | 2008 |
| <b>Pacific Premier Retail Trust(51%)(i):</b> |                     |                   |                     |                   |          |               |      |
| Cascade Mall                                 | \$ 12,317           | —                 | \$ 12,642           | —                 | 6.50%    | 122(a)        | 2014 |
| Kitsap Mall/Kitsap Place(j)                  | 30,985              | —                 | 31,110              | —                 | 8.06%    | 230(a)        | 2010 |
| Lakewood Mall(k)                             | 64,770              | —                 | 64,770              | —                 | 7.20%    | interest only | 2005 |
| Lakewood Mall(l)                             | 8,224               | —                 | 8,224               | —                 | 4.38%    | interest only | 2003 |
| Los Cerritos Center                          | 58,969              | —                 | 59,385              | —                 | 7.13%    | 421(a)        | 2006 |
| North Point Plaza                            | 1,709               | —                 | 1,747               | —                 | 6.50%    | 16(a)         | 2015 |
| Redmond Town Center—Retail                   | 31,240              | —                 | 31,564              | —                 | 6.50%    | 224(a)        | 2011 |
| Redmond Town Center—Office(m)                | —                   | 43,590            | —                   | 44,324            | 6.77%    | 370(a)        | 2009 |
| Stonewood Mall                               | 39,653              | —                 | 39,653              | —                 | 7.41%    | 275(a)        | 2010 |
| Washington Square                            | 57,760              | —                 | 58,339              | —                 | 6.70%    | 421(a)        | 2009 |
| Washington Square Too                        | 5,966               | —                 | 6,088               | —                 | 6.50%    | 53(a)         | 2016 |
| SDG Macerich Properties L.P.(50%)(i)         | 184,625             | —                 | 185,306             | —                 | 6.54%(n) | 1,120(a)      | 2006 |
| SDG Macerich Properties L.P.(50%)(i)         | 92,250              | —                 | 92,250              | —                 | 2.35%(n) | interest only | 2003 |
| SDG Macerich Properties L.P.(50%)(i)         | 40,700              | —                 | 40,700              | —                 | 2.22%(n) | interest only | 2006 |
| West Acres Center(19%)(i)                    | 7,326               | —                 | 7,425               | —                 | 6.52%    | 57(a)         | 2009 |
| West Acres Center(19%)(i)                    | 1,873               | —                 | 1,894               | —                 | 9.17%    | 18(a)         | 2009 |
| <b>Total—Joint Venture Centers</b>           | <b>\$ 638,367</b>   | <b>\$ 78,545</b>  | <b>\$ 641,097</b>   | <b>\$ 79,652</b>  |          |               |      |
| <b>Total—All Centers</b>                     | <b>\$ 1,898,080</b> | <b>\$ 159,599</b> | <b>\$ 1,798,727</b> | <b>\$ 161,534</b> |          |               |      |

(a) This represents the monthly payment of principal and interest.

(b) On May 2, 2001, the Company refinanced the debt on Capitola Mall. The prior loan was paid in full and a new note was issued for \$48,500 bearing interest at a fixed rate of 7.13% and maturing May 15, 2011.

(c) This amount represents the monthly payment of principal and interest. In addition, contingent interest, as defined in the loan agreement, may be due to the extent that 35% of the amount by which the property's gross receipts (as defined in the loan agreement) exceeds a base amount specified therein. Contingent interest expense recognized by the Company was \$324 and \$165 for the six and three months ended June 30, 2002, respectively; and \$278 and \$74 for the six and three months ended June 30, 2001, respectively.

(d) This note was issued at a discount. The discount is being amortized over the life of the loan using the effective interest method. At June 30, 2002 and December 31, 2001, the unamortized discount was \$281 and \$297, respectively.

(e) This loan is cross-collateralized by Green Tree Mall, Crossroads Mall-Oklahoma and the Centre at Salisbury.

(f) Concurrent with the acquisition of the mall, the Company placed a \$108.0 million loan bearing interest at LIBOR plus 1.15% and maturing July 1, 2004 with three consecutive one year options. \$92.0 million of the loan is at LIBOR plus 0.7% and \$16.0 million is at LIBOR plus 3.75%. This variable rate debt is covered by an interest rate cap agreement over two years which effectively prevents the LIBOR interest rate from exceeding 7.10%. At June 30,

2002, the total weighted average interest rate was 2.99%.

- (g) This loan was issued on July 10, 2001 for \$89,000, and may be increased up to \$96,000 subject to certain conditions.
- (h) On October 9, 2001, the Company refinanced the debt on Rimrock Mall. The prior loan was paid in full and a new note was issued for \$46,000 bearing interest at a fixed rate of 7.45% and maturing October 1, 2011. The Company incurred a loss on early extinguishment of the prior debt in October 2001 of \$1,702.
- (i) Reflects the Company's pro rata share of debt.
- (j) This loan is interest only until December 31, 2001. Effective January 1, 2002, monthly principal and interest of \$450 will be payable through maturity. The debt is cross-collateralized by Kitsap Mall and Kitsap Place.
- (k) In connection with the acquisition of this property, the joint venture assumed \$127,000 of collateralized fixed rate notes (the "Notes"). The Notes bear interest at an average fixed rate of 7.20% and mature in August 2005. The Notes require the joint venture to deposit all cash flow from the property operations with a trustee to meet its obligations under the Notes. Cash in excess of the required amount, as defined, is released. Included in cash and cash equivalents is \$750 of restricted cash deposited with the trustee at June 30, 2002 and at December 31, 2001.
- (l) On July 28, 2000, the joint venture placed a \$16,125 floating rate note on the property bearing interest at LIBOR plus 2.25% and maturing July 2003. At June 30, 2002 and December 31, 2001, the total interest rate was 4.38%.
- (m) Concurrent with the acquisition, the joint venture placed \$76,700 of debt and obtained a construction loan for an additional \$16,000. The entire principal of \$16,000 has been drawn on the construction loan.
- (n) In connection with the acquisition of these Centers, the joint venture assumed \$485,000 of mortgage notes payable which are collateralized by the properties. At acquisition, the \$300,000 fixed rate portion of this debt reflected a fair value of \$322,700, which included an unamortized premium of \$22,700. This premium is being amortized as interest expense over the life of the loan using the effective interest method. At June 30, 2002 and December 31, 2001, the unamortized balance of the debt premium was \$12,150 and \$13,512, respectively. This debt is due in May 2006 and requires monthly payments of \$1,852. \$184,500 of this debt is due in May 2003 and requires monthly interest payments at a variable weighted average rate (based on LIBOR) of 2.35% and 2.39% at June 30, 2002 and December 31, 2001, respectively. This variable rate debt is covered by an interest rate cap agreement, which effectively prevents the interest rate from exceeding 11.53%. On April 12, 2000, the joint venture issued \$138,500 of additional mortgage notes, which are collateralized by the properties and are due in May 2006. \$57,100 of this debt requires fixed monthly interest payments of \$387 at a weighted average rate of 8.13% while the floating rate notes of \$81,400 require monthly interest payments at a variable weighted average rate (based on LIBOR) of 2.22% and 2.27% at June 30, 2002 and December 31, 2001, respectively. This variable rate debt is covered by an interest rate cap agreement which effectively prevents the interest rate from exceeding 11.83%.

Certain mortgage loan agreements contain a prepayment penalty provision for the early extinguishment of the debt.

Total interest expense capitalized, including the pro rata share of joint ventures of \$237 and \$104, during the six and three months ended June 30, 2002, was \$3,470 and \$1,773, respectively. Total interest

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expense capitalized, including the pro rata share of joint ventures of \$173 and \$80 during the six and three months ended June 30, 2001, was \$2,564 and \$1,320, respectively.

The fair value of mortgage notes payable, (including the pro rata share of joint ventures of \$726,451 and \$721,084 at June 30, 2002 and December 31, 2001 respectively), is estimated to be approximately \$2,109,367 and \$1,983,183 at June 30, 2002 and December 31, 2001, respectively, based on current interest rates for comparable loans.

## **6. Bank and Other Notes Payable:**

The Company had a credit facility of \$200,000 with a maturity of July 26, 2002 with a right to extend the facility to May 26, 2003 subject to certain conditions. The interest rate on such credit facility fluctuated between 1.35% and 1.80% over LIBOR depending on leverage levels. As of June 30, 2002 and December 31, 2001, \$175,000 and \$159,000 of borrowings were outstanding under this line of credit at an interest rate of 3.53% and 3.65%, respectively.

On July 26, 2002, the Company replaced the \$200,000 credit facility with a new \$425,000 revolving line of credit. This increased revolving line of credit has a three-year term plus a one-year extension. The interest rate fluctuates from LIBOR plus 1.75% to LIBOR plus 3.00% depending on the Company's overall leverage level. At closing the interest rate was 4.82% (See Note 12.).

Additionally, as of June 30, 2002, the Company has obtained \$290 in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company.

## **7. Convertible Debentures:**

During 1997, the Company issued and sold \$161,400 of its convertible subordinated debentures (the "Debentures"). The Debentures, which were sold at par, bear interest at 7.25% annually (payable semi-annually) and are convertible into common stock at any time, on or after 60 days, from the date of issue at a conversion price of \$31.125 per share. In November and December 2000, the Company purchased and retired \$10,552 of the Debentures. The Company recorded a gain on early extinguishment of debt of \$1,018 related to the transaction. In December 2001, the Company purchased and retired an additional \$25,700 of the Debentures. The Debentures mature on December 15, 2002 and are callable by the Company after June 15, 2002 at par plus accrued interest. The Company expects to use the new revolving credit facility to fully retire the Debentures at their maturity.

## 8. Related-Party Transactions:

The Company engaged the Management Companies to manage the operations of its properties and certain unconsolidated joint ventures. For the six and three months ending June 30, 2002, no management fees were incurred to the Management Companies by the Company. For the six and three months ending June 30, 2001, management fees of \$757 and \$0, respectively, were incurred to the Management Companies by the company. For the six and three months ending June 30, 2002, management fees of \$3,767 and \$1,894 respectively; and for the six and three months ending June 20, 2001, management fees of \$3,561 and \$1,789, respectively, were paid to the Management Companies by the joint ventures.

Certain mortgage notes are held by one of the Company's joint venture partners, NML. Interest expense in connection with these notes was \$2,889 and \$1,444 for the six and three months ended June 30, 2002, respectively; and \$3,959 and \$1,474 for the six and three months ended June 30, 2001, respectively. Included in accounts payable and accrued expenses is interest payable to NML of \$244 and \$263 at June 30, 2002 and December 31, 2001, respectively.

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In 1997 and 1999, certain executive officers received loans from the Company totaling \$6,500. These loans are full recourse to the executives. \$6,000 of the loans were issued under the terms of the employee stock incentive plan, bear interest at 7%, are due in 2007 and 2009 and are secured by Company common stock owned by the executives. On February 9, 2000, \$300 of the \$6,000 of these loans was forgiven with respect to three of these officers and charged to compensation expense. On April 2, 2002, \$2,700 of these loans were paid off in full by three of these officers. The \$500 loan issued in 1997 is non interest bearing and is forgiven ratably over a five year term. These loans receivable totaling \$3,175 and \$5,189 are included in other assets at June 30, 2002 and December 31, 2001, respectively.

Certain Company officers and affiliates have guaranteed mortgages of \$21,750 at one of the Company's joint venture properties and \$2,000 at Greeley Mall.

## 9. Commitments and Contingencies:

The Company has certain properties subject to noncancellable operating ground leases. The leases expire at various times through 2070, subject in some cases to options to extend the terms of the lease. Certain leases provide for contingent rent payments based on a percentage of base rental income, as defined. Ground rent expenses, net of amounts capitalized, were \$633 and \$310 for the six and three months ended June 30, 2002, respectively; and were \$85 and \$77 for the six and three months ended June 30, 2001, respectively. No contingent rent was incurred in either period.

Perchloroethylene ("PCE") has been detected in soil and groundwater in the vicinity of a dry cleaning establishment at North Valley Plaza, formerly owned by a joint venture of which the Company was a 50% member. The property was sold on December 18, 1997. The California Department of Toxic Substances Control ("DTSC") advised the Company in 1995 that very low levels of Dichloroethylene ("1,2 DCE"), a degradation byproduct of PCE, had been detected in a municipal water well located  $\frac{1}{4}$  mile west of the dry cleaners, and that the dry cleaning facility may have contributed to the introduction of 1,2 DCE into the water well. According to DTSC, the maximum contaminant level ("MCL") for 1,2 DCE which is permitted in drinking water is 6 parts per billion ("ppb"). The 1,2 DCE was detected in the water well at a concentration of 1.2 ppb, which is below the MCL. The Company has retained an environmental consultant and has initiated extensive testing of the site. The joint venture agreed (between itself and the buyer) that it would be responsible for continuing to pursue the investigation and remediation of impacted soil and groundwater resulting from releases of PCE from the former dry cleaner. Approximately \$22 and \$15 have already been incurred by the joint venture for remediation, professional and legal fees for the six months ending June 30, 2002 and 2001, respectively. An additional \$166 remains reserved by the joint venture as of June 30, 2002. The joint venture has been sharing costs with former owners of the property.

The Company acquired Fresno Fashion Fair in December 1996. Asbestos has been detected in structural fireproofing throughout much of the Center. Testing data conducted by professional environmental consulting firms indicates that the fireproofing is largely inaccessible to building occupants and is well adhered to the structural members. Additionally, airborne concentrations of asbestos were well within OSHA's permissible exposure limit ("PEL") of .1 fcc. The accounting for this acquisition includes a reserve of \$3,300 to cover future removal of this asbestos, as necessary. The Company incurred \$49 and \$54 in remediation costs for the three months ending June 30, 2002 and 2001, respectively. An additional \$2,561 remains reserved at June 30, 2002.

## 10. Cumulative Convertible Redeemable Preferred Stock:

On February 25, 1998, the Company issued 3,627,131 shares of Series A cumulative convertible redeemable preferred stock ("Series A Preferred Stock") for proceeds totaling \$100,000 in a private placement. The preferred stock can be converted on a one for one basis into common stock and will

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pay a quarterly dividend equal to the greater of \$0.46 per share, or the dividend then payable on a share of common stock.

On June 17, 1998, the Company issued 5,487,471 shares of Series B cumulative convertible redeemable preferred stock ("Series B Preferred Stock") for proceeds totaling \$150,000 in a private placement. The preferred stock can be converted on a one for one basis into common stock and will pay a quarterly dividend equal to the greater of \$0.46 per share, or the dividend then payable on a share of common stock.

No dividends will be declared or paid on any class of common or other junior stock to the extent that dividends on Series A Preferred Stock and Series B Preferred Stock have not been declared and/or paid.

The holders of Series A Preferred Stock and Series B Preferred Stock have redemption rights if a change of control of the Company occurs, as defined under the respective Articles Supplementary for each series. Under such circumstances, the holders of the Series A Preferred Stock and Series B Preferred Stock are entitled to require the Company to redeem their shares, to the extent the Company has funds legally available therefor, at a price equal to 105% of their respective liquidation preference plus accrued and unpaid dividends. The Series A Preferred Stock holder also has the right to require the Company to repurchase its shares

if the Company fails to be taxed as a REIT for federal tax purposes at a price equal to 115% of its liquidation preference plus accrued and unpaid dividends, to the extent funds are legally available therefor.

## **11. Common Stock Offerings:**

On February 28, 2002, the Company issued 1,968,957 common shares with total net proceeds of \$51,963. The proceeds from the sale of the common shares will be used principally to finance a portion of the Queens Center expansion and redevelopment project and for general corporate purposes.

## **12. Subsequent Events:**

On July 26, 2002, the Operating Partnership acquired Westcor Realty Limited Partnership and its affiliated companies ("Westcor"). Westcor is the dominant owner, operator and developer of regional malls and specialty retail assets in the greater Phoenix area. The total purchase price was approximately \$1,475,000 including the assumption of \$733,000 in existing debt and the issuance of approximately \$72,000 of convertible preferred operating partnership units at a price of \$36.55 per unit. The balance of the purchase price was paid in cash which was provided primarily from a \$380,000 interim loan with a term of up to 18 months bearing interest at an average rate of LIBOR plus 3.25% and a \$250,000 term loan with a maturity of up to five years with an interest rate ranging from LIBOR plus 2.75% to LIBOR plus 3.00% depending on the Company's overall leverage level.

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## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations,**

### **General Background and Performance Measurement**

The Company believes that the most significant measures of its operating performance are Funds from Operations ("FFO") and EBITDA. FFO is defined as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring, sales or write-down of assets and cumulative effect of change in accounting principle, plus depreciation and amortization (excluding depreciation on personal property and amortization of loan and financial instrument costs), and after adjustments for unconsolidated entities. Adjustments for unconsolidated entities are calculated on the same basis. FFO does not represent cash flow from operations as defined by GAAP and is not necessarily indicative of cash available to fund all cash flow needs. FFO, as presented, may not be comparable to similarly titled measures reported by other real estate investment trusts.

EBITDA represents earnings before interest, income taxes, depreciation, amortization, minority interest, equity in income (loss) of unconsolidated entities, extraordinary items, gain (loss) on sale or write-down of assets, preferred dividends and cumulative effect of change in accounting principle. This data is relevant to an understanding of the economics of the shopping center business as it indicates cash flow available from operations to service debt and satisfy certain fixed obligations. EBITDA should not be construed as an alternative to operating income as an indicator of the Company's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) or as a measure of liquidity. EBITDA, as presented, may not be comparable to similarly titled measures reported by other companies. While the performance of individual Centers and the Management Companies determines EBITDA, the Company's capital structure also influences FFO. The most important component in determining EBITDA and FFO is Center revenues. Center revenues consist primarily of minimum rents, percentage rents and tenant expense recoveries. Minimum rents will increase to the extent that new leases are signed at market rents that are higher than prior rents. Minimum rents will also fluctuate up or down with changes in the occupancy level. Additionally, to the extent that new leases are signed with more favorable expense recovery terms, expense recoveries will increase.

Percentage rents generally increase or decrease with changes in tenant sales. As leases roll over, however, a portion of historical percentage rent is often converted to minimum rent. It is therefore common for percentage rents to decrease as minimum rents increase. Accordingly, in discussing financial performance, the Company combines minimum and percentage rents in order to better measure revenue growth.

The following discussion is based primarily on the consolidated balance sheet of the Company as of June 30, 2002 and also compares the activities for the six and three months ended June 30, 2002 to the activities for the six and three months ended June 30, 2001. This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto. These financial statements include all adjustments, which are, in the opinion of management, necessary to reflect the fair representation of the results for the interim periods presented and all such adjustments are of a normal recurring nature.

### **Forward-Looking Statements**

This quarterly report on Form 10-Q contains or incorporates statements that constitute forward-looking statements. Those statements appear in a number of places in this Form 10-Q and include statements regarding, among other matters, the Company's growth, acquisition, redevelopment and development opportunities, the Company's acquisition and other strategies, regulatory matters pertaining to compliance with governmental regulations and other factors affecting the Company's financial condition or results of operations. Words such as "expects," "anticipates," "intends," "projects," "predicts," "plans," "believes," "seeks," "estimates," and "should" and variations of these

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words and similar expressions, are used in many cases to identify these forward-looking statements. Stockholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company or industry to vary materially from the Company's future results, performance or achievements, or those of the industry, expressed or implied in such forward-looking statements. Such factors include the matters described herein and the following factors among others: general industry, economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of current and prospective tenants, tenant bankruptcies, lease rates and terms, availability and cost of financing, interest rate fluctuations and operating expenses; adverse changes in the real estate markets including, among other things, competition from other companies, retail formats and technologies, risks of real estate redevelopment, development, acquisitions and dispositions; governmental actions and initiatives (including legislative and regulatory changes); environmental and safety requirements; and

terrorist activities that could adversely affect all of the above factors. The Company will not update any forward-looking information to reflect actual results or changes in the factors affecting the forward-looking information.

## Statement on Critical Accounting Policies

The Securities and Exchange Commission ("SEC") recently issued disclosure guidance for "critical accounting policies." The SEC defines "critical accounting policies" as those that require application of management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 those estimates.

Some of these estimates and assumptions include judgements on revenue recognition, estimates for common area maintenance and real estate tax accruals, provisions for uncollectable accounts and estimates for environmental matters. The Company's significant accounting policies are described in more detail in Note 2 of the audited consolidated financial statements included in the Company's Annual Report on Form 10K for the year ended December 31, 2001. However, the following policies could be deemed to be critical within the SEC definition.

### Revenue Recognition:

Minimum rental revenues are recognized on a straight-line basis over the terms of the related lease. The difference between the amount of rent due in a year and the amount recorded as rental income is referred to as the "straight lining of rent adjustment." Currently, 29% of the mall and freestanding leases contain provisions for CPI rent increases periodically throughout the term of the lease. The Company believes that using CPI increases, rather than fixed contractual rent increases, results in revenue recognition that more closely matches the cash revenue from each lease and will provide more consistent rent growth throughout the term of the leases. Percentage rents are recognized on an accrual basis consistent with Staff Accounting Bulletin 101. Recoveries from tenants for real estate taxes, insurance and other shopping center operating expenses are recognized as revenues in the period the applicable expenses are incurred.

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### Property:

Costs related to the redevelopment, construction and improvement of properties are capitalized and depreciated as outlined below. Interest incurred or imputed on redevelopment and construction projects are capitalized until construction is substantially complete.

Maintenance and repairs expenses are charged to operations as incurred. Costs for major replacements and betterments, which includes HVAC equipment, roofs, parking lots, etc. are capitalized and depreciated over their estimated useful lives. Realized gains and losses are recognized upon disposal or retirement of the related assets and are reflected in earnings.

Property is recorded at cost and is depreciated using a straight-line method over the estimated useful lives of the assets as follows:

|                            |                               |
|----------------------------|-------------------------------|
| Buildings and improvements | 5-40 years                    |
| Tenant improvements        | initial term of related lease |
| Equipment and furnishings  | 5-7 years                     |

The Company assesses whether there has been an impairment in the value of its long-lived assets by considering factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other economic factors. Such factors include the tenants' ability to perform their duties and pay rent under the terms of the leases. The Company may recognize an impairment loss if the income stream is not sufficient to cover its investment. Such a loss would be determined as the difference between the carrying value and the fair value of a center.

### Deferred Charges:

Costs relating to obtaining tenant leases are deferred and amortized over the initial term of the agreement using the straight-line method. Cost relating to financing of shopping center properties are deferred and amortized over the life of the related loan using the straight-line method, which approximates the effective interest method. The range of the terms of the agreements are as follows:

|                          |            |
|--------------------------|------------|
| Deferred lease costs     | 1-15 years |
| Deferred financing costs | 1-15 years |

## Recent Transactions

On December 14, 2001, Villa Marina Marketplace, a 448,262 square foot community shopping center located in Marina del Rey, California, a wholly-owned property of the Company, was sold. The center was sold for approximately \$99.0 million, including the assumption of the existing mortgage of \$58.0 million, which resulted in a \$24.7 million gain. The Company used approximately \$26 million of the net proceeds from this sale to retire \$25.7 million of its outstanding Debentures. The remaining balance of the proceeds was used for general corporate purposes.

On March 19, 2002, the Company sold Boulder Plaza, a 159,238 square foot community center in Boulder, Colorado for \$24.8 million. The proceeds of \$23.7 million from the sale will be used for general corporate purposes.

On June 10, 2002, the Company acquired The Oaks, a 1.1 million square foot super-regional mall in Thousand Oaks, California. The total purchase price was \$152.5 million and was funded with \$108.0 million of debt, bearing interest at LIBOR plus 1.15%, placed concurrently with the closing. The balance of the purchase price was funded by cash and borrowings under the Company's line of credit. The Oaks is referred to herein as the "Acquisition Center."

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On July 26, 2002, the Operating Partnership acquired Westcor Realty Limited Partnership and its affiliated companies ("Westcor"). Westcor is the dominant owner, operator and developer of regional malls and specialty retail assets in the greater Phoenix area. The total purchase price was approximately \$1.475 billion including the assumption of \$733 million in existing debt and the issuance of approximately \$72 million of convertible preferred operating partnership units at a price of \$36.55 per unit. The balance of the purchase price was paid in cash which was provided primarily from a \$380 million interim loan with a term of up to 18 months bearing interest at an average rate of LIBOR plus 3.25% and a \$250 million term loan with a maturity of up to five years with an interest rate ranging from LIBOR plus 2.75% to LIBOR plus 3.00% depending on the Company's overall leverage level.

Crossroads Mall-Boulder and Parklane Mall are currently under redevelopment and are referred to herein as the "Redevelopment Centers." All other Centers, excluding the Acquisition Center and the Redevelopment Centers, are referred to herein as the "Same Centers," unless the context otherwise requires.

Revenues include rents attributable to the accounting practice of straight lining of rents which requires rent to be recognized each year in an amount equal to the average rent over the term of the lease, including fixed rent increases over that period. The amount of straight lined rents, included in consolidated revenues, recognized for the six and three months ended June 30, 2002 was (\$0.3) million and (\$0.1) million, respectively, compared to \$0.1 million and \$0.2 million for the six and three months ended June 30, 2001, respectively; Additionally, the Company recognized through equity in income of unconsolidated joint ventures \$0.4 million and \$0.2 million as its pro rata share of straight lined rents from joint ventures for the six and three months ended June 30, 2002, respectively, compared to \$0.7 and \$0.3 million for the six and three months ended June 30, 2001, respectively. These decreases resulted from the Company structuring the majority of its new leases using annual Consumer Price Index ("CPI") increases, which generally do not require straight lining treatment. Currently, 29% of the mall and freestanding leases contain provisions for CPI rent increases periodically throughout the term of the lease. The Company believes that using CPI increases, rather than fixed contractual rent increases, results in revenue recognition that more closely matches the cash revenue from each lease and will provide more consistent rent growth throughout the term of the leases.

## Risk Factors

The Company's historical growth in revenues, net income and Funds From Operations have been closely tied to the acquisition and redevelopment of shopping centers. Many factors, including the availability and cost of capital, the Company's total amount of debt outstanding, interest rates and the availability of attractive acquisition targets, among others, will affect the Company's ability to acquire, redevelop and develop additional properties in the future. The Company may not be successful in pursuing acquisition opportunities, and newly acquired properties may not perform as well as expected. Expenses arising from the Company's efforts to complete acquisitions, redevelop or develop properties or increase its market penetration may have an adverse effect on its business, financial condition and results of operations. In addition, the following describes some of the other significant factors that may impact the Company's future results of operations.

*General Factors Affecting the Centers; Competition:* Real property investments are subject to varying degrees of risk that may affect the ability of the Centers to generate sufficient revenues to meet operating and other expenses, including debt service, lease payments, capital expenditures and tenant improvements, and to make distributions to the Company and the Company's stockholders. Income from shopping center properties may be adversely affected by a number of factors, including: the national economic climate; the regional and local economy (which may be adversely impacted by plant closings, industry slowdowns, adverse weather conditions, natural disasters, terrorist activities, and other factors); local real estate conditions (such as an oversupply of, or a reduction in demand for, retail

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space or retail goods and the availability and creditworthiness of current and prospective tenants); perceptions by retailers or shoppers of the safety, convenience and attractiveness of the shopping center; and increased costs of maintenance, insurance and operations (including real estate taxes). A significant percentage of the Centers are located in California and the Westcor centers are concentrated in Arizona. To the extent that economic or other factors affect California or Arizona (or their respective regions generally) more severely than other areas of the country, the negative impact on the Company's economic performance could be significant. There are numerous shopping facilities that compete with the Centers in attracting tenants to lease space, and an increasing number of new retail formats and technologies other than retail shopping centers that compete with the Centers for retail sales. Increased competition could adversely affect the Company's revenues. Income from shopping center properties and shopping center values are also affected by such factors as applicable laws and regulations, including tax, environmental, safety and zoning laws, interest rate levels and the availability and cost of financing.

*Dependence on Tenants:* The Company's revenues and funds available for distribution would be adversely affected if a significant number of the Company's lessees were unable (due to poor operating results, bankruptcy or other reasons) to meet their obligations, if the Company were unable to lease a significant amount of space in the Centers on economically favorable terms, or if for any reason, the Company were unable to collect a significant amount of rental payments. A decision by a department store or another significant tenant to cease operations at a Center could also have an adverse effect on the Company. In addition, mergers, acquisitions, consolidations, dispositions or bankruptcies in the retail industry could result in the loss of tenants at one or more Centers. Furthermore, if the store sales of retailers operating in the Centers were to decline sufficiently, tenants might be unable to pay their minimum rents or expense recovery charges. In the event of a default by a lessee, the Center may also experience delays and costs in enforcing its rights as lessor.

*Real Estate Development Risks:* Through the Company's acquisition of Westcor, its business strategy has expanded to include the selective development and construction of retail properties. Any development, redevelopment and construction activities that the Company undertakes will be subject to the risks of real estate development, including lack of financing, construction delays, environmental requirement, budget overruns, sunk costs and lease-up. Furthermore, occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable. Real estate development activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations. If any of the above events occur, the ability to pay distributions and service the Company's indebtedness could be adversely affected.

## Comparison of Six Months Ended June 30, 2002 and 2001

### Revenues

Minimum and percentage rents decreased by less than 0.1% to \$100.0 million in 2002 from \$100.2 million in 2001. Approximately \$4.4 million of the decrease is attributed to the sales of Villa Marina Marketplace and Boulder Plaza and \$0.8 million of the decrease relates to the Redevelopment Centers. This is offset by a \$4.4 million increase relating to the Same Centers primarily due to releasing space at higher rents and \$0.6 million relating to the Acquisition Center.

Tenant recoveries decreased to \$51.4 million in 2002 from \$52.0 million in 2001. Approximately \$0.1 million of the decrease is attributable to the sales of Villa Marina Marketplace and Boulder Plaza and \$0.6 million of the decrease relates to the Same Centers. This is offset by \$0.1 million increase relating to the Acquisition Center.

### **Expenses**

Shopping center and operating expenses increased to \$53.4 million in 2002 compared to \$51.7 million in 2001. The increase is a result of \$2.0 million of increased property taxes, insurance and other recoverable expenses at the Same Centers. Additionally, effective March 29, 2001, the Macerich Property Management Company merged with and into Macerich Property Management Company, LLC ("MPMC, LLC"). Expenses for MPMC, LLC for periods commencing March 29, 2001, are now consolidated and represented \$1.2 million of the change. Prior to March 29, 2001, MPMC, LLC was an unconsolidated entity accounted for using the equity method of accounting. The Acquisition Center accounted for \$0.3 million of the increase in expenses. These increases are offset by approximately \$1.6 million related to the sales of Villa Marina Marketplace and Boulder Plaza and \$0.2 million from the Redevelopment Centers.

### **Interest Expense**

Interest expense decreased to \$50.2 million in 2002 from \$55.5 million in 2001. Capitalized interest was \$3.2 million in 2002, up from \$2.4 million in 2001. Approximately \$2.1 million of the decrease in interest expense related to the sale of Villa Marina Marketplace and approximately \$1.4 million related to the payoff of debt in 2001. In addition, the Company purchased and retired an additional \$25.7 million of debentures in December 2001 which reduced interest expense by \$1.0 million in 2002 compared to 2001.

### **Depreciation and Amortization**

Depreciation and amortization increased to \$33.6 million in 2002 from \$32.3 million in 2001. Approximately \$2.2 million relates to additional capital costs at the Same Centers and \$0.2 million relates to the Acquisition Center, which is offset by \$1.1 million from the sale of Villa Marina Marketplace and Boulder Plaza.

### **Income From Unconsolidated Joint Ventures and Management Companies**

The income from unconsolidated joint ventures and the Management Companies was \$5.4 million for 2002, compared to income of \$12.7 million in 2001. Income from the Management Companies increased by \$0.7 million primarily due to MPMC, LLC being consolidated effective March 29, 2001. SDG Macerich Properties, LP income increased by \$1.6 million primarily due to lower interest expense on floating rate debt. These increases are offset by \$10.2 million of loss from the write-down of the Company's investment in MerchantWired, LLC.

### **Gain (loss) on Sale or Write-down of Assets**

A gain of \$10.2 million in 2002 compares to a loss of \$0.2 million in 2001. The 2002 gain was a result of the Company selling Boulder Plaza on March 19, 2002, which is offset by a \$3.0 million loss representing the write-down of assets from the Company's various technological investments.

### **Extraordinary Loss from Early Extinguishment of Debt**

In 2001, the Company recorded a loss from early extinguishment of debt of \$0.2 million which was a result of write-offs of unamortized financing costs.

### **Net Income Available to Common Stockholders**

Primarily as a result of the sale of Boulder Plaza and the foregoing results, net income available to common stockholders increased to \$16.1 million in 2002 from \$13.2 million in 2001.

### **Operating Activities**

Cash flow from operations was \$65.3 million in 2002 compared to \$54.3 million in 2001. The increase is primarily due to consolidating the results of MPMC, LLC effective March 29, 2001 and increased net operating income at the Centers as mentioned above.

### **Investing Activities**

Cash used in investing activities was \$143.4 million in 2002 compared to cash used in investing activities of \$29.6 million in 2001. The change resulted primarily from the Acquisition Center and the write-down of assets of \$10.2 million relating to MerchantWired, LLC which are reflected in equity in income of unconsolidated joint ventures. These decreases are offset by the net cash proceeds received of \$23.8 million in 2002 from the sale of Boulder Plaza.

### **Financing Activities**

Cash flow provided by financing activities was \$111.2 million in 2002 compared to cash flow used in financing activities of \$33.6 million in 2001. The change resulted primarily from the \$52.0 million of net proceeds from the 2002 equity offering, the Acquisition Center in 2002 and the refinancing of Centers in 2001.

### **Funds From Operations**

Primarily because of the factors mentioned above, Funds from Operations—Diluted increased 6.3% to \$81.7 million in 2002 from \$76.8 million in 2001.

**Revenues**

Minimum and percentage rents increased by 1.0% to \$50.6 million in 2002 from \$50.1 million in 2001. Approximately \$2.3 million of the increase is attributed to the Same Centers primarily due to releasing space at higher rents and \$0.7 million relates to the Acquisition Center. This is offset by \$2.3 million relating to the sales of Villa Marina Marketplace and Boulder Plaza and \$0.2 million from the Redevelopment Centers.

Tenant recoveries decreased to \$26.3 million in 2002 from \$27.3 million in 2001. Approximately \$0.6 million of the decrease is attributable to the sales of Villa Marina Marketplace and Boulder Plaza and \$0.8 million of the decrease relates to the Same Centers. This is offset by \$0.1 million increase relating to the Redevelopment Centers and \$0.3 million relating to the Acquisition Center.

**Expenses**

Shopping center and operating expenses were \$27.7 million in 2002 and 2001. The results of the quarter ended June 30, 2002 included \$0.6 million of increased property taxes, insurance and other recoverable expenses at the Same Centers and \$0.3 million relating to the Acquisition Center. These increases are offset by approximately \$0.9 million related to the sales of Villa Marina Marketplace and Boulder Plaza.

**Interest Expense**

Interest expense decreased to \$25.0 million in 2002 from \$27.5 million in 2001. Capitalized interest was \$1.7 million in 2002, up from \$1.2 million in 2001. Approximately \$1.1 million of the decrease in interest expense related to the sale of Villa Marina Marketplace and approximately \$0.3 million related to the payoff of debt in 2001. In addition, the Company purchased and retired an additional

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\$25.7 million of debentures in December 2001, which reduced interest expense by \$0.6 million in 2002 compared to 2001.

**Depreciation and Amortization**

Depreciation and amortization increased to \$17.1 million in 2002 from \$16.3 million in 2001. Approximately \$1.2 million relates to additional capital costs at the Same Centers and \$0.2 million relates to the Acquisition Center, which is offset by \$0.6 million from the sale of Villa Marina Marketplace and Boulder Plaza.

**Income (Loss) From Unconsolidated Joint Ventures and Management Companies**

The income (loss) from unconsolidated joint ventures and the Management Companies was a loss of \$0.9 million for 2002, compared to income of \$6.6 million in 2001. SDG Macerich Properties, LP income increased by \$0.7 million primarily due to lower interest expense on floating rate debt. These increases are offset by \$9.0 million of loss from the write-down of the Company's remaining investment in MerchantWired, LLC in the quarter ending June 30, 2002.

**Gain (loss) on Sale or Write-Down of Assets**

A loss of \$2.5 million in 2002 compares to a gain of \$0.1 million in 2001. Approximately \$3.0 million of the loss in 2002 was a result of the Company writing down the Company's various technological investments.

**Extraordinary Loss from Early Extinguishment of Debt**

In 2001, the Company recorded a loss from early extinguishment of debt of \$0.1 million, which was a result of write-offs of unamortized financing costs.

**Net Income (Loss) Available to Common Stockholders**

Primarily as a result of the write-down of assets and the foregoing results, net income (loss) available to common stockholders decreased to (\$1.3) million in 2002 from \$6.8 million in 2001.

**Funds From Operations**

Primarily because of the factors mentioned above, Funds from Operations—Diluted increased 4.7% to \$40.5 million in 2002 from \$38.7 million in 2001.

**Liquidity and Capital Resources**

The Company intends to meet its short term liquidity requirements through cash generated from operations and working capital reserves and borrowing under the new revolving line of credit. The Company anticipates that revenues will continue to provide necessary funds for its operating expenses and debt service requirements, and to pay dividends to stockholders in accordance with REIT requirements. The Company anticipates that cash generated from operations, together with cash on hand, will be adequate to fund capital expenditures which will not be reimbursed by tenants, other than

|  | 2002                  | 2001           |
|--|-----------------------|----------------|
|  | (Dollars in Millions) |                |
| Acquisitions of property and equipment | \$ 160.2              | \$ 6.8         |
| Redevelopment and expansion of centers | 13.5                  | 19.2           |
| Renovations of centers                 | 1.5                   | 4.0            |
| Tenant allowances                      | 5.8                   | 8.3            |
| Deferred leasing charges               | 7.1                   | 6.0            |
| <b>Total</b>                           | <b>\$ 188.1</b>       | <b>\$ 44.3</b> |

Excluding the impact of the acquisition of Westcor which closed on July 26, 2002, management expects similar levels to be incurred in future years for tenant allowances and deferred leasing charges and to incur between \$25 million to \$75 million in 2002 for redevelopment and expansions, excluding Queens Center expansion which will be separately financed. Capital for major expenditures or major redevelopments has been, and is expected to continue to be, obtained from equity or debt financings which include borrowings under the Company's line of credit and construction loans. However, many factors impact the Company's ability to access capital, such as its overall debt level, interest rates, interest coverage ratios and prevailing market conditions.

On February 28, 2002, the Company issued 1,968,957 common shares with total net proceeds of \$52.0 million. The proceeds from the sale of the common shares will be used principally to finance a portion of the Queens Center expansion and redevelopment project and for general corporate purposes. The Queens Center expansion and redevelopment is anticipated to cost approximately \$275 million. The Company is currently negotiating construction and permanent loans, which will be secured by the Queens Center property to finance the remaining project costs. Construction began in the second quarter of 2002 with completion estimated to be, in phases, through late 2004.

The Company believes that it will have access to the capital necessary to expand its business in accordance with its strategies for growth and maximizing Funds from Operations. The Company presently intends to obtain additional capital necessary for these purposes through a combination of debt or equity financings, joint ventures and the sale of non-core assets. The Company believes joint venture arrangements have in the past and may in the future provide an attractive alternative to other forms of financing, whether for acquisitions or other business opportunities.

The Company's total outstanding loan indebtedness at June 30, 2002 was \$2.4 billion (including its pro rata share of joint venture debt of \$716.9 million). This equated to a debt to Total Market Capitalization (defined as total debt of the Company, including its pro rata share of joint venture debt, plus aggregate market value of outstanding shares of common stock, assuming full conversion of OP Units and preferred stock into common stock) ratio of approximately 57% at June 30, 2002. The majority of the Company's debt consists of fixed-rate conventional mortgages payable secured by individual properties.

The Company has filed a shelf registration statement, effective June 6, 2002, to sell securities. The shelf registration is for a total of \$1 billion of common stock, common stock warrants or common stock rights.

The Company had an unsecured line of credit for up to \$200.0 million with a maturity of July 26, 2002 with a right to extend the facility to May 26, 2003 subject to certain conditions. There were \$175.0 million of borrowings outstanding at June 30, 2002. On July 26, 2002, concurrent with the closing of Westcor, the Company replaced this \$200.0 million credit facility with a new \$425.0 million

revolving line of credit. This increased revolving line of credit has a three-year term plus a one-year extension. The interest rate fluctuates from LIBOR plus 1.75% to LIBOR plus 3.00% depending on the Company's overall leverage level. At closing the interest rate was 4.82%.

The Company has \$125.1 million of convertible subordinated debentures (the "Debentures"), which mature December 15, 2002. The Debentures are callable after June 15, 2002 at par plus accrued interest. The Company expects to use the new revolving line of credit to fully retire the Debentures at their maturity.

At June 30, 2002, the Company had cash and cash equivalents available of \$59.6 million.

#### **Funds From Operations:**

The Company believes that the most significant measure of its performance is Funds from Operations ("FFO"). FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") to be: Net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring, sales or write-down of assets, and cumulative effect of change in accounting principle, plus depreciation and amortization (excluding depreciation on personal property and amortization of loan and financial instrument costs) and after adjustments for unconsolidated entities. Adjustments for unconsolidated entities are calculated on the same basis. FFO does not represent cash flow from operations, as defined by GAAP, and is not necessarily indicative of cash available to fund all cash flow needs. FFO, as presented, may not be comparable to similarly titled measures reported by other real estate investment trusts. The following reconciles net income available to common stockholders to FFO:

|   | Six Months Ended June 30, |           |        |           |
|---|---------------------------|-----------|--------|-----------|
|   | 2002                      |           | 2001   |           |
|   | Shares                    | Amount    | Shares | Amount    |
|   | (amounts in thousands)    |           |        |           |
| Net income—available to common stockholders           |                           | \$ 16,074 |        | \$ 13,245 |
| Adjustments to reconcile net income to FFO—basic:     |                           |           |        |           |
| Minority interest                                     |                           | 5,180     |        | 4,377     |
| Depreciation and amortization on wholly owned centers |                           | 33,750    |        | 32,491    |

|   |        |           |        |           |
|---|--------|-----------|--------|-----------|
| Pro rata share of unconsolidated entities' depreciation and amortization                      |        | 14,465    |        | 13,320    |
| (Gain) loss on sale of wholly-owned assets  |        | (10,215)  |        | 188       |
| Loss on early extinguishment of debt  |        | —         |        | 187       |
| Pro rata share of loss (gain) on sale or write-down of assets from unconsolidated entities    |        | 10,419    |        | (123)     |
| Less: Depreciation on personal property and amortization of loan costs and interest rate caps |        | (2,826)   |        | (2,394)   |
| FFO—basic(1)  | 46,651 | 66,847    | 44,860 | 61,291    |
| Additional adjustments to arrive at FFO—diluted:  |        |           |        |           |
| Impact of convertible preferred stock   | 9,115  | 10,026    | 9,115  | 9,662     |
| Impact of convertible debentures  | 4,021  | 4,807     | 4,848  | 5,859     |
| FFO—diluted(2)  | 59,787 | \$ 81,680 | 58,823 | \$ 76,812 |

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|   | Three Months Ended June 30, |            |           |           |
|---|-----------------------------|------------|-----------|-----------|
|   | 2002                        |            | 2001      |           |
|   | Shares                      | Amount     | Shares    | Amount    |
|   | (amounts in thousands)      |            |           |           |
| Net income (loss)—available to common stockholders  |                             | \$ (1,277) |           | \$ 6,826  |
| Adjustments to reconcile net income to FFO—basic:   |                             |            |           |           |
| Minority interest   |                             | (393)      |           | 2,249     |
| Depreciation and amortization on wholly owned centers   |                             | 17,126     |           | 16,387    |
| Pro rata share of unconsolidated entities' depreciation and amortization                      |                             | 7,090      |           | 6,800     |
| (Gain) loss on sale of wholly-owned assets  |                             | 3,041      |           | (132)     |
| Loss on early extinguishment of debt  |                             | —          |           | 1         |
| Pro rata share of loss (gain) on sale or write-down of assets from unconsolidated entities    |                             | 9,000      |           | (37)      |
| Less: Depreciation on personal property and amortization of loan costs and interest rate caps |                             | (1,415)    |           | (1,176)   |
| FFO—basic(1)  | 47,393                      | 33,172     | 44,924    | 30,918    |
| Additional adjustments to arrive at FFO—diluted:  |                             |            |           |           |
| Impact of convertible preferred stock   | 9,115                       | 5,013      | 9,115     | 4,831     |
| Impact of convertible debentures  | 4,021                       | 2,362      | 4,847     | 2,955     |
| FFO—diluted(2)  | 60,529                      | \$ 40,547  | \$ 58,886 | \$ 38,704 |

- 1) Calculated based upon basic net income as adjusted to reach basic FFO. Weighted average number of shares includes the weighted average number of shares of common stock outstanding for 2002 and 2001 assuming the conversion of all outstanding OP units. As of June 30, 2002, 11.1 million of OP units were outstanding.
- 2) The computation of FFO—diluted and diluted average number of shares outstanding includes the effect of outstanding common stock options and restricted stock using the treasury method. The convertible debentures are dilutive for the six and three months ending June 30, 2002 and 2001, and are included in the FFO calculation. On February 25, 1998, the Company sold \$100 million of its Series A Preferred Stock. On June 17, 1998, the Company sold \$150 million of its Series B Preferred Stock. The preferred stock can be converted on a one for one basis for common stock. The preferred shares are assumed converted for purposes of FFO diluted, as they are dilutive to that calculation.

Included in minimum rents were rents attributable to the accounting practice of straight lining of rents. The amount of straight lining of rents, including the Company's pro rata share from joint ventures, that impacted minimum rents was \$0.1 million and \$0.1 million for the six and three months ended June 30, 2002, respectively; and \$0.8 million and \$0.5 million for the six and three months ended June 30, 2001, respectively. The decline in straight lining of rents from 2001 to 2002 is due to the Company structuring its new leases using rent increases tied to the change in the CPI rather than using contractually fixed rent increases. CPI increases do not generally require straight lining of rent treatment.

### Inflation

In the last three years, inflation has not had a significant impact on the Company because of a relatively low inflation rate. Most of the leases at the Centers have rent adjustments periodically

through the lease term. These rent increases are either in fixed increments or based on increases in the CPI. In addition, about 8%-12% of the leases expire each year, which enables the Company to replace existing leases with new leases at higher base rents if the rents of the existing leases are below the then existing market rate. Additionally, the majority of the leases require the tenants to pay their pro rata share of operating expenses. This reduces the Company's exposure to increases in costs and operating expenses resulting from inflation.

### **Seasonality**

The shopping center industry is seasonal in nature, particularly in the fourth quarter during the holiday season when retailer occupancy and retail sales are typically at their highest levels. In addition, shopping malls achieve a substantial portion of their specialty (temporary retailer) rents during the holiday season and the majority of percentage rent is recognized in the fourth quarter. As a result of the above, and the implementation of Staff Accounting Bulletin 101, earnings are generally higher in the fourth quarter of each year.

### **New Pronouncements Issued**

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") 133, "Accounting for Derivative Instruments and Hedging Activities," ("SFAS 133") which requires companies to record derivatives on the balance sheet, measured at fair value. Changes in the fair values of those derivatives are accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The key criterion for hedge accounting is that the hedging relationship must be highly effective in achieving offsetting changes in fair value or cash flows. In June 1999, the FASB issued SFAS 137, "Accounting for Derivative Instruments and Hedging Activities," which delayed the implementation of SFAS 133 from January 1, 2000 to January 1, 2001. In June 2000, the FASB issued SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities—An Amendment of FASB Statement No. 133," ("SFAS138"), which amended the accounting and reporting standards of SFAS 133. As a result of the adoption of SFAS 133 on January 1, 2001, the Company recorded a transition adjustment of approximately \$7.1 million to accumulated other comprehensive income related to treasury rate lock transactions settled in prior years. The entire transition adjustment was reflected in the quarter ended March 31, 2001. The Company reclassified approximately \$0.7 million and expects to reclassify approximately \$1.3 million from accumulated other comprehensive income to earnings for the six months ended June 30, 2002 and for the year ended December 31, 2002, respectively.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which is effective for fiscal years beginning after June 15, 2002. The statement provides accounting and reporting standards for recognizing obligations related to asset retirement costs associated with the retirement of tangible long-lived assets. Under this statement, legal obligations associated with the retirement of long-lived assets are to be recognized at their fair value in the period in which they are incurred if a reasonable estimate of fair value can be made. The fair value of the asset retirement costs is capitalized as part of the carrying amount of the long-lived asset and expensed using a systematic and rational method over the assets' useful life. Any subsequent changes to the fair value of the liability will be expensed. The Company does not believe that the adoption of SFAS No. 143 will have a material impact on its consolidated financial statements.

On July 1, 2001, the Company adopted SFAS No. 141, "Business Combinations" ("SFAS 141"). SFAS 141 requires that the purchase method of accounting be used for all business combinations for which the date of acquisition is after June 30, 2001. SFAS 141 also establishes specific criteria for the recognition of intangible assets. The Company has determined that the adoption of SFAS 141 will not have an impact on its consolidated financial statements.

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In October 2001, the FASB issued SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This statement supersedes SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" ("SFAS 121"). SFAS 144 establishes a single accounting model, based on the framework established in SFAS 121, for long-lived assets to be disposed of by sale. The Company adopted SFAS 144 on January 1, 2002. The Company sold Boulder Plaza on March 19, 2002 and in accordance with SFAS 144 the results of Boulder Plaza for the periods from January 1, 2002 to March 19, 2002 and from January 1, 2001 to June 30, 2001 have been reclassified into "discontinued operations" on the consolidated statements of operations. Total revenues associated with Boulder Plaza were approximately \$0.5 and \$1.2 million for the periods January 1, 2002 to March 19, 2002 and January 1, 2001 to June 30, 2001, respectively.

In May 2002, the FASB issued SFAS No. 145, "Rescission of FAS Nos. 4, 44, and 64, Amendment of FAS 13, and Technical Corrections" ("SFAS 145"), which is effective for fiscal years beginning after May 15, 2002. SFAS 145 rescinds SFAS 4, SFAS 44 and SFAS 64 and amends SFAS 13 to modify the accounting for sales-leaseback transactions. SFAS 4 required the classification of gains and losses resulting from extinguishments of debt to be classified as extraordinary items. SFAS 64 amended SFAS 4 and is no longer necessary because SFAS 4 has been rescinded. The Company expects to reclassify a loss of approximately \$2.0 million and \$0.3 million for the years ending December 31, 2001 and 2000, respectively, from extraordinary items upon adoption of SFAS 145 on January 1, 2003.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. SFAS No. 146 is effective prospectively for exit or disposal activities initiated after December 31, 2002, with earlier adoption encouraged. The Company does not believe that the adoption of SFAS No. 146 will have a material impact on its consolidated financial statements.

*Stock-based compensation expense.* In the second quarter of 2002 and effective beginning in the first quarter of 2002, the Company adopted the expense recognition provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation". The Company values stock options issued using the Black-Scholes option-pricing model and recognizes this value as an expense over the period in which the options vest. Under this standard, recognition of expense for stock options is applied to all options granted after the beginning of the year of adoption. Prior to the second quarter of 2002, the Company followed the intrinsic method set forth in APB Opinion 25, "Accounting for Stock Issued to Employees". The Company has not issued stock options in 2002 and accordingly the Company has not recognized any stock-based compensation expense for the six months ending June 30, 2002.

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### Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company's primary market risk exposure is interest rate risk. The Company has managed and will continue to manage interest rate risk by (1) maintaining a conservative ratio of fixed rate, long-term debt to total debt such that variable rate exposure is kept at an acceptable level, (2) reducing interest rate exposure on certain long-term variable rate debt through the use of interest rate caps with appropriately matching maturities, (3) using treasury rate locks where appropriate to fix rates on anticipated debt transactions, and (4) taking advantage of favorable market conditions for long-term debt and/or equity.

The following table sets forth information as of June 30, 2002 concerning the Company's long term debt obligations, including principal cash flows by scheduled maturity, weighted average interest rates and estimated fair value ("FV").

|  | For the Years Ended December 31, |                   |                   |                  |                   |                     |                     | Total               | FV |
|--|----------------------------------|-------------------|-------------------|------------------|-------------------|---------------------|---------------------|---------------------|----|
|  | 2002                             | 2003              | 2004              | 2005             | 2006              | Thereafter          |                     |                     |    |
| (dollars in thousands)                 |                                  |                   |                   |                  |                   |                     |                     |                     |    |
| <b>Wholly Owned Centers:</b>           |                                  |                   |                   |                  |                   |                     |                     |                     |    |
| <b>Long term debt:</b>                 |                                  |                   |                   |                  |                   |                     |                     |                     |    |
| Fixed rate                             | \$ 7,098                         | \$ 26,316         | \$ 132,200        | \$ 15,671        | \$ 67,851         | \$ 983,631          | \$ 1,232,767        | \$ 1,274,916        |    |
| Average interest rate                  | 7.39%                            | 7.38%             | 7.39%             | 7.39%            | 7.36%             | 7.36%               | 7.38%               | —                   |    |
| Fixed rate—Debentures                  | 125,148                          | —                 | —                 | —                | —                 | —                   | 125,148             | 125,658             |    |
| Average interest rate                  | 7.25%                            | —                 | —                 | —                | —                 | —                   | 7.25%               | —                   |    |
| Variable rate                          | 175,000                          | —                 | 108,000           | —                | —                 | —                   | 283,000             | 283,000             |    |
| Average interest rate                  | 3.65%                            | —                 | 2.99%             | —                | —                 | —                   | 3.40%               | —                   |    |
| <b>Total debt—Wholly owned Centers</b> | <b>\$ 307,246</b>                | <b>\$ 26,316</b>  | <b>\$ 240,200</b> | <b>\$ 15,671</b> | <b>\$ 67,851</b>  | <b>\$ 983,631</b>   | <b>\$ 1,640,915</b> | <b>\$ 1,683,574</b> |    |
| <b>Joint Venture Centers:</b>          |                                  |                   |                   |                  |                   |                     |                     |                     |    |
| <b>(at Company's pro rata share)</b>   |                                  |                   |                   |                  |                   |                     |                     |                     |    |
| Fixed rate                             | \$ 3,929                         | \$ 8,655          | \$ 9,241          | \$ 74,752        | \$ 64,023         | \$ 415,138          | \$ 575,738          | \$ 585,277          |    |
| Average interest rate                  | 6.87%                            | 6.87%             | 6.87%             | 6.83%            | 6.97%             | 6.97%               | 6.87%               | —                   |    |
| Variable rate                          | —                                | 100,474           | —                 | —                | 40,700            | —                   | 141,174             | 141,174             |    |
| Average interest rate                  | —                                | 2.52%             | —                 | —                | 2.22%             | —                   | 2.43%               | —                   |    |
| <b>Total debt—Joint Ventures</b>       | <b>\$ 3,929</b>                  | <b>\$ 109,129</b> | <b>\$ 9,241</b>   | <b>\$ 74,752</b> | <b>\$ 104,723</b> | <b>\$ 415,138</b>   | <b>\$ 716,912</b>   | <b>\$ 726,451</b>   |    |
| <b>Total debt—All Centers</b>          | <b>\$ 311,175</b>                | <b>\$ 135,445</b> | <b>\$ 249,441</b> | <b>\$ 90,423</b> | <b>\$ 172,574</b> | <b>\$ 1,398,769</b> | <b>\$ 2,357,827</b> | <b>\$ 2,410,025</b> |    |

The \$175.0 million of variable debt maturing in 2002 represents the outstanding borrowings under the Company's \$200.0 million credit facility. On July 26, 2002, the Company replaced the \$200.0 million credit facility with a new \$425.0 million revolving credit facility. The new revolving line of credit has a three year term plus a one year extension. The interest rate fluctuates from LIBOR plus 1.75% to LIBOR plus 3.00% depending on the Company's overall leverage level. At closing the interest rate was 4.82%.

The Company has \$125.1 million of Debentures which will mature on December 15, 2002. The Debentures are callable after June 15, 2002 at par plus accrued interest. The Company expects to use the new revolving credit facility to fully retire the Debentures at their maturity.

In addition, the Company has assessed the market risk for its variable rate debt as of June 30, 2002 and believes that a 1% increase in interest rates would decrease future earnings and cash flows by approximately \$4.2 million per year based on \$424.2 million outstanding at June 30, 2002. After the acquisition of Westcor, the Company has \$1.4 billion of floating rate debt and a 1% change in average annual variable interest rates would impact future earnings and cash flows by approximately \$14.0 million.

The fair value of the Company's long term debt is estimated based on discounted cash flows at interest rates that management believes reflect the risks associated with long term debt of similar risk and duration.

## PART II

### OTHER INFORMATION

#### Item 1 Legal Proceedings

During the ordinary course of business, the Company, from time to time, is threatened with, or becomes a party to, legal actions and other proceedings. Management is of the opinion that the outcome of currently known actions and proceedings to which it is a party will not, singly or in the aggregate, have a material adverse effect on the Company.

#### Item 2 Changes in Securities and Use of Proceeds

None

### Item 3 Defaults Upon Senior Securities

None

### Item 4 Submission of Matters to a Vote of Security Holders

None

The following matters were voted upon at the Annual Meeting held on May 17, 2002:

A. The following three persons were elected as directors of the Company to serve until the annual meeting of stockholders in 2005 and until their respective successors are duly elected and qualify:

|                      | <u>For</u> | <u>Authority Withheld</u> |
|----------------------|------------|---------------------------|
| Dana K. Anderson     | 27,602,590 | 1,197,451                 |
| Theodore S. Hochstim | 27,616,967 | 1,183,074                 |
| Stanley A. Moore     | 18,905,707 | 9,894,334                 |

B. The ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent public accountants for the fiscal year ending December 31, 2002.

| <u>Votes</u> |            |
|--------------|------------|
| For:         | 27,058,788 |
| Against:     | 1,702,767  |
| Abstain:     | 38,486     |

### Item 5 Other Information

None

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### Item 6 Exhibits and Reports on Form 8-K

a. *Exhibits*

- 10.1 \$250,000,000 Term Loan Facility Credit Agreement by and among The Macerich Partnership, L.P. and various affiliates and Deutsche Bank Trust Company Americas, JPMorgan Chase Bank and other lenders dated as of July 26, 2002.
- 10.2 \$380,000,000 Interim Facility Credit Agreement by and among The Macerich Partnership, L.P. and various affiliates and Deutsche Bank Trust Company Americas, JPMorgan Chase Bank and various other lenders dated as of July 26, 2002.
- 10.3 \$425,000,000 Revolving Loan Facility Credit Agreement by and among The Macerich Partnership, L.P. and various affiliates and Deutsche Bank Trust Company Americas, JPMorgan Chase Bank and other lenders dated as of July 26, 2002.
- 10.4 Form of Incidental Registration Rights Agreement between The Macerich Company and various investors dated as of July 26, 2002.
- 10.5 List of Omitted Incidental Registration Rights Agreements.

b. *Current Reports on Form 8-K*

Current Report on Form 8-K event date May 31, 2002 (reporting announcement of agreement to acquire Westcor).

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### SIGNATURES

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



By: /s/ THOMAS E. O'HERN

Thomas E. O'Hern  
Executive Vice President and Chief Financial Officer

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## EXHIBIT INDEX

| Exhibit No. |  | Page   |             |      |   |      |   |      |  |      |  |      |  |  |
|-------------|--|--------|-------------|------|---|------|---|------|--|------|--|------|--|--|
| (a)         | Exhibits   |        |             |      |   |      |   |      |  |      |  |      |  |  |
|             | <table border="1"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">Description</th> </tr> </thead> <tbody> <tr> <td>10.1</td> <td>\$250,000,000 Term Loan Facility Credit Agreement by and among The Macerich Partnership, L.P. and various affiliates and Deutsche Bank Trust Company Americas, JPMorgan Chase Bank and other lenders dated as of July 26, 2002.</td> </tr> <tr> <td>10.2</td> <td>\$380,000,000 Interim Facility Credit Agreement by and among The Macerich Partnership, L.P. and various affiliates and Deutsche Bank Trust Company Americas, JPMorgan Chase Bank and various other lenders dated as of July 26, 2002.</td> </tr> <tr> <td>10.3</td> <td>\$425,000,000 Revolving Loan Facility Credit Agreement by and among The Macerich Partnership, L.P. and various affiliates and Deutsche Bank Trust Company Americas, JPMorgan Chase Bank and other lenders dated as of July 26, 2002.</td> </tr> <tr> <td>10.4</td> <td>Form of Incidental Registration Rights Agreement between The Macerich Company and various investors dated as of July 26, 2002.</td> </tr> <tr> <td>10.5</td> <td>List of Omitted Incidental Registration Rights Agreements.</td> </tr> </tbody> </table> | Number | Description | 10.1 | \$250,000,000 Term Loan Facility Credit Agreement by and among The Macerich Partnership, L.P. and various affiliates and Deutsche Bank Trust Company Americas, JPMorgan Chase Bank and other lenders dated as of July 26, 2002. | 10.2 | \$380,000,000 Interim Facility Credit Agreement by and among The Macerich Partnership, L.P. and various affiliates and Deutsche Bank Trust Company Americas, JPMorgan Chase Bank and various other lenders dated as of July 26, 2002. | 10.3 | \$425,000,000 Revolving Loan Facility Credit Agreement by and among The Macerich Partnership, L.P. and various affiliates and Deutsche Bank Trust Company Americas, JPMorgan Chase Bank and other lenders dated as of July 26, 2002. | 10.4 | Form of Incidental Registration Rights Agreement between The Macerich Company and various investors dated as of July 26, 2002. | 10.5 | List of Omitted Incidental Registration Rights Agreements. |  |
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**\$250,000,000 TERM LOAN FACILITY**

**CREDIT AGREEMENT**

by and among

**THE MACERICH PARTNERSHIP, L.P.,  
MACERICH GALAHAD GP CORP.,  
MACERICH GALAHAD LP,  
MACERICH WRLP CORP.,  
MACERICH WRLP LLC,  
MACERICH TWC II CORP.,  
and  
MACERICH TWC II LLC,  
as the Borrowers**

**THE MACERICH COMPANY  
and  
THE ENTITIES FROM TIME TO TIME PARTY HERETO  
as Guarantors**

**DEUTSCHE BANK TRUST COMPANY AMERICAS,  
JPMORGAN CHASE BANK,  
and  
THE INSTITUTIONS FROM TIME TO TIME PARTY HERETO  
as Lenders**

**DEUTSCHE BANK TRUST COMPANY AMERICAS,  
as the Administrative Agent and the Collateral Agent for the Lenders**

**DEUTSCHE BANK SECURITIES INC.  
and  
J.P. MORGAN SECURITIES INC.,  
as the Co-Lead Arrangers**

**JPMORGAN CHASE BANK  
and  
DRESDNER BANK AG, NEW YORK and GRAND CAYMAN BRANCHES,  
as the Co-Syndication Agents**

**ING CAPITAL LLC  
and  
FLEET NATIONAL BANK,  
as the Co-Documentation Agents**

**Dated as of July 26, 2002**

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## CREDIT AGREEMENT

THIS CREDIT AGREEMENT (the "*Agreement*") is made and dated as of the 26th day of July, 2002, by and among THE MACERICH PARTNERSHIP, L.P., a limited partnership organized under the laws of the state of Delaware ("*Macerich Partnership*"); MACERICH GALAHAD GP CORP., a Delaware corporation ("*Galahad GP*"); MACERICH GALAHAD LP, a Delaware limited partnership ("*Galahad LP*"); MACERICH WRLP CORP., a Delaware corporation ("*Macerich WRLP Corp.*"); MACERICH WRLP LLC, a Delaware limited liability company ("*Macerich WRLP LLC*"); MACERICH TWC II CORP., a Delaware corporation ("*Macerich TWC Corp.*"); MACERICH TWC II LLC, a Delaware limited liability company ("*Macerich TWC LLC*") (Galahad GP, Galahad LP, Macerich WRLP Corp., Macerich WRLP LLC, Macerich TWC Corp. and Macerich TWC LLC being referred to herein, jointly and severally, as "*Westcor Borrowers*") (Macerich Partnership and Westcor Borrowers being referred to herein, jointly and severally, as the "*Borrowers*"); THE MACERICH COMPANY, a Maryland corporation ("*MAC*"); THE ENTITIES FROM TIME TO TIME PARTY HERETO AS AFFILIATE GUARANTORS; THE LENDERS FROM TIME TO TIME PARTY HERETO (collectively and severally, the "*Lenders*"); and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "*Administrative Agent*") and as Collateral Agent for the Benefited Creditors.

## RECITALS

A. The Borrowers have requested the Lenders to extend credit to the Borrowers in the form of a single disbursement term loan and that DBTCA agree to act as administrative agent for the benefit of the Lenders with respect to such credit extension.

B. The Lenders party hereto have agreed to extend such credit facility and DBTCA has agreed to act as administrative agent on behalf of the Lenders on the terms and subject to the conditions set forth herein and in the other Loan Documents (as that term and capitalized terms are defined in, or the location of the definitions thereof referenced in, the Glossary attached hereto as *Annex I* and by this reference incorporated herein).

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

## AGREEMENT

### ARTICLE 1. *Credit Facility.*

1.1 *Term Loan Amount.* On the terms and subject to the conditions set forth herein, the Lenders severally agree that they shall fund their respective Percentage Shares of a term loan (the "*Term Loan*"), in the amount of \$250,000,000. Principal amounts on the Term Loan that are repaid or prepaid by Borrowers may not be reborrowed.

1.2 *Funding of Term Loan.* Each Lender shall make its Percentage Share of the Term Loan available to the Administrative Agent, in same-day funds, on the Closing Date at the Contact Office, ABA 021-001-033 for the Administrative Agent's Account No. 99-401-268, Ref: Macerich Partnership, no later than 11:00 a.m. (New York time) on the Closing Date. The failure of any Lender to advance its Percentage Share of the Term Loan shall not relieve any other Lender of its obligation hereunder to advance its Percentage Share thereof, but no Lender shall be responsible for the failure of any other Lender to make its required advance.

1.3 *Repayment of Principal.* Subject to (i) the mandatory prepayment provisions of *Section 3.3(2)*, (ii) the amortization payment provisions of *Section 3.4* below, (iii) the Term Loan extension provisions of *Section 1.4* below, and (iv) any earlier acceleration of the Term Loan

following an Event of Default, the principal balance of the Term Loan shall be payable in full on July 26, 2005 (the "*Original Maturity Date*").

### 1.4 *Term Loan Extension.*

(1) Provided that no Potential Default or Event of Default shall have occurred and be continuing, the Borrowers shall have the option, to be exercised by giving written notice to the Administrative Agent at least thirty (30) days prior to the Original Maturity Date, subject to the terms and conditions set forth in this Agreement, to extend the Original Maturity Date by twelve (12) months to July 26, 2006 (the "*First Extended Maturity Date*"). The request by the Borrowers for the extension of the Original Maturity Date shall constitute a representation and warranty by the Borrower Parties that no Potential Default or Event of Default then exists and that all of the conditions set forth in *Section 1.4(2)* below shall have been satisfied on the Original Maturity Date.

(2) The obligations of the Administrative Agent and the Lenders to extend the Original Maturity Date as provided in *Section 1.4(1)* shall be subject to the prior satisfaction of each of the following conditions precedent as determined by the Administrative Agent in its good faith judgment: (A) on the Original Maturity Date there shall exist no Potential Default or Event of Default; (B) the Borrowers shall have paid to the Administrative Agent for the ratable benefit of the Lenders an extension fee (the "*First Extension Fee*") equal to one-quarter of one percent (0.25%) of the then outstanding principal balance of the Term Loan (which fee Borrowers hereby agree shall be fully earned and nonrefundable under any circumstances when paid); (C) the representations and warranties made by the Borrower Parties in the Loan Documents shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the Original Maturity Date (provided, however, that any factual matters disclosed in the Schedules referenced in Article 6 shall be subject to update in accordance with clause (D) below); (D) the Borrower Parties shall have delivered updates to the Administrative Agent of all the Schedules set forth in *Article 6* hereof and such updated Schedules shall be acceptable to Administrative Agent in its reasonable judgment; (E) the Borrowers shall have delivered to the Administrative Agent a Compliance Certificate demonstrating that MAC and Borrowers are in compliance with the covenants set forth in *Article 8*; (F) Borrowers shall have paid all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent and all reasonable

fees and expenses paid to third party consultants (including reasonable attorneys' fees and expenses) by Administrative Agent in connection with such extension; and (G) the Guarantors shall have acknowledged and ratified that their obligations under the Guaranties remain in full force and effect, and continue to guaranty the Obligations under the Loan Documents, as extended.

(3) In the event that the Original Maturity Date has been extended as provided in *Sections 1.4(1) and (2)*, then provided that no Potential Default or Event of Default shall have occurred and be continuing, the Borrowers shall have the option, to be exercised by giving written notice to the Agent hereto at least thirty (30) days prior to the First Extended Maturity Date, subject to the terms and conditions set forth in this Agreement, to extend the First Extended Maturity Date by an additional twelve (12) months to July 26, 2007 (the "*Second Extended Maturity Date*"). The request by the Borrowers for the further extension of the First Extended Maturity Date shall constitute a representation and warranty by the Borrower Parties that no Potential Default or Event of Default then exists and that all of the conditions set forth in *Section 1.4(4)* below shall have been satisfied on the First Extended Maturity Date.

(4) The obligations of the Administrative Agent and the Lenders to extend the First Extended Maturity Date as provided in *Section 1.4(3)* shall be subject to the satisfaction of

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each of the following conditions precedent as determined by the Administrative Agent in its good faith judgment: (A) on the First Extended Maturity Date there shall exist no Potential Default or Event of Default; (B) the Borrowers shall have paid to the Administrative Agent for the ratable benefit of the Lenders an extension fee (the "*Second Extension Fee*") equal to one-quarter of one percent (0.25%) of the then outstanding principal balance of the Term Loan (which fee Borrowers hereby agree shall be fully earned and nonrefundable under any circumstances when paid); (C) the representations and warranties made by the Borrower Parties in the Loan Documents shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the First Extended Maturity Date (provided, however, that any factual matters disclosed in the Schedules referenced in Article 6 shall be subject to update in accordance with clause (D) below); (D) the Borrower Parties shall have delivered updates to the Administrative Agent of all the Schedules set forth in *Article 6* hereof and such updated Schedules shall be acceptable to the Administrative Agent in its reasonable judgment; (E) the Borrowers shall have delivered to the Administrative Agent a Compliance Certificate demonstrating that MAC and Borrowers are in compliance with the covenants set forth in *Article 8*; (F) Borrowers shall have paid all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent and all reasonable fees and expenses paid to third party consultants (including reasonable attorneys' fees and expenses) by Administrative Agent in connection with such extension; and (G) the Guarantors shall have acknowledged and ratified that their obligations under the Guaranties remain in full force and effect, and continue to guaranty the Obligations under the Loan Documents, as extended.

(5) The Administrative Agent shall notify each of the Lenders in the event that the Original Maturity Date and the First Extended Maturity Date are extended as provided in this *Section 1.4*.

1.5 *Interest.* Interest shall be payable on the outstanding principal balance of the Term Loan at the rates and on the dates set forth in *Sections 2.1* and *2.2* below.

#### 1.6 *Joint Borrower Provisions.*

(1) Each Borrower hereby irrevocably designates, appoints and authorizes the other Borrowers as its agent and attorney-in-fact to take actions under this Agreement and any other Loan Document, together with such powers as are reasonably incidental thereto. The Administrative Agent and the Lenders shall be entitled to rely, and shall be fully protected in relying, upon any communication from or to any of the Borrowers (including, without limitation, any notice, consent or other instructions from any of the Borrowers) without any confirming communication from or to the other Borrowers; provided, however, that upon notice to any Borrower (which notice shall be given at the sole and absolute discretion of the Administrative Agent), the Administrative Agent shall be entitled to fail or refuse to take any action under this Agreement or any other Loan Document (to the extent such action requires communication, including, without limitation, any notice, consent or other instructions, from any of the Borrowers), unless the Administrative Agent has received confirming communications from all Borrowers. Any action taken by one Borrower under this Agreement and any other Loan Document shall be conclusively binding upon the other Borrowers.

(2) Each Borrower agrees that it is jointly and severally liable to the Administrative Agent and the Lenders for the payment of all Obligations and that such liability is independent of the liability and obligation of the other Borrowers with respect thereto, whether such Obligations are due or not due, absolute or contingent, liquidated or unliquidated or whether such Obligations otherwise become unenforceable against the other Borrowers. Any payment by a Borrower of an Obligation shall not reduce its liability and

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obligation with respect to all other Obligations hereunder. A separate action or actions may be brought and prosecuted against one of the Borrowers whether action is brought against the other Borrowers or whether the other Borrowers are joined in such action or actions. Each Borrower authorizes the Administrative Agent, on behalf of the Lenders, without notice or demand and without affecting its liability and obligations hereunder, from time to time, to (i) receive and hold security for the payment of the Obligations and exchange, enforce, waive, release, fail to perfect, sell or otherwise dispose of any such security, (ii) apply such security and direct the order or manner of sale thereof as the Administrative Agent in its discretion may determine, and (iii) release or substitute any one or more of endorser, guarantor or co-obligors of the Obligations.

(3) Each Borrower waives any right to require the Administrative Agent or the Lenders to (i) proceed against the other Borrowers, (ii) proceed against or exhaust any security, or (iii) pursue any other remedy in the Administrative Agent's or the Lenders' power whatsoever. Each Borrower waives any defense arising by reason of any disability or other defense of the other Borrowers, or the cessation from any cause whatsoever of the liability of the other Borrowers, or any claim that such Borrower's Obligations exceed or are more burdensome than those of the other Borrowers. Until the Obligations shall have been finally, irrevocably, indefeasibly paid in full, each Borrower waives any right of

subrogation, reimbursement, indemnification or contribution (contractual, statutory, or otherwise) including, without limitation, any claim or right of subrogation under the Bankruptcy Code (Title 11, United States Code) or any successor statute, arising from the existence or performance of this Agreement, and each Borrower waives any right to enforce any remedy which the Administrative Agent and/or the Lenders now have or may hereafter have against the other Borrowers and waives any benefit of, and any right to participate in, any security hereafter held by the Administrative Agent, on behalf of the Lenders for the Obligations. Each Borrower waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Agreement and of the existence, creation or incurring of new or additional Obligations by the other Borrowers.

(4) Each Borrower acknowledges and agrees that it will have the sole responsibility for obtaining from the other Borrowers such information concerning the other Borrowers' financial conditions or business operations as such Borrower may require, and that the Administrative Agent and the Lenders have no duty at any time to disclose to any Borrower any information relating to the other Borrowers, including, without limitation, information regarding its business, operations or financial condition.

(5) Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, if any amount paid on account of the Obligations is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by any Lender or the Administrative Agent or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise (such payment, a "Preferential Payment"), then, to the extent of such Preferential Payment, the Obligations or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made.

## ARTICLE 2. *Interest Rate and Yield-Related Provisions.*

2.1 *Applicable Interest Rate.* The outstanding principal balance of the Term Loan and portions thereof shall bear interest from the date disbursed to but not including the date of payment calculated at a per annum rate equal to, at the option of and as selected by the Borrowers from time to time (subject to the provisions of Sections 2.3, 2.4, 2.5 and 2.12 below):

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(i) the Applicable LIBO Rate for the selected Interest Period, or (ii) the Applicable Base Rate during the applicable interest calculation period. Portions of the Term Loan bearing interest at the Applicable LIBO Rate shall be referred to herein sometimes as "*LIBO Rate Loans*" and portions of the Term Loan bearing interest at the Applicable Base Rate shall be referred to herein as "*Base Rate Loans*".

### 2.2 *Payment of Interest.*

(1) The Borrowers shall pay interest on Base Rate Loans monthly, in arrears, on the last Business Day of each calendar month, as set forth on an interest billing delivered by the Administrative Agent to the Borrowers (which delivery may be by facsimile transmission) no later than 1:00 p.m. (New York time) on such date.

(2) The Borrowers shall pay interest on LIBO Rate Loans on the last day of the applicable Interest Period or, in the case of LIBO Rate Loans with an Interest Period ending later than three months after the date funded, converted or continued, at the end of each three month period from the date funded, converted or continued and on the last day of the applicable Interest Period, as set forth on an interest billing delivered by the Administrative Agent to the Borrowers (which delivery may be by facsimile transmission) no later than 1:00 p.m. (New York time) on such date.

### 2.3 *Procedures for Interest Rate Election.*

(1) The Borrowers may elect to have the Term Loan or portions thereof funded on the Closing Date as LIBO Rate Loans and may from time to time thereafter elect to convert portions of the Term Loan outstanding as Base Rate Loans to LIBO Rate Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 1:00 p.m. (New York time) on the third Eurodollar Business Day preceding the proposed funding or conversion date.

(2) The Borrowers may elect to have the Term Loan or portions thereof funded on the Closing Date as Base Rate Loans and may from time to time thereafter elect to convert portions of the Term Loan outstanding as LIBO Rate Loans to Base Rate Loans by giving the Administrative Agent irrevocable notice of such election no later than 1:00 p.m. (New York time) on the third Eurodollar Business Day preceding the proposed funding or conversion date.

(3) Subject to subsection (4) below, any LIBO Rate Loan may be continued as such upon the expiration of the Interest Period with respect thereto by the Borrowers giving the Administrative Agent prior irrevocable notice of such election on the third Eurodollar Business Day preceding the proposed continuation date. If the Borrowers shall fail to give notice of such continuation election, the Borrowers shall be deemed to have elected to convert any affected LIBO Rate Loan to a Base Rate Loan on the last day of the applicable Interest Period.

(4) No portion of the Term Loan shall be funded or continued as a LIBO Rate Loan and no portion of the Term Loan shall be converted into a LIBO Rate Loan if an Event of Default or Potential Default has occurred and is continuing on the day occurring three Eurodollar Business Days prior to the date of, or on the date of, the requested funding, continuation or conversion.

(5) Each Base Rate Loan shall be in a minimum principal amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof and each LIBO Rate Loan shall be in a minimum principal amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof; provided, that any Base Rate Loan or LIBO Rate Loan may be in such other amount (i) as

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may result from a partial prepayment thereof pursuant to Section 3.3 or (ii) as may equal all of the then remaining outstanding balance of the Term Loan.



(6) Each request for the conversion or continuation of a Base Rate Loan into a LIBO Rate Loan or of a LIBO Rate Loan into a Base Rate Loan shall be evidenced by the timely delivery by the Borrowers to the Administrative Agent of a duly executed Rate Request (which delivery may be by facsimile transmission).

(7) In no event shall there at any time be LIBO Rate Loans outstanding having more than six (6) different Interest Periods.

(8) The Borrowers shall only request Interest Periods of one, two, three or six months.

2.4 *Inability to Determine Rate.* In the event that the Administrative Agent shall have reasonably determined (which determination shall be conclusive and binding upon the Borrowers) that by reason of circumstances affecting the interbank market adequate and reasonable means do not exist for ascertaining the LIBO Rate for any Interest Period, the Administrative Agent shall forthwith give telephonic notice of such determination to each Lender and to the Borrowers. If such notice is given: (1) no portion of the Term Loan may be funded as a LIBO Rate Loan, (2) any Base Rate Loan that was to have been converted to a LIBO Rate Loan shall, subject to the provisions hereof, be continued as a Base Rate Loan, and (3) any outstanding LIBO Rate Loan shall be converted, on the last day of the Interest Period applicable thereto, to a Base Rate Loan. Until such notice has been withdrawn by the Administrative Agent, the Borrowers shall not have the right to convert any Base Rate Loan to a LIBO Rate Loan or to continue a LIBO Rate Loan as such. The Administrative Agent shall withdraw such notice in the event that the circumstances giving rise thereto no longer pertain and that adequate and reasonable means exist for ascertaining the LIBO Rate for the Interest Period requested by the Borrowers, and, following withdrawal of such notice by the Administrative Agent, the Borrowers shall have the right to convert any Base Rate Loan to a LIBO Rate Loan and to continue any LIBO Rate Loan as such in accordance with the terms and conditions of this Agreement.

2.5 *Illegality.* Notwithstanding any other provisions herein, if any law, regulation, treaty or directive issued by any Governmental Authority or any change therein or in the interpretation or application thereof, shall make it unlawful for any Lender to maintain LIBO Rate Loans as contemplated by this Agreement: (1) the commitment of such Lender hereunder to continue LIBO Rate Loans or to convert Base Rate Loans to LIBO Rate Loans shall forthwith be cancelled, and (2) LIBO Rate Loans held by such Lender then outstanding, if any, shall be converted automatically to Base Rate Loans at the end of their respective Interest Periods or within such earlier period as may be required by law. In the event of a conversion of any LIBO Rate Loan prior to the end of its applicable Interest Period, the Borrowers hereby agree promptly to pay any Lender affected thereby, upon demand, the amounts required pursuant to *Section 2.9* below, it being agreed and understood that such conversion shall constitute a prepayment for all purposes hereof. The provisions hereof shall survive the termination of this Agreement and payment of all other Obligations.

2.6 *Funding.* Each Lender shall be entitled to fund all or any portion of its Percentage Share of the Term Loan in any manner it may determine in its sole discretion, including, without limitation, in the Grand Cayman inter-bank market, the London inter-bank market and within the United States, but all calculations and transactions hereunder shall be conducted as though all Lenders actually fund all LIBO Rate Loans through the purchase of offshore dollar deposits in the amount of such Lender's Percentage Share of the relevant LIBO Rate Loan with a maturity corresponding to the applicable Interest Period.

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## 2.7 *Requirements of Law; Increased Costs.*

(1) In the event that any applicable law, order, regulation, treaty or directive issued by any central bank or other governmental authority, agency or instrumentality or in the governmental or judicial interpretation or application thereof, or compliance by any Lender with any request or directive (whether or not having the force of law) issued by any central bank or other governmental authority, agency or instrumentality:

(A) Does or shall subject any Lender to any Taxes of any kind whatsoever with respect to this Agreement or the Term Loan, or change the basis of determining the Taxes imposed on payments to such Lender of principal, fee, interest or any other amount payable hereunder (except for change in the rate of tax on the overall net income of such Lender);

(B) Does or shall impose, modify or hold applicable any reserve, capital requirement, special deposit, compulsory loan or similar requirements against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender which are not otherwise included in the determination of interest payable on the Obligations; or

(C) Does or shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender of making, renewing or maintaining its Percentage Share of the Term Loan or to reduce any amount receivable in respect thereof or the rate of return on the capital of such Lender or any corporation controlling such Lender, then, in any such case, the Borrowers shall, without duplication of amounts payable pursuant to *Section 2.10*, promptly pay to such Lender, upon its written demand made through the Administrative Agent, any additional amounts necessary to compensate such Lender for such additional cost or reduced amounts receivable or rate of return as determined by such Lender with respect to this Agreement or such Lender's Percentage Share of the Term Loan, so long as such Lender requires substantially all obligors under other commitments of this type made available by such Lender to similarly so compensate such Lender.

(2) If a Lender becomes entitled to claim any additional amounts pursuant to this *Section 2.7*, it shall promptly notify the Borrowers of the event by reason of which it has become so entitled. A certificate as to any additional amounts so claimed payable containing the calculation thereof in reasonable detail submitted by a Lender to the Borrowers, accompanied by a certification that such Lender has required substantially all obligors under other commitments of this type made available by such Lender to similarly so compensate such Lender, shall constitute prima facie evidence thereof.

(3) Failure or delay on the part of any Lender to demand compensation pursuant to this *Section 2.7* shall not constitute a waiver of such Lender's right to demand such compensation. The provisions of this *Section 2.7* shall survive the termination of this Agreement and payment of the Term Loan and all other Obligations.

## 2.8 *Obligation of Lenders to Mitigate; Replacement of Lenders.* Each Lender agrees that:

(1) As promptly as reasonably practicable after the officer of such Lender responsible for administering such Lender's Percentage Share of the Term Loan becomes aware of any event or condition that would entitle such Lender to receive payments under *Section 2.7* above or *Section 2.10* below or to cease maintaining LIBO Rate Loans under *Section 2.5* above, such Lender will use reasonable efforts: (i) to maintain its Percentage Share of the Term Loan through another lending office of such Lender or (ii) take such other measures as such Lender may deem reasonable, if as a result thereof the additional amounts which would

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otherwise be required to be paid to such Lender pursuant to *Section 2.7* above or pursuant to *Section 2.10* below would be materially reduced or eliminated or the conditions rendering such Lender incapable of maintaining LIBO Rate Loans under *Section 2.5* above no longer would be applicable, and if, as determined by such Lender in its sole discretion, the maintaining of such LIBO Rate Loans through such other lending office or in accordance with such other measures, as the case may be, would not otherwise materially adversely affect such LIBO Rate Loans or the interests of such Lender.

(2) If the Borrowers receive a notice pursuant to *Section 2.7* above or pursuant to *Section 2.10* below or a notice pursuant to *Section 2.5* above stating that a Lender is unable to maintain LIBO Rate Loans (for reasons not generally applicable to the Required Lenders), so long as (i) no Potential Default or Event of Default shall have occurred and be continuing, (ii) the Borrowers have obtained a commitment from another Lender or an Eligible Assignee to purchase at par such Lender's Percentage Share of the Term Loan and accrued interest and fees and to assume all obligations of the Lender to be replaced under the Loan Documents and (iii) such Lender to be replaced is unwilling to withdraw the notice delivered to the Borrowers, upon thirty (30) days' prior written notice to such Lender and the Administrative Agent, the Borrowers may require, at the Borrowers' expense, the Lender giving such notice to assign, without recourse, all of its Percentage Share of the Term Loan and accrued interest and fees to such other Lender or Eligible Assignee pursuant to the provisions of *Section 11.8* below.

**2.9 Funding Indemnification.** In addition to all other payment obligations hereunder, in the event: (1) any LIBO Rate Loan is prepaid prior to the last day of the applicable Interest Period, whether following a voluntary prepayment, a mandatory prepayment or otherwise, or (2) the Borrowers shall fail to borrow the Term Loan on the Closing Date (to the extent the Borrowers have requested that the Term Loan or portions thereof be initially funded as a LIBO Rate Loan), or to continue or to make a conversion to a LIBO Rate Loan after the Borrowers have given notice thereof as required hereunder, then the Borrowers shall immediately pay to each Lender which would have funded the requested LIBO Rate Loan or holding the LIBO Rate Loans prepaid or not continued or converted, through the Administrative Agent, an additional premium sum compensating such Lender for losses, costs and expenses incurred by such Lender in connection with such prepayment or such failure to borrow, continue or convert. Without limiting the foregoing, such compensation shall include an amount equal to the present value (using as the discount rate an interest rate equal to the rate determined under (2) below) of the excess, if any, of (1) the amount of interest which otherwise would have accrued on the principal amount so paid, prepaid, converted or continued (or not converted, continued or borrowed) (the "*Incremental Payment*") for the period from the date of such payment, prepayment, conversion or continuation (or failure to convert, continue or borrow) to the last day of the then current applicable Interest Period (or, in the case of a failure to convert, continue or borrow, to the last day of the applicable Interest Period which would have commenced on the date specified therefor in the relevant notice) at the applicable LIBO Rate provided for herein with respect to such Incremental Payment, over (2) the amount of interest that would have accrued (as reasonably determined by such Lender), based upon the interest rate which such Lender would have bid in the London interbank market for Dollar deposits, on amounts comparable to the Incremental Payment and maturities comparable to such period. A determination of any Lender as to the amounts payable pursuant to this *Section 2.9* shall be conclusive absent manifest error.

#### 2.10 Taxes.

(1) Any and all payments by or on account of any obligation of the Borrowers hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; *provided* that if the Borrowers shall be required to

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deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this *Section 2.10*) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrowers shall make such deductions and (iii) the Borrowers shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(2) In addition, the Borrowers shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(3) The Borrowers shall indemnify the Administrative Agent and each Lender, within ten (10) Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this *Section 2.10*) paid by the Administrative Agent or such Lender, as the case may be, and any penalties, interest (except to the extent such penalties and/or interest arise as a result of a Lender's delay in dealing with any such Indemnified Tax) and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Lender or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(4) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrowers to a Governmental Authority, the Borrowers shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(5) Each Foreign Lender shall deliver to the Borrowers (with copies to the Administrative Agent) on or before the date hereof (or in the case of a Foreign Lender who became a Lender by way of an assignment, on or before the date of the assignment) or at least five (5) Business Days prior to the first date for any payment herewith to such Lender, and from time to time as required for renewal under applicable law, such certificates, documents or other evidence, as required by the Code or Treasury Regulations issued pursuant thereto, including, without limitation, Internal Revenue Service Form W-8BEN or W-ECI, as appropriate, and any other certificate or statement of exemption required by Section 871(h) or Section 881(c) of the Code or any subsequent version thereof, properly completed and duly executed by such Lender establishing that payments to such Lender hereunder are not subject to withholding under the Code ("*Evidence of No Withholding*"). Each Foreign Lender shall promptly

notify the Borrowers and the Administrative Agent of any change in its applicable lending office and upon written request of the Borrowers or the Administrative Agent shall, prior to the immediately following due date of any payment by the Borrowers hereunder or under any other Loan Document, deliver Evidence of No Withholding to the Borrowers and the Administrative Agent. The Borrowers shall be entitled to rely on such forms in their possession until receipt of any revised or successor form pursuant to this *Section 2.10(5)*. If a Lender fails to provide Evidence of No Withholding as required pursuant to this *Section 2.10(5)*, then (i) the Borrowers (or the Administrative Agent) shall be entitled to deduct or withhold from payments to Administrative Agent or such Lender as a result of such failure, as required by law, and (ii) the Borrowers shall not be required to make payments of additional amounts with respect to such withheld Taxes pursuant to *Section 2.10(1)* to the extent such withholding is required solely by reason of the failure of such Lender to provide the necessary Evidence of No Withholding.

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2.11 [RESERVED]

2.12 *Post-Default Interest.* During such time as there shall have occurred and be continuing an Event of Default, all Obligations outstanding shall, at the election of the Administrative Agent, bear interest at a per annum rate equal to one and one-half percent (1.5%) above the Applicable Base Rate in effect during the applicable calculation period (whether or not such Applicable Base Rate shall otherwise have been elected by Borrowers in accordance with this Agreement).

2.13 *Computations.* All computations of interest and fees payable hereunder shall be based upon a year of 360 days for the actual number of days elapsed (which results in more interest being paid than if computed on the basis of a 365-day year).

ARTICLE 3. *Payments.*

3.1 *Evidence of Indebtedness.* The obligation of the Borrowers to repay the Term Loan shall be evidenced by notations on the books and records of the Lenders. Such books and records shall constitute prima facie evidence thereof. Any failure to record the interest rate applicable thereto or any other information regarding the Obligations, or any error in doing so, shall not limit or otherwise affect the obligation of the Borrowers with respect to any of the Obligations. Upon the request of a Lender, the Borrowers shall promptly execute and deliver to such Lender a Note evidencing such Lender's Percentage Share of the Term Loan.

3.2 *Nature and Place of Payments.* All payments made on account of the Obligations shall be made by the Borrowers, without setoff or counterclaim, in lawful money of the United States of America in immediately available same day funds, free and clear of and without deduction for any Indemnified Taxes or Other Taxes, fees or other charges of any nature whatsoever imposed by any taxing authority and must be received by the Administrative Agent by 1:00 p.m. (New York time) on the day of payment, it being expressly agreed and understood that if a payment is received after 1:00 p.m. (New York time) by the Administrative Agent, such payment will be considered to have been made by the Borrowers on the next succeeding Business Day and interest thereon shall be payable by the Borrowers at the rate otherwise applicable thereto during such extension. All payments on account of the Obligations shall be made to the Administrative Agent through the Contact Office. If any payment required to be made by the Borrowers hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the then applicable rate during such extension.

3.3 *Prepayments.*

(1) Upon not less than one (1) Business Day's prior written notice (in the case of Base Rate Loans or LIBO Rate Loans with Interest Periods expiring on the date of payment) or three (3) Eurodollar Business Days' prior written notice (in the case of LIBO Rate Loans with an Interest Period not expiring on the date of payment) to the Administrative Agent (which shall promptly provide telephonic notice of the receipt thereof to each of the Lenders), the Borrowers may voluntarily prepay principal amounts outstanding under the Term Loan in whole or in part; provided, however, that voluntary prepayments shall be in the minimum amount of \$1,000,000 and integral multiples of \$100,000 in excess thereof. Voluntary prepayments of principal pursuant to this *Section 3.3(1)*, shall be credited against the principal amortization payments next due as required under *Section 3.4*, but shall not relieve Borrowers from the obligation to make prepayments pursuant to *Section 3.3(2)*.

(2) Prior to the payment in full of all amounts outstanding under the Interim Facility pursuant to the terms of the Interim Facility Credit Agreement, the Borrowers shall comply with the obligations set forth in *Section 7.16* hereof. Upon payment in full of all amounts outstanding under the Interim Facility pursuant to the terms of the Interim Facility Credit

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Agreement and *Section 7.16* below, subject to *Section 3.3(3)*, *Section 3.3(4)* and *Section 3.3(5)*, to the extent any Net Cash Proceeds remain that were not applied to repay the Interim Facility in accordance with the Interim Facility Credit Agreement and *Section 7.16* below, and thereafter to the extent that the Borrowers or their Affiliates from time to time consummate any transactions of the types described below, the Borrowers shall remit to the Administrative Agent as a mandatory prepayment for application against the outstanding principal balance of the Term Loan:

(A) Concurrently with the consummation of any such Disposition or Financing, that dollar amount equal to fifty percent (50%) of Net Cash Proceeds in respect of any Disposition or Financing of any Westcor Assets; provided that with respect to a Disposition, no such prepayment shall be required if and to the extent that each of the following conditions is satisfied: (i) such Disposition occurs as part of a Like-Kind Exchange (or is a Disposition of the Properties described in *Section 3.3(2)(C)(ii)* or *(iii)* of the Interim Facility Credit Agreement); (ii) the Exchange Property (or Property acquired as described in *Section 3.3(2)(C)(ii)* or *(iii)* of the Interim Facility Credit Agreement) is acquired by the Macerich Entity engaged in such Disposition, a Wholly-Owned Subsidiary of such Macerich Entity, a Westcor Principal Entity, or a Wholly-Owned Subsidiary of a Westcor Principal Entity substantially concurrently with such Disposition, or, if not substantially concurrently, then in accordance with all deferred Like Kind Exchange requirements under the Code (but if the Property is acquired as described in and in accordance with *Section 3.3(2)(C)(iii)* of the Interim Facility Credit Agreement, such Like Kind Exchange requirements shall not apply), including: (A) deposit of the Net Cash Proceeds in a qualifying escrow account; (B) identifying

the Exchange Property within the qualifying period provided under the Code; and (C) consummating the Like Kind Exchange within six months after the subject Disposition; (iii) the Exchange Property is treated as a Westcor Asset for purposes of this *Section 3.3* such that any subsequent Disposition of such Exchange Property shall be subject to the mandatory prepayment provisions otherwise specified herein; and (iv) to the extent there are any Net Cash Proceeds in excess of the purchase price for the Exchange Property, fifty percent (50%) of such sums are remitted to the Administrative Agent as a mandatory prepayment pursuant to this *Section 3.3(2)*.

(B) Concurrently with the consummation of any such transaction, that dollar amount equal to fifty percent (50%) of Net Cash Proceeds in respect of the issuance of debt or equity Securities by any of the Westcor Borrowers, the Westcor Principal Entities, or their Subsidiary Entities (but in all events any such debt or equity issuance shall otherwise comply with the terms of this Agreement).

(C) Concurrently with the consummation of any such Disposition or Financing, that dollar amount equal to one hundred percent (100%) of Net Cash Proceeds in respect of any Disposition or Financing of the Designated Assets; provided, however, that no prepayment shall be required under this *Section 3.3(2)(C)* for the Disposition of the Bristol Shopping Center Asset in connection with a Like-Kind Exchange, provided that (i) the asset so exchanged for the Bristol Shopping Center Asset shall thereafter constitute a Designated Asset for purposes of this *Section 3.3* and shall be subject to the mandatory payment provisions otherwise specified herein; (ii) the Exchange Property is acquired by the Macerich Entity engaged in such Disposition, a Wholly-Owned Subsidiary of such Macerich Entity, the Macerich Partnership, or a Wholly-Owned Subsidiary of Macerich Partnership substantially concurrently with such Disposition, or, if not substantially concurrently, then in accordance with all deferred Like Kind Exchange requirements under the Code, including: (A) deposit of the Net Cash Proceeds in a

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qualifying escrow account; (B) identifying the Exchange Property within the qualifying period provided under the Code; and (C) consummating the Like Kind Exchange within six months after the subject Disposition; and (iii) to the extent there are any Net Cash Proceeds in excess of the purchase price for the Exchange Property, such sums are remitted to the Administrative Agent as a mandatory prepayment pursuant to this *Section 3.3(2)*.

(D) With respect to any principal payments received by any Macerich Entity in respect of any Disposition Promissory Note, (i) promptly, but in no event more than three (3) Business Days after the subject payment, one hundred percent (100%) of any such principal payments (or if such Disposition Promissory Note was delivered in connection with the Disposition of a Westcor Asset, fifty percent (50%) of such principal payments); provided, however, that no such payment need be made to Administrative Agent pursuant to this clause (i) until the aggregate of all principal sums then paid in respect of such Disposition Promissory Notes, and not previously paid to Administrative Agent pursuant to clause (ii) below, exceed \$1,000,000; and (ii) on the first day of each January, April, July, and October, that dollar amount equal to one hundred percent (100%) of any principal payments (or if such Disposition Promissory Note was delivered in connection with the Disposition of a Westcor Asset, fifty percent (50%) of such principal payments) made with respect to any Disposition Promissory Note during the immediately preceding fiscal quarter, less any sums paid to the Administrative Agent during such preceding fiscal quarter pursuant to clause (i) above.

(3) Notwithstanding *Section 3.3(2)* above, no such prepayment shall be required if and to the extent that: (i) concurrently with the consummation of the subject Disposition or Financing, the Borrowers shall provide an Officer's Certificate to the Administrative Agent certifying that such Net Cash Proceeds will be utilized to either (x) purchase designated Unaffiliated Partner Interests, or (y) make designated capital improvements to one or more specified Designated Assets or Westcor Assets, each within one hundred and eighty (180) days (or such longer period of time as the Administrative Agent may approve in its reasonable judgment) of the consummation of such Disposition or Financing (the "*Proceeds Expenditure Date*"); (ii) concurrently with the consummation of the subject Disposition or Financing, such Net Cash Proceeds shall be deposited in an account (the "*Proceeds Expenditure Account*") pursuant to an account agreement in form and substance reasonably acceptable to the Administrative Agent, provided, that (w) the Proceeds Expenditure Account shall be interest bearing and all interest earned on Net Cash Proceeds deposited into the Proceeds Expenditure Account shall be for the account of the Borrowers and, so long as no Potential Default or Event of Default has occurred and is continuing, the Borrowers shall be permitted to withdraw such interest, without further approval from the Administrative Agent, (x) so long as no Potential Default or Event of Default has occurred and is continuing, the Borrowers shall be permitted to withdraw such deposited sums, without further approval of Administrative Agent, solely for the purposes set forth in clause (i) above, (y) the Borrowers shall certify in a Compliance Certificate delivered at the end of each fiscal quarter that the proceeds (other than interest accrued on deposited sums) withdrawn from the Proceeds Expenditure Account were used for the purposes set forth in clause (i) above (and such sums may be withdrawn in respect of designated improvement expenses or acquisition costs for designated Unaffiliated Partner Interests incurred prior to the subject Disposition or Financing if such sums were incurred not more than 180 calendar days prior to such Disposition or Financing and Borrowers have provided written notice to Administrative Agent of such anticipated use of Net Sales Proceeds within 90 days after such expenses are incurred) and (z) the Administrative Agent shall have, on behalf of itself and the Lenders (and Borrowers hereby grant Administrative Agent), a perfected security interest in the Proceeds Expenditure

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Account and all funds deposited therein; and (iii) on or prior to the Proceeds Expenditure Date, all sums deposited in the Proceeds Expenditure Account shall be expended in accordance with the terms of this *Section 3.3(3)*, and if not so expended shall promptly be delivered to the Administrative Agent for application to the principal amount of the Term Loan. In the event, on the Proceeds Expenditure Date, Borrowers have incurred specific liabilities with respect to designated capital improvements or acquisition costs for designated Unaffiliated Partner Interests and Administrative Agent has determined in its reasonable judgment that such improvements or Unaffiliated Partner Interests acquisition will be completed in a timely manner, Borrowers may withdraw funds from the Proceeds Expenditure Account to pay for such incurred liabilities even if Borrowers have not then paid for such liability expenses and the improvements or Unaffiliated Partner Interests acquisition are not then completed. If an Event of Default occurs at any time, all sums deposited in the Proceeds Expenditure Account shall be disbursed to Administrative Agent and applied in accordance with *Section 3.5*.

(4) So long as no Event of Default has occurred, the amount of all prepayments made pursuant to this *Section 3.3* shall be applied toward the satisfaction of the amortization requirement set forth in *Section 3.4* below. Once the Pre-Extension Amortization Payments are paid in full, the

Borrowers shall not be required to make any mandatory prepayments under this *Section 3.3*; provided, however, if the Borrowers extend the Original Maturity Date pursuant to *Section 1.4*, then, at the time of such extension, the requirements of this *Section 3.3* with respect to mandatory prepayments shall again be effective and shall remain effective until such time as the Post-Extension Amortization Payments are paid in full by the Borrowers.

(5) In the event (i) no Potential Default or Event of Default exists and is continuing and (ii) the amount of prepayment required to be made pursuant to this *Section 3.3* shall exceed the aggregate principal amount of the applicable outstanding Base Rate Loans (the amount of any such excess being called the "*Excess Amount*"), the Borrowers shall have the right, in lieu of making such prepayment in full at such time, to prepay all the outstanding Base Rate Loans and to deposit an amount equal to the Excess Amount with the Administrative Agent in a cash collateral account maintained by and in the sole dominion and control of the Administrative Agent and otherwise subject to an account agreement in form and substance reasonably satisfactory to the Administrative Agent. Any amounts so deposited shall be held by the Administrative Agent as collateral for the Obligations and applied to the prepayment of the applicable LIBO Rate Loans, in the order instructed by any Borrower or if no instructions are timely provided as directed, as determined by the Administrative Agent, at the end of the current Interest Periods applicable thereto. On any Business Day on which (x) collected amounts remain on deposit in or to the credit of such cash collateral account after giving effect to the payments made on such day pursuant to *Section 3.3* and (y) the Borrowers shall have delivered to the Administrative Agent a written request or a telephonic request (which shall be promptly confirmed in writing) that such remaining collected amounts be invested in Cash Equivalents specified in such request, the Administrative Agent shall use its reasonable efforts to invest such remaining collected amounts in such Cash Equivalents; *provided, however*, that (A) the Administrative Agent shall have continuous dominion and full control over any such investments (and over any interest and proceeds that accrue thereon), (B) the Administrative Agent shall have otherwise determined in good faith that a perfected security interest shall be maintained in respect of all funds (including interest on and proceeds of the Cash Equivalents) deposited in such cash collateral account, and (C) no Cash Equivalents shall mature after the end of the Interest Period in respect of which it is to be applied. Under no circumstance shall the Borrowers have any right to withdraw any amount from such cash collateral account or cause the Administrative Agent to apply such sums for

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any purpose other than the application of such funds to repay the applicable LIBO Rate Loans and accrued interest thereon. Upon the occurrence of an Event of Default, all sums deposited with the Administrative Agent may be applied to the Obligations in accordance with this Agreement.

(6) The Borrowers shall pay in connection with any prepayment hereunder, whether voluntary or mandatory, all interest accrued but unpaid on that portion of the Term Loan to which such prepayment is applied, and in the case of prepayment of any portion of the Term Loan constituting LIBO Rate Loans, all amounts payable pursuant to *Section 2.9* above, concurrently with payment of any principal amounts.

(7) Prior to the occurrence of an Event of Default and acceleration of the Obligations, prepayments shall be applied first to Base Rate Loans to the extent possible and then to LIBO Rate Loans.

*3.4 Amortization.* The Borrowers shall make quarterly principal amortization payments to Administrative Agent, for the benefit of the Lenders, in the amount of \$15,000,000, beginning on February 15, 2004 and continuing thereafter on the fifteenth day of each May, August, November and February until the Maturity Date. Such mandatory amortization payments shall be reduced (in the order then due) by any voluntary payments made by the Borrowers pursuant to *Section 3.3(1)* and any mandatory prepayment made under *Section 3.3(2) and (3)*. To the extent not previously paid in full, the remaining balance of the Term Loan shall be due and payable on the Maturity Date.

### *3.5 Allocation of Payments Received.*

(1) Prior to the occurrence of an Event of Default and acceleration of the Obligations, and unless otherwise expressly provided herein, all amounts received by the Administrative Agent on account of the Obligations shall be disbursed by the Administrative Agent to the Lenders pro rata in accordance with their respective Percentage Shares, by wire transfer of like funds received on the date of receipt if received by the Administrative Agent before 1:00 p.m. (New York time) or if received later, by 1:00 p.m. (New York time) on the next succeeding Business Day, without further interest payable by the Administrative Agent.

(2) Following the occurrence of an Event of Default and acceleration of the Obligations, all amounts received by the Administrative Agent on account of the Obligations, shall be promptly disbursed by the Administrative Agent as follows:

(A) First, to the payment of expenses incurred by the Administrative Agent in the performance of its duties and the enforcement of the rights of the Lenders under the Loan Documents, including, without limitation, all costs and expenses of collection, reasonable attorneys' fees (including all allocated costs of internal counsel), court costs and other amounts payable as provided in *Section 7.6* below;

(B) Then, to the Lenders, pro rata in accordance with their respective Percentage Shares, until interest accrued on the Term Loan has been paid in full;

(C) Then, to the Lenders, pro rata in accordance with their respective Percentage Shares, until principal under the Term Loan has been paid in full;

(D) Then, to the Lenders, pro rata in accordance with the amount, expressed as a percentage, which the amount of remaining Obligations owed to such Lenders bears to all other Obligations held by all Lenders, until all other Obligations have been paid in full.

(3) The order of priority set forth in *Section 3.5(2)* and the related provisions of this Agreement are set forth solely to determine the rights and priorities of the Administrative

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Agent and the other Lenders as among themselves. The order of priority set forth in clauses (B) through (D) of *Section 3.5(2)* may at any time and from time to time be changed by the Required Lenders without necessity of notice to or consent of or approval by the Borrowers or any other Person. The order of priority set forth in clause (A) of *Section 3.5(2)* may be changed only with the prior written consent of the Administrative Agent.

#### ARTICLE 4. *Credit Support.*

4.1 *Guaranties.* As credit support for the Aggregate Obligations, on or before the Closing Date (1) MAC shall execute and deliver to the Collateral Agent, for the benefit of the Benefited Creditors, the REIT Guaranty, and (2) the Affiliate Guarantors shall each execute and deliver to the Collateral Agent, for the benefit of the Benefited Creditors, an Affiliate Guaranty. Upon the acquisition of any Project after the Closing Date by any Borrower Party or Wholly-Owned Subsidiary thereof, in the event at the time of acquisition the principal Property comprising such Project is unencumbered by any Lien in respect of borrowed indebtedness (an "*Unencumbered Property*"), and there is no Financing with respect to such Unencumbered Property within sixty (60) days of its acquisition, if the Interim Facility has not been paid in full, or within ninety (90) days of its acquisition, if the Interim Facility has been repaid in full, such Person (each a "*Supplemental Guarantor*") shall: (a) execute and deliver to the Collateral Agent, for the benefit of the Benefited Creditors, a Guaranty in the form of *Exhibit A* hereto pursuant to which such Supplemental Guarantor will unconditionally guarantee the Aggregate Obligations from time to time owing to the Benefited Creditors, (b) execute and deliver, or cause to be executed and delivered, to the Collateral Agent such other documents or legal opinions required by the Collateral Agent confirming the authorization, execution and delivery and enforceability (subject to customary exceptions) of the Guaranty by such Supplemental Guarantor, and (c) deliver copies of its Organizational Documents, certified by the Secretary or an Assistant Secretary of such Supplemental Guarantor (or if such Person is a limited partnership or limited liability company, an authorized representative of its general partner or manager) as of the date delivered as being accurate and complete. Upon the Disposition or Financing of any Unencumbered Property by any Affiliate Guarantor or Supplemental Guarantor and the corresponding payment of all sums due pursuant to *Section 3.3* hereof and *Section 3.3* of the Interim Facility Credit Agreement in connection with such Disposition, the Collateral Agent shall release the guaranty executed by such Person pursuant to this *Section 4.1*.

4.2 *Pledge Agreements.* As credit support for the Aggregate Obligations, on or before the Closing Date, Macerich Partnership, MAC, and the Westcor Borrowers (other than Macerich TWC Corp. and Macerich TWC LLC) shall each execute and deliver to the Collateral Agent, a Pledge Agreement, pursuant to which each of them shall pledge to the Collateral Agent, for the ratable benefit of the Benefited Creditors, all of its direct and indirect ownership interest in the Westcor Borrowers and Westcor Realty Limited Partnership.

#### ARTICLE 5. *Conditions Precedent.*

5.1 *Conditions to Funding of Term Loan.* As conditions precedent to the agreement of the Lenders to fund their respective Percentage Shares of the Term Loan:

(1) The Borrowers and MAC shall have delivered or shall have caused to be delivered to the Administrative Agent, in form and substance satisfactory to the Lenders and their counsel and duly executed by the appropriate Persons (with sufficient copies for each of the Lenders), each of the following:

(A) This Agreement;

(B) To the extent requested by any Lender pursuant to *Section 3.1* above, a Note payable to such Lender;

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(C) The REIT Guaranty and the Affiliate Guaranties;

(D) The Pledge Agreements;

(E) **[RESERVED]**;

(F) A certificate of the Secretary or Assistant Secretary of the general partner or managing member of those Borrower Parties which are partnerships or limited liability companies attaching copies of resolutions duly adopted by the Board of Directors of such general partner or managing member approving the execution, delivery and performance of the Loan Documents on behalf of such Borrower Parties and certifying the names and true signatures of the officers of such general partner or managing member authorized to sign the Loan Documents to which such Borrower Parties are party;

(G) A certificate or certificates of the Secretary or an Assistant Secretary of those Borrower Parties which are corporations attaching copies of resolutions duly adopted by the Board of Directors of such Borrower Parties approving the execution, delivery and performance of the Loan Documents to which such Borrower Parties are party and certifying the names and true signatures of the officers of each of such Borrower Parties authorized to sign the Loan Documents on behalf of such Borrower Parties;

(H) An opinion of counsel for the Borrowers, MAC and the other Persons who will be Guarantors as of the Closing Date, in form and substance reasonably acceptable to the Administrative Agent and the Lenders;

(I) Copies of the Certificate of Incorporation, Certificate of Formation, or Certificate of Limited Partnership of each of the Borrower Parties, certified by the Secretary of State of the state of formation of such Person as of a recent date;

(J) Copies of the Organizational Documents of each of the Borrower Parties (unless delivered pursuant to clause (I) above), the Westcor Principal Entities, and the Persons identified in *Schedule 5.1(1)(J)* attached hereto, certified by the Secretary or an Assistant Secretary of such Person (or if such Person is a limited partnership or limited liability company, an authorized representative of its general partner or manager) as of the date of this Agreement as being accurate and complete;

(K) A certificate of authority and good standing or analogous documentation as of a recent date for each of the Borrower Parties for the State of California and each state in which such Person is organized, formed or incorporated, as applicable;

(L) From a Responsible Officer of each of the Borrowers and MAC, a Closing Certificate dated as of the Closing Date;

(M) Confirmation from the Administrative Agent and the other Agents (which may be oral) that all fees required to be paid by the Borrowers on or before the Closing Date have been, or will upon the funding of the Term Loan be, paid in full;

(N) Evidence satisfactory to the Administrative Agent that all reasonable costs and expenses of the Administrative Agent and the other Agents, including, without limitation, fees of outside counsel and fees of third party consultants and appraisers, required to be paid by the Borrowers on or prior to the Closing Date have been, or will upon the funding of the Term Loan be, paid in full;

(O) From a Responsible Financial Officer of MAC, a Compliance Certificate in form and substance satisfactory to the Administrative Agent and the Lenders, evidencing, as applicable, MAC's compliance with the financial covenants set forth under *Section 8.12*

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below at and as of March 31, 2002 and the Westcor Borrowers' compliance with the financial covenants set forth under *Section 8.13* below at and as of March 31, 2002.

(2) Each of the requirements set forth on *Schedule 5.1(2)* attached hereto shall have been met to the satisfaction of the Administrative Agent and the Lenders.

(3) All representations and warranties of the Borrower Parties set forth herein and in the other Loan Documents shall be accurate and complete in all material respects as if made on and as of the Closing Date (unless any such representation and warranty speaks as of a particular date, in which case it shall be accurate and complete in all material respects as of such date).

(4) There shall not have occurred and be continuing as of the Closing Date any Event of Default or Potential Default.

(5) All acts and conditions (including, without limitation, the obtaining of any third party consents and necessary regulatory approvals and the making of any required filings, recordings or registrations) required to be done and performed and to have happened precedent to the execution, delivery and performance of the Loan Documents by each of the Borrower Parties, the consummation of the Westcor Acquisition, and the closing of the Interim Facility and the Revolving Credit Facility, shall have been done and performed.

(6) There shall not have occurred any change, occurrence or development that could, in the good faith opinion of the Lenders, have a Material Adverse Effect.

(7) All documentation, including, without limitation, documentation for corporate and legal proceedings in connection with the transactions contemplated by the Loan Documents shall be satisfactory in form and substance to the Administrative Agent, the Lenders and their counsel.

**5.2 Outside Closing Date.** If all conditions precedent set forth in *Section 5.1* above shall not have been met to the satisfaction of the Administrative Agent and the Lenders on or before August 15, 2002, then the agreement of the Lenders to fund their respective Percentage Shares of the Term Loan shall terminate and this Agreement shall automatically be deemed of no further force or effect (except to the extent terms and provisions of this Agreement specifically provide that they shall survive termination hereof).

**ARTICLE 6. Representations and Warranties.** As an inducement to the Administrative Agent and each Lender to enter into this Agreement and for the Lenders to advance their respective Percentage Shares of the Term Loan, each of the Borrower Parties, collectively and severally, represent and warrant, as of the Closing Date (or such later date as otherwise expressly provided in this Agreement) to the Administrative Agent and each Lender that (provided that any representations as of the Closing Date as to Westcor or the Westcor Assets are to the Borrower Parties' best knowledge):

**6.1 Financial Condition.** Complete and accurate copies of the following financial statements and materials have been delivered to the Administrative Agent: (i) audited financial statements of MAC for 2000 and 2001; (ii) unaudited financial statements of MAC for the calendar quarter ending March 31, 2002 (the materials described in clauses (i) and (ii) are referred to as the "*Initial Financial Statements*"); and (iii) a pro forma balance sheet and income statement ("*Pro Forma Statement*") dated March 31, 2002 reflecting the pro forma combined performance of the Consolidated Entities and Westcor.

All financial statements included in the Initial Financial Statements were prepared in all material respects in conformity with GAAP, except as otherwise noted therein, and fairly present in all material respects the respective consolidated financial positions, and the consolidated results of operations and cash flows for each of the periods covered thereby of MAC and its consolidated Subsidiaries as at the

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respective dates thereof. None of the Borrower Parties or any of their Subsidiaries has any Contingent Obligation, contingent liability or liability for any taxes, long-term leases or commitments, not reflected in its audited financial statements delivered to the Administrative Agent on or prior to the Closing Date or otherwise disclosed to the Administrative Agent and the Lenders in writing, which will have or is reasonably likely to have a Material Adverse Effect. The Pro Forma Statement has been prepared in good faith based upon reasonable assumptions.

**6.2 No Material Adverse Effect.** Since the Statement Date no event has occurred which has resulted in, or is reasonably likely to have, a Material Adverse Effect.

**6.3 Compliance with Laws and Agreements.** Each of the Borrower Parties and the Macerich Core Entities is in compliance with all Requirements of Law and Contractual Obligations, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a

6.4 *Organization, Powers; Authorization; Enforceability.*

(1) Macerich Partnership (A) is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware, (B) is duly qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably likely to have a Material Adverse Effect, (C) has all requisite power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted in connection with and following the consummation of the transactions contemplated by this Agreement and (D) is a partnership for purposes of federal income taxation and for purposes of the tax laws of any state or locality in which Macerich Partnership is subject to taxation based on its income.

(2) MAC (A) is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland, (B) is duly authorized and qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably likely to have a Material Adverse Effect, and (C) has all requisite corporate power and authority to own, operate and encumber its Property and to conduct its business as presently conducted.

(3) Each Westcor Borrower and each Affiliate Guarantor (A) is either a corporation, a limited partnership or a limited liability company duly incorporated, formed or organized, validly existing, and in good standing under the laws of the State of its incorporation, organization and/or formation, (B) is duly qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably expected to have a Material Adverse Effect, and (C) has all requisite corporate, partnership or limited liability company power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted in connection with and following the consummation of the transactions contemplated by this Agreement.

(4) True, correct and complete copies of the Organizational Documents described in *Section 5.1(1)(J)* have been delivered to the Administrative Agent, each of which is in full force and effect, has not been Modified except to the extent indicated therein and, to the best of each of the Borrower Parties' knowledge, there are no defaults under such Organizational Documents and no events which, with the passage of time or giving of notice or both, would constitute a default under such Organizational Documents.

(5) The Borrower Parties have the requisite power and authority to execute, deliver and perform this Agreement and each of the other Loan Documents which are required to be

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executed on their behalf. The execution, delivery and performance of each of the Loan Documents which must be executed in connection with this Agreement by the Borrower Parties and to which the Borrower Parties are a party and the consummation of the transactions contemplated thereby are within their partnership, company, or corporate powers, have been duly authorized by all necessary partnership, company, or corporate action and such authorization has not been rescinded. No other partnership, company, or corporate action or proceedings on the part of the Borrower Parties is necessary to consummate such transactions.

(6) Each of the Loan Documents to which each Borrower Party is a party has been duly executed and delivered on behalf of such Borrower Party and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (subject to bankruptcy, insolvency, reorganization, or other laws affecting creditors' rights generally and to principles of equity, regardless of whether considered in a proceeding in equity or at law), is in full force and effect and all the terms, provisions, agreements and conditions set forth therein and required to be performed or complied with by such Borrower Party on or before the Closing Date have been performed or complied with, and no Potential Default or Event of Default exists thereunder.

6.5 *No Conflict.* The execution, delivery and performance of the Loan Documents, the borrowing hereunder and the use of the proceeds thereof, will not violate any material Requirement of Law or any Organizational Document or any material Contractual Obligation of any of the Borrower Parties or the Macerich Core Entities; or create or result in the creation of any Lien on any material assets of any of the Borrower Parties.

6.6 *No Material Litigation.* Except as disclosed on *Schedule 6.6* hereto, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower Parties, threatened by or against the Borrower Parties or the Macerich Core Entities or against any of such Persons' Properties or revenues which is likely to be adversely determined and which, if adversely determined, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

6.7 *Taxes.* All tax returns, reports and similar statements or filings of the Borrower Parties and the Macerich Core Entities have been timely filed. Except for Permitted Encumbrances, all taxes, assessments, fees and other charges of Governmental Authorities upon such Persons and upon or relating to their respective Properties, assets, receipts, sales, use, payroll, employment, income, licenses and franchises which are shown in such returns or reports to be due and payable have been paid, except to the extent (i) such taxes, assessments, fees and other charges of Governmental Authorities are subject to a Good Faith Contest; or (ii) the non-payment of such taxes, assessments, fees and other charges of Governmental Authorities would not, individually or in the aggregate, result in a Material Adverse Effect. The Borrower Parties have no knowledge of any proposed tax assessment against the Borrower Parties or the Macerich Core Entities that will have or is reasonably likely to have a Material Adverse Effect.

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6.8 *Investment Company Act.* None of the Borrowers nor MAC, nor any Person controlling such entities is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940 (as amended from time to time).

6.9 *Subsidiary Entities.* *Schedule 6.9* (A) contains charts and diagrams reflecting the corporate structure of the Borrower Parties and their respective Subsidiary Entities indicating the nature of the corporate, partnership, limited liability company or other equity interest in each Person included



in such chart or diagram; and (B) accurately sets forth (1) the correct legal name of such Person, the type of organization, and the jurisdiction of its incorporation or organization, and (2) the class of outstanding Capital Stock of such Persons along with the percentage thereof owned by the Borrower Parties and their Subsidiaries. None of such issued and outstanding Capital Stock or Securities is subject to any vesting, redemption, or repurchase agreement, and there are no warrants or options outstanding with respect to such Securities, except as noted on *Schedule 6.9*. The outstanding Capital Stock of each Subsidiary Entity shown on *Schedule 6.9* as being owned by a Borrower Party or its Subsidiary is duly authorized, validly issued, fully paid and nonassessable. Except where failure may not have a Material Adverse Effect, each Subsidiary Entity of Borrower Parties: (A) is a corporation, limited liability company, or partnership, as indicated on *Schedule 6.9*, duly organized, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its organization, (B) is duly qualified to do business and, if applicable, is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing would limit its ability to use the courts of such jurisdiction to enforce Contractual Obligations to which it is a party, and (C) has all requisite power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted hereafter.

6.10 *Federal Reserve Board Regulations.* None of the Borrowers nor MAC is engaged or will engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "Margin Stock" within the respective meanings of such terms under Regulations U, T and X. No part of the proceeds of the Term Loan will be used for "purchasing" or "carrying" "Margin Stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of, the Regulations of the Board of Governors of the Federal Reserve System.

6.11 *ERISA Compliance.* Except as disclosed on *Schedule 6.11*:

(1) Each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state law failure to comply with which would reasonably be likely to result in a Material Adverse Effect. Each Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS and to the best knowledge of the Borrower Parties, nothing has occurred which would cause the loss of such qualification.

(2) There are no pending or, to the best knowledge of Borrower Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(3) No ERISA Event has occurred or is reasonably expected to occur with respect to any Pension Plan or, to the best knowledge of the Borrower Parties, Multiemployer Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(4) No Pension Plan has any Unfunded Pension Liability which has resulted or could reasonably be expected to result in a Material Adverse Effect.

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(5) None of the Borrower Parties or their respective Subsidiaries, nor any ERISA Affiliate has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA) which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(6) None of the Borrower Parties or their respective Subsidiaries, nor any ERISA Affiliate has incurred nor reasonably expects to incur any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(7) None of the Borrower Parties or their respective Subsidiaries, nor any ERISA Affiliate has transferred any Unfunded Pension Liability to any person or otherwise engaged in a transaction that is subject to Section 4069 or 4212(c) of ERISA which has resulted or could reasonably be expected to result in a Material Adverse Effect.

6.12 *Assets and Liens.* Each of the Borrower Parties and their respective Subsidiary Entities has good and marketable title to all Property and assets reflected in the financial statements referred to in *Section 6.1* above, except Property and assets sold or otherwise disposed of in the ordinary course of business subsequent to the respective dates thereof. None of the Borrower Parties, nor their respective Subsidiary Entities, has outstanding Liens on any of its Properties or assets nor are there any security agreements to which it is a party, except for Liens permitted in accordance with *Section 8.1*.

6.13 *Securities Acts.* None of the Borrower Parties or their respective Subsidiary Entities have issued any unregistered securities in violation of the registration requirements of Section 5 of the Securities Act of 1933 (as amended from time to time, the "Act") or any other law, nor are they in violation of any rule, regulation or requirement under the Act or the Securities Exchange Act of 1934 (as amended from time to time) other than violations which could not reasonably be expected to have a Material Adverse Effect. None of the Borrower Parties or the Macerich Core Entities is required to qualify an indenture under the Trust Indenture Act of 1939 (as amended from time to time) in connection with its execution and delivery of this Agreement or the incurrence of Indebtedness hereunder.

6.14 *Consents, Etc.* Except as disclosed in *Schedule 6.14*, no consent, approval or authorization of, or registration, declaration or filing with any Governmental Authority or any other Person is required on the part of the Borrower Parties or the Macerich Core Entities in connection with the Westcor Acquisition, the execution and delivery of the Loan Documents by the Borrower Parties, or the performance of or compliance with the terms, provisions and conditions thereof by such Persons, other than those that have been obtained or will be obtained by the legally required time.

6.15 *Hazardous Materials.* The Borrower Parties and the Macerich Core Entities have caused Phase I and the other environmental assessments as set forth in *Schedule 6.15* to be conducted or have taken other steps to investigate the past and present environmental condition and use of their Properties (as used in this *Section 6.15* and *Section 7.9*, the "Environmental Properties"). Based on such investigation, except as otherwise disclosed on *Schedule 6.15*, to the best knowledge of the Borrower Parties: (1) no Hazardous Materials have been discharged, disposed of, or otherwise released on, under, or from the Environmental Properties so as to be reasonably expected to result in a violation of Hazardous Materials Laws and a material adverse

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of each such permit is currently in compliance with all terms and conditions of such permits, except to the extent the failure to obtain such permits or comply therewith is not reasonably expected to result in a Material Adverse Effect or any material violation of Hazardous Materials Laws or in a material adverse effect to such Environmental Property or the owner thereof; (3) none of the Environmental Properties is listed or proposed for listing on the National Priorities List ("NPL") pursuant to CERCLA or on the Comprehensive Environmental Response Compensation Liability Information System List ("CERCLIS") or any similar applicable state list of sites requiring remedial action under any Hazardous Materials Laws; (4) none of the owners of the Environmental Properties has sent or directly arranged for the transport of any hazardous waste to any site listed or proposed for listing on the NPL, CERCLIS or any similar state list; (5) there is not now on or in any Environmental Property: (a) any landfill or surface impoundment; (b) any underground storage tanks; (c) any asbestos-containing material; or (d) any polychlorinated biphenyls (PCB), which in the case of any of clauses (a) through (d) could reasonably result in a violation of any Hazardous Materials Laws and a material adverse effect to such Environmental Property or the owner thereof; (6) no environmental Lien has attached to any Environmental Properties; and (7) no other event has occurred with respect to the presence of Hazardous Materials on or under the Environmental Properties, which would reasonably be expected to result in a Material Adverse Effect.

6.16 *Regulated Entities.* None of the Borrower Parties or the Macerich Core Entities: (1) is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur Indebtedness, or (2) is a "foreign person" within the meaning of Section 1445 of the Code.

6.17 *Copyrights, Patents, Trademarks and Licenses, etc.* To the best knowledge of the Borrower Parties, the Borrower Parties and the Macerich Core Entities own or are licensed or otherwise have the right to use all of the patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other rights that are necessary for the operation of their respective businesses, without conflict with the rights of any other Person. To the best knowledge of the Borrower Parties, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Borrower Parties or the Macerich Core Entities infringes upon any rights held by any other Person, except for any infringements, individually or in the aggregate, which would not result, or be expected to result, in a Material Adverse Effect.

6.18 *REIT Status.* MAC: (1) is a REIT, (2) has not revoked its election to be a REIT, (3) has not engaged in any "prohibited transactions" as defined in Section 856(b)(6)(iii) of the Code (or any successor provision thereto), and (4) for its current "tax year" as defined in the Code is and for all prior tax years subsequent to its election to be a REIT has been entitled to a dividends paid deduction which meets the requirements of Section 857 of the Code.

6.19 *Insurance.* *Schedule 6.19* accurately sets forth as of the Closing Date all insurance policies currently in effect with respect to the respective Property and assets and business of the Borrower Parties and the Macerich Core Entities, specifying for each such policy, (i) the amount thereof, (ii) the general risks insured against thereby, (iii) the name of the insurer and each insured party thereunder, (iv) the policy or other identification number thereof, and (v) the expiration date thereof. Such insurance policies are currently in full force and effect, in compliance with the requirements of *Section 7.8* hereof.

6.20 *Full Disclosure.* None of the representations or warranties made by the Borrower Parties in the Loan Documents as of the date such representations and warranties are made or deemed made contains any untrue statement of a material fact or omits to state a material fact

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necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading.

6.21 *Indebtedness.* *Schedule 6.21* sets forth, as of June 30, 2002, all Indebtedness for borrowed money of each of the Borrower Parties and the Macerich Core Entities, and, except as set forth on such *Schedule 6.21*, there are no defaults in the payment of principal or interest on any such Indebtedness, and no payments thereunder have been deferred or extended beyond their stated maturity, and there has been no material change in the type or amount of such Indebtedness since June 30, 2002.

6.22 *Real Property.* Set forth on *Schedule 6.22* is a list, as of the date of this Agreement, of all of the Projects of the Borrower Parties and the Macerich Entities, indicating in each case whether the respective property is owned or ground leased by such Persons, the identity of the owner or lessee and the location of the respective property.

6.23 *Brokers.* The Borrowers and MAC have not dealt with any broker or finder with respect to the transactions embodied in this Agreement and the other Loan Documents.

6.24 *No Default.* No Default or Potential Default has occurred and is continuing.

6.25 *Solvency.* After giving effect to the Term Loan, and the disbursement of the proceeds thereof pursuant to the Borrowers' instructions, the Borrower Parties are each Solvent.

ARTICLE 7. *Affirmative Covenants.* As an inducement to the Administrative Agent and each Lender to enter into this Agreement and for the Lenders to advance their respective Percentage Shares of the Term Loan, each of the Borrower Parties, collectively and severally, hereby covenants and agrees with the Administrative Agent and each Lender that, as long as any Obligations remain unpaid:

7.1 *Financial Statements.* The Borrower Parties shall maintain, for themselves, and shall cause each of the Macerich Core Entities to maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of consolidated financial statements

in conformity with GAAP. Each of the financial statements and reports described below shall be prepared from such system and records and in form reasonably satisfactory to the Administrative Agent, and shall be provided to Administrative Agent:

(1) As soon as practicable, and in any event within ninety (90) days after the close of each fiscal year of MAC, the consolidated balance sheet of MAC and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, stockholders' equity and cash flow of MAC and its Subsidiaries for such fiscal year, setting forth in each case in comparative form the consolidated or combined figures, as the case may be, for the previous fiscal year, all in reasonable detail and accompanied by a report thereon of PricewaterhouseCoopers or other independent certified public accountants of recognized national standing selected by the Borrowers and reasonably satisfactory to the Administrative Agent, which report shall be unqualified (except for qualifications that the Required Lenders do not, in their discretion, consider material) and shall state that such consolidated financial statements fairly present the financial position of MAC and its Subsidiaries as at the date indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP (except as otherwise stated therein) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(2) As soon as practicable, and in any event within fifty (50) days after the close of each of the first three fiscal quarters of each fiscal year of MAC, for MAC and its Subsidiaries, unaudited balance sheets as at the close of each such period and the related combined statements of income and cash flow of MAC and its Subsidiaries for such quarter and the

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portion of the fiscal year ended at the end of such quarter, setting forth in each case in comparative form the consolidated or combined figures, as the case may be, for the corresponding periods of the prior fiscal year, all in reasonable detail and in conformity with GAAP (except as otherwise stated therein), together with a representation by a Responsible Financial Officer, as of the date of such financial statements, that such financial statements have been prepared in accordance with GAAP (provided, however, that such financial statements may not include all of the information and footnotes required by GAAP for complete financial information) and reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the financial information contained therein;

(3) Together with each delivery of any quarterly or annual report pursuant to paragraphs (1) through (2) of this *Section 7.1*, MAC shall deliver a Compliance Certificate signed by MAC's Responsible Financial Officer representing and certifying (1) that the Responsible Financial Officer signatory thereto has reviewed the terms of the Loan Documents, and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and consolidated financial condition of MAC and its Subsidiaries, during the fiscal quarter covered by such reports, that such review has not disclosed the existence during or at the end of such fiscal quarter, and that such officer does not have knowledge of the existence as at the date of such Compliance Certificate, of any condition or event which constitutes an Event of Default or Potential Default or mandatory prepayment event, or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Borrowers, MAC or their Subsidiaries has taken, is taking and proposes to take with respect thereto, (2) the calculations (with such specificity as the Administrative Agent may reasonably request) for the period then ended which demonstrate compliance with the covenants and financial ratios set forth in *Article 8*, (3) a schedule of Total Liabilities in respect of borrowed money in the level of detail disclosed in MAC's Form 10-Q filings with the Securities and Exchange Commission, as well as such other information regarding such Indebtedness as may be reasonably requested by the Administrative Agent, (4) that any proceeds withdrawn from the Proceeds Expenditure Account during the prior quarter were withdrawn in compliance with *Section 3.3(3)* and shall specify the use of such proceeds, and (5) a schedule of EBITDA.

(4) To the extent not otherwise delivered pursuant to this *Section 7.1*, copies of all financial statements and financial information delivered by the Borrowers, MAC and the Westcor Principal Entities (or, upon Administrative Agent's request, any Subsidiaries of such Persons) from time to time to the holders of any Indebtedness for borrowed money of such Persons; and

(5) Copies of all proxy statements, financial statements, and reports which the Borrowers or MAC send to their respective stockholders or limited partners, and copies of all regular, periodic and special reports, and all registration statements under the Act which the Borrowers or MAC file with the Securities and Exchange Commission or any Governmental Authority which may be substituted therefor, or with any national securities exchange; provided, however, that there shall not be required to be delivered hereunder such copies for any Lender of prospectuses relating to future series of offerings under registration statements filed under Rule 415 under the Act or other items which such Lender has indicated in writing to the Borrowers or MAC from time to time need not be delivered to such Lender.

(6) Notwithstanding the foregoing, it is understood and agreed that to the extent MAC files documents with the Securities and Exchange Commission and such documents contain the same information as required by subsections (1), (2), (3) (only with respect to subclause (3)), (4) and (5) above, MAC may deliver copies, which copies may be delivered electronically,

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of such forms with respect to the relevant time periods in lieu of the deliveries specified in such clauses.

**7.2 Certificates; Reports; Other Information.** The Borrower Parties shall furnish or cause to be furnished to the Administrative Agent and each of the Lenders directly:

(1) From time to time upon reasonable request by the Administrative Agent, a rent roll, tenant sales report and income statement with respect to any Project;

(2) As soon as practicable and in any event by January 1st of each calendar year, the Borrower Parties shall deliver to the Administrative Agent (i) a report in form and substance reasonably satisfactory to the Administrative Agent outlining all insurance coverage maintained as of the date of such report by the Borrower Parties and the Macerich Core Entities and the duration of such coverage and (ii) evidence that all premiums with respect to such coverage have been paid when due.

(3) Promptly, such additional financial and other information, including, without limitation, information regarding the Borrower Parties, the Macerich Core Entities, any of such entities' assets and Properties and the Westcor Acquisition as Administrative Agent or any Lender may from time to time reasonably request, including, without limitation, such information as is necessary for any Lender to participate out any of its interests in the Obligations.

**7.3 Maintenance of Existence and Properties.** The Borrower Parties shall, and shall cause each of the Macerich Core Entities to, at all times: (1) maintain its corporate existence or existence as a limited partnership or limited liability company, as applicable; provided that a Macerich Core Entity (other than the Borrowers, MAC, or the Westcor Principal Entities) (A) may change its form of organization from one type of legal entity to another to the extent otherwise permitted in this Agreement; (B) may effect a dissolution if such actions are taken subsequent to a Disposition of substantially all of its assets as otherwise permitted under this Agreement (including *Section 8.4*); and (C) may merge or consolidate with any Person as otherwise not prohibited by this Agreement (including *Section 8.3*); (2) maintain in full force and effect all rights, privileges, licenses, approvals, franchises, Properties and assets material to the conduct of its business; (3) remain qualified to do business and maintain its good standing in each jurisdiction in which failure to be so qualified and in good standing will have a Material Adverse Effect; and (4) not permit, commit or suffer any waste or abandonment of any Project that will have a Material Adverse Effect.

**7.4 Inspection of Property; Books and Records; Discussions.** The Borrower Parties shall, and shall cause each of the Macerich Core Entities, to keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all material Requirements of Law shall be made of all dealings and transactions in relation to its business and activities, and shall permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make copies or abstracts from any of its books and records at any reasonable time during normal business hours and as often as may reasonably be desired by the Administrative Agent or any Lender, and to discuss the business, operations, properties and financial and other condition of Borrower Parties and the Macerich Core Entities with officers and employees of such Persons, and with their independent certified public accountants (provided that representatives of such Persons may be present at and participate in any such discussion).

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**7.5 Notices.** The Borrowers shall promptly, but in any event within five Business Days after obtaining knowledge thereof, give written notice to the Administrative Agent and each Lender directly of:

(1) The occurrence of any Potential Default or Event of Default and what action the Borrowers have taken, are taking, or are proposing to take in response thereto;

(2) The institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration against or affecting the Borrower Parties or the Macerich Core Entities and not previously disclosed, which action, suit, proceeding, governmental investigation or arbitration (i) exposes, or in the case of multiple actions, suits, proceedings, governmental investigations or arbitrations arising out of the same general allegations or circumstances expose, such Persons, in the Borrowers' reasonable judgment, to liability in an amount aggregating \$10,000,000 or more and is or are not covered by insurance, or (ii) seeks injunctive or other relief which, if obtained, may have a Material Adverse Effect providing such other information as may be reasonably available to enable Administrative Agent and its counsel to evaluate such matters. The Borrowers, upon request of the Administrative Agent, shall promptly give written notice of the status of any action, suit, proceeding, governmental investigation or arbitration.

(3) Any labor dispute to which the Borrower Parties or any of the Macerich Core Entities may become a party (including, without limitation, any strikes, lockouts or other disputes relating to any Property of such Persons' and other facilities) which could result in a Material Adverse Effect.

(4) The bankruptcy or cessation of operations of any tenant to which greater than 5% of either the Macerich Partnership's or MAC's share of consolidated minimum rent is attributable.

(5) Any event not disclosed pursuant to *paragraphs (1) through (4)* above which could reasonably be expected to result in a Material Adverse Effect.

**7.6 Expenses.** The Borrowers shall pay all reasonable out-of-pocket expenses (including reasonable fees and disbursements of outside counsel): (1) of the Administrative Agent and JPMorgan Chase Bank incident to the preparation, negotiation and administration of the Loan Documents, including any proposed Modifications or waivers with respect thereto, the syndication of the Term Loan (but such expenses shall not include any fees paid to the syndicate members), and the preservation and protection of the rights of the Lenders and the Administrative Agent under the Loan Documents, and (2) of the Administrative Agent and each of the Lenders incident to the enforcement of payment of the Obligations, whether by judicial proceedings or otherwise, including, without limitation, in connection with bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar proceedings involving any Borrower Party or a "workout" of the Obligations; provided that only one property inspection or site visit performed pursuant to *Section 7.4* shall be paid for by the Borrowers each year, unless a Potential Default or Event of Default has occurred and is continuing, in which case there shall be no limit to property inspections or site visits performed pursuant to *Section 7.4*, and the Borrowers shall pay the costs associated with each such inspection and visit performed during such periods. The obligations of the Borrowers under this *Section 7.6* shall survive payment of all other Obligations.

**7.7 Payment of Indemnified Taxes and Other Taxes and Charges.** The Borrower Parties shall, and shall cause each of the Macerich Core Entities to, file all tax returns required to be filed in any jurisdiction and, if applicable, and except with respect to taxes subject to any Good Faith Contest, pay and discharge all Indemnified Taxes and Other Taxes imposed upon it or any of its

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7.8 *Insurance.* The Borrower Parties shall, and shall cause each of the Macerich Core Entities, to maintain, to the extent commercially available, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks (including, without limitation, fire, extended coverage, vandalism, malicious mischief, flood, earthquake, public liability, product liability, business interruption and terrorism) as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower Parties or the Macerich Core Entities engage in business or own properties.

7.9 *Hazardous Materials.* The Borrower Parties shall, and shall cause each of the Macerich Core Entities to, do the following:

(1) Keep and maintain all regional Retail Properties ("*Designated Environmental Properties*") in material compliance with any Hazardous Materials Laws unless the failure to so comply would not be reasonably expected to result in a material adverse effect to such Designated Environmental Property or the owner thereof.

(2) Promptly cause the removal of any Hazardous Materials discharged, disposed of, or otherwise released in, on or under any Designated Environmental Properties that are in violation of any Hazardous Materials Laws and which would be reasonably expected to result in a material adverse effect to such Designated Environmental Property or the owner thereof, and cause any remediation required by any Hazardous Material Laws or Governmental Authority to be performed, though no such action shall be required if any action is subject to a good faith contest. In the course of carrying out such actions, the Borrowers shall provide the Administrative Agent with such periodic information and notices regarding the status of investigation, removal, and remediation, as the Administrative Agent may reasonably require.

(3) Promptly advise the Administrative Agent and each Lender in writing of any of the following: (i) any Hazardous Material Claims known to Borrowers which would be reasonably expected to result in a material adverse effect to an Environmental Property or the owner thereof; (ii) the receipt of any notice of any alleged violation of Hazardous Materials Laws with respect to an Environmental Property (and the Borrowers shall promptly provide the Administrative Agent and Lenders with a copy of such notice of violation), provided that such alleged violation, if true (and if any release of the Hazardous Materials alleged therein were not promptly remediated), would result in a breach of subsections (1) or (2) above; and (iii) the discovery of any occurrence or condition on any Designated Environmental Properties that could cause such Designated Environmental Properties or any part thereof to be in violation of clauses (1) or, if not promptly remediated, (2) above. If the Administrative Agent and/or any Lender shall be joined in any legal proceedings or actions initiated in connection with any Hazardous Materials Claims, each Borrower Party shall indemnify, defend, and hold harmless such Person with respect to any liabilities and out-of-pocket expenses arising with respect thereto, including reasonable attorneys' fees and disbursements.

(4) Comply with each of the covenants set forth in subsections (1), (2) and (3) of this *Section 7.9* with respect to all other Properties of the Borrowers and Macerich Core Entities unless the failure to so comply would not reasonably be expected to result in a Material Adverse Effect.

7.10 *Compliance with Laws and Contractual Obligations; Payment of Taxes.* The Borrower Parties shall, and shall cause each of the Macerich Core Entities to: (1) comply, in all material respects, with all material Requirements of Law of any Governmental Authority having jurisdiction

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over it or its business, and (2) comply, in all material respects, with all material Contractual Obligations.

7.11 *Further Assurances.* The Borrower Parties shall, and shall cause each of their respective Subsidiaries to, promptly upon request by the Administrative Agent or any Lender, do any acts or, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register, any and all such further deeds, conveyances, security agreements, mortgages, assignments, estoppel certificates, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances and other instruments the Administrative Agent or such Lender, as the case may be, may reasonably require from time to time in order (i) to carry out more effectively the purposes of this Agreement or any other Loan Document, and (ii) to assure, convey, grant, assign, transfer, preserve, protect and confirm to the Administrative Agent and Lenders the rights granted or now or hereafter intended to be granted to the Lenders under any Loan Document or under any other document executed in connection therewith.

7.12 *Single Purpose Entities.* The Westcor Borrowers shall maintain themselves as Single Purpose Entities.

7.13 *REIT Status.* MAC shall maintain its status as a REIT and (i) all of the representations and warranties set forth in clauses (1), (2) and (4) of *Section 6.18* shall remain true and correct at all times and (ii) all of the representations and warranties set forth in clause (3) of *Section 6.18* shall remain true and correct in all material respects. MAC will do or cause to be done all things necessary to maintain the listing of its Capital Stock on the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market System (or any successor thereof), and the Macerich Partnership will do or cause to be done all things necessary to cause it to be treated as a partnership for purposes of federal income taxation and the tax laws of any state or locality in which the Macerich Partnership is subject to taxation based on its income.

7.14 *Use of Proceeds.* The proceeds of the Term Loan shall be used to finance the Westcor Acquisition.

7.15 *Subordination.*

(1) MAC, the Borrowers, and each Guarantor (each a "*Subordinated Creditor*") hereby absolutely and irrevocably subordinates, both in right of payment and in time of payment, (a) in the case of MAC, any and all present or future obligations and liabilities of the Borrowers or any Affiliate Guarantor to MAC, (b) in the case of any Affiliate Guarantor, any and all present or future obligations and liabilities of the Borrowers or any other Affiliate Guarantor to such Affiliate Guarantor and (c) in the case of the Borrowers, any and all present and future obligations and liabilities of MAC or any Affiliate Guarantor to the Borrowers (such obligations and liabilities referred to in clauses (a), (b) or (c) being "*Subordinated Debt*"), to the prior payment in full in cash of the Obligations or the obligations of such Person under the Guaranties, as applicable. Each Subordinated Creditor agrees to make no claim for, or receive payment with respect to, such Subordinated Debt until all Obligations and such obligations have been fully discharged in cash. Notwithstanding the foregoing, the Borrowers shall be entitled to declare and pay dividends or make distributions to equity holders with respect to their Capital Stock, as long as no Event of Default then exists, but subject to *Section 8.11*.

(2) All amounts and other assets that may from time to time be paid or distributed to or otherwise received by any Subordinated Creditor in respect of Subordinated Debt in violation of this *Section 7.15* shall be segregated and held in trust by the Subordinated Creditor for the benefit of the Lenders and promptly paid over to the Administrative Agent.

(3) Each Subordinated Creditor further agrees not to assign all or any part of the Subordinated Debt unless the Administrative Agent is given prior notice and such assignment is expressly made subject to the terms of this Agreement. If the Administrative Agent so requests, (a) all instruments evidencing the Subordinated Debt shall be duly endorsed and delivered to the Administrative Agent, (b) all security for the Subordinated Debt shall be duly assigned and delivered to Administrative Agent for the benefit of the Lenders, (c) the Subordinated Debt shall be enforced, collected and held by the relevant Subordinated Creditor as trustee for the Lenders and shall be paid over to the Administrative Agent for the benefit of the Lenders on account of the Obligations, and (d) the Subordinated Creditors shall execute, file and record such documents and instruments and take such other action as the Administrative Agent deems necessary or appropriate to perfect, preserve and enforce the Lenders' rights in and to the Subordinated Debt and any security therefor. If any Subordinated Creditor fails to take any such action, the Administrative Agent, as attorney-in-fact for such Subordinated Creditor, is hereby authorized to do so in the name of the Subordinated Creditor. The foregoing power of attorney is coupled with an interest and cannot be revoked.

(4) In any bankruptcy or other proceeding in which the filing of claims is required by Requirements of Law, each Subordinated Creditor shall file all claims relating to the Subordinated Debt that the Subordinated Creditor may have against the obligor thereunder and shall assign to the Administrative Agent, for the benefit of the Lenders, all rights relating to the Subordinated Debt thereunder. If any Subordinated Creditor does not file any such claim, the Administrative Agent, as attorney-in-fact for the Subordinated Creditor, is hereby authorized to do so in the name of the Subordinated Creditor or, in the Administrative Agent's discretion, to assign the claim to a nominee and to cause proof of claim to be filed in the name of the Administrative Agent or the Administrative Agent's nominee. The foregoing power of attorney is coupled with an interest and cannot be revoked. The Administrative Agent or its nominee shall have the right, in its reasonable discretion, to accept or reject any plan proposed in such proceeding and to take any other action which a party filing a claim is entitled to do. In all such cases, whether in administration, bankruptcy or otherwise, the Person or Persons authorized to pay such claim shall pay to the Administrative Agent for the benefit of the Lenders the amount payable on such claim and, to the full extent necessary for that purpose, each Subordinated Creditor hereby assigns to the Administrative Agent for the benefit of the Lenders all of the Subordinated Creditor's rights to any such payments or distributions; provided, however, the Subordinated Creditor's obligations hereunder shall not be satisfied except to the extent that the Administrative Agent receives cash by reason of any such payment or distribution.

(5) Each of the Subordinated Creditors hereby agrees that the Administrative Agent and the Lenders may at any time in their discretion renew or extend the time of payment of the Obligations or exercise, fail to exercise, waive or amend any other of their rights under this Agreement, any Loan Document or any instrument evidencing or securing or delivered in connection therewith, and in reference thereto may make and enter into such agreements as to them may seem proper or desirable, all without notice to or further assent from the Subordinated Creditors (except as otherwise expressly required pursuant to this Agreement), and any such action shall not in any manner impair or affect the subordination set forth in this *Section 7.15* or any of the Administrative Agent's or Lenders' rights hereunder. The Subordinated Creditors each hereby waive and agree not to assert against the Administrative Agent or the Lenders any rights which a guarantor or surety could exercise with respect to any indebtedness of the Borrowers, MAC or an Affiliate Guarantor, but nothing in this *Section 7.15* shall constitute the Subordinated Creditors a guarantor or surety.

*7.16 Mandatory Prepayments under Interim Facility.* The Borrowers shall comply in all respects with the mandatory principal prepayment provisions under the Interim Facility as required pursuant to *Section 3.3* of the Interim Facility Credit Agreement (including any corresponding defined terms used therein), as such provisions and defined terms exist as of the Closing Date.

*7.17 Management of Projects.* All Wholly-Owned Projects shall be managed by Subsidiaries of MAC pursuant to Master Management Agreements or, with respect to Wholly-Owned Projects of Westcor, pursuant to agreements in place on the date hereof.

ARTICLE 8. *Negative Covenants.* As an inducement to the Administrative Agent and each Lender to enter into this Agreement and for the Lenders to advance their respective Percentage Shares of the Term Loan, each of the Borrower Parties, jointly and severally, hereby covenants and agrees with the Administrative Agent and each Lender that, as long as any Obligations remain unpaid:

8.1 *Liens.* The Borrower Parties shall not, and shall not permit any of the Macerich Core Entities to, create, incur, assume or suffer to exist, any Lien upon any of its Property except:

- (1) Liens that secure Secured Indebtedness otherwise permitted under this Agreement;
- (2) Permitted Encumbrances;
- (3) Other Liens which are the subject of a Good Faith Contest; and
- (4) Liens listed on *Schedule 8.1*.

Notwithstanding the foregoing, no Liens shall be permitted on the Capital Stock of any Borrower Party or Westcor Principal Entity, except Liens in favor of the Administrative Agent for the benefit of the Lenders as contemplated hereunder and under the Interim Facility Credit Agreement and the Revolving Credit Agreement.

8.2 *Indebtedness.* The Westcor Borrowers shall not incur any Indebtedness other than the Obligations and the Indebtedness under the Interim Facility Credit Agreement and the Revolving Credit Agreement. The other Borrower Parties may only incur, and permit the Macerich Core Entities to incur, (i) Indebtedness to the extent such Borrower Parties maintain compliance with the financial covenants set forth in *Sections 8.12* and *8.13* below; and (ii) Indebtedness under the Interim Facility Credit Agreement and the Revolving Credit Agreement.

8.3 *Fundamental Change.*

(1) None of MAC, the Borrowers, or the Westcor Principal Entities shall do any or all of the following: merge or consolidate with any Person, or sell, assign, lease or otherwise effect a Disposition, whether in one transaction or in a series of transactions, of all or substantially all of its Properties and assets, whether now owned or hereafter acquired, or enter into any agreement to do any of the foregoing.

(2) None of the Borrower Parties shall, nor shall they permit any Macerich Core Entities to, engage to any material extent in any business other than such Person's business as conducted on the date hereof and businesses which are substantially similar, related or incidental thereto or other additional businesses that would not have a Material Adverse Effect.

8.4 *Dispositions.* The Borrower Parties shall not permit any of the following to occur:

(1) Any Disposition by MAC of any of the Capital Stock of Macerich Partnership or any of the Westcor Borrowers; provided that the forgoing shall not prohibit Macerich Partnership from issuing partnership units as consideration for the acquisition of a Project otherwise permitted under this Agreement;

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(2) Any Disposition by Macerich Partnership of any of the Capital Stock of any Westcor Borrower or Affiliate Guarantor; provided that a Disposition of an Affiliate Guarantor is permitted so long as the required prepayments are made pursuant to *Section 3.3* of the Interim Facility Credit Agreement and *Section 3.3* and *Section 7.16* of this Agreement;

(3) Any Disposition by any Westcor Borrower of any of the Capital Stock of any Westcor Principal Entity; or

(4) Any Disposition by any Borrower Party or its Subsidiary Entities of any of its respective Properties if such Disposition would cause the Borrower Parties to be in violation of any of (a) the covenants set forth in *Section 8.12* or *8.13*; (b) the mandatory prepayment requirements set forth in *Sections 3.3* or *7.16*; or (c) the limitations on Investments set forth in *Section 8.5*.

8.5 *Investments.* The Borrower Parties shall not, and shall not permit any of the Macerich Core Entities to, directly or indirectly make any Investment, except that such Persons may make an Investment in the following, subject to the limitations set forth below:

| Permitted Investment  | Limitations   |
|---|---|
| Wholly-Owned Raw Land   | No Wholly-Owned Raw Land shall be acquired if the Aggregate Investment Value of such Wholly-Owned Raw Land, together with all Wholly-Owned Raw Land then owned by the Borrower Parties and their Subsidiary Entities, exceeds 5% of the Gross Asset Value   |
| Individual Projects   | No individual Project or Capital Stock in a Person owning an Individual Project shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Project exceeds 10% of the Gross Asset Value   |
| Portfolio of Projects   | Multiple Projects or Capital Stock in Persons owning multiple Projects shall not be acquired in a single transaction or series of related transactions without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Projects exceeds 25% of the Gross Asset Value |
| Capital Stock of Joint Ventures in which the Macerich Partnership, MAC or any Wholly-Owned Subsidiary is not a general partner or a managing member | No such Capital Stock shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Capital Stock and all other such Capital Stock then owned by the Borrower Parties and their Subsidiary Entities exceeds 5% of the Gross Asset Value          |

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| Capital Stock of Joint Ventures in which the Macerich Partnership, MAC or any Wholly-Owned Subsidiary is a general partner or a managing member | No such Capital Stock shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Capital Stock and all other such Capital Stock then owned by the Borrower Parties and their Subsidiary Entities exceeds 50% of Gross Asset Value |
| Real Property Under Construction  | The Aggregate Investment Value of all Real Property Under Construction shall not exceed 15% of the Gross Asset Value  |
| MAC's redemption of partnership units in Macerich Partnership in accordance with its Organizational Documents                                   | Unlimited   |
| First lien priority Mortgage Loans acquired by Macerich Partnership, MAC or any Wholly-Owned Subsidiary   | The Aggregate Investment Value of all such Mortgage Loans shall not exceed 10% of the Gross Asset Value   |
| Capital Stock of Management Companies   | The Aggregate Investment Value of such Capital Stock shall not exceed 5% of Gross Asset Value   |
| Cash and Cash Equivalents   | Unlimited   |
| Other Investments (exclusive of the other Permitted Investment categories set forth in this <i>Section 8.5</i> )                                | The Aggregate Investment Value of such other Investments shall not exceed 1% of Gross Asset Value   |

8.6 *Transactions with Partners and Affiliates.* The Borrower Parties shall not, and shall not permit any of the Macerich Core Entities to directly or indirectly enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with a holder or holders of more than five percent (5%) of any class of equity Securities of MAC, or with any Affiliate of MAC which is not its Subsidiary (a "*Transactional Affiliate*"), except as set forth on *Schedule 8.6* and except upon fair and reasonable terms no less favorable to the

Borrower Parties than would be obtained in a comparable arm's-length transaction with a Person not a Transactional Affiliate; provided that any management agreement substantially in the form of the Master Management Agreements shall be deemed to satisfy the criteria set forth in this Section 8.6.

8.7 *Margin Regulations; Securities Laws.* Neither the Borrowers nor any Macerich Core Entities shall use all or any portion of the proceeds of any credit extended under this Agreement to purchase or carry Margin Stock.

8.8 *Organizational Documents.*

(1) Without the prior written consent of Administrative Agent and the Required Lenders, the Borrower Parties shall not, and shall not permit the Westcor Principal Entities to, Modify any of the terms or provisions in the Organizational Documents delivered in connection with Section 5.1(1)(J), except: (a) any Modifications necessary for Macerich Partnership or MAC to issue more Capital Stock (provided such issuance does not otherwise violate the terms of this Agreement); or (b) Modifications necessary to clarify existing provisions of such Organizational Documents; or (c) Modifications which would have no

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adverse, substantive effect on the rights or interests of the Lenders in conjunction with the Term Loan or under the Loan Documents.

(2) Without the prior written consent of Administrative Agent, which shall not be unreasonably withheld, MAC and the Borrowers shall not, and shall not permit the Westcor Principal Entities to, Modify any of the terms or provisions in any of their respective Organizational Documents as in effect as of the Closing Date which would change in any material manner the rights and obligations of the parties to such Organizational Documents, except (a) any Modifications necessary for Macerich Partnership or MAC to issue more Capital Stock (provided such issuance does not otherwise violate the terms of this Agreement); or (b) any Modifications which would not have an adverse effect on the Borrower Parties or their Subsidiaries.

8.9 *Fiscal Year.* None of the Borrower Parties shall change its Fiscal Year for accounting or tax purposes from a period consisting of the 12-month period ending on December 31 of each calendar year.

8.10 *Senior Management.* The Macerich Partnership and MAC shall cause Art Coppola and either Ed Coppola or Thomas E. O'Hern to remain part of their senior management until the indefeasible payment in full of the Obligations. In the event of death, incapacitation, retirement, or dismissal of any of these individuals, Macerich Partnership and MAC shall have 180 calendar days thereafter in which to retain a senior management replacement reasonably acceptable to the Required Lenders.

8.11 *Distributions.* MAC and Macerich Partnership shall not make (i) Distributions in any fiscal year in excess of the sum of (x) 95% of FFO plus (y) any realized gain resulting from Dispositions in such fiscal year; provided, however, that in no event shall such realized gain exceed \$50 million during the first eighteen (18) Loan Months; (ii) Distributions to acquire the Capital Stock of MAC to the extent such Distributions, individually or in the aggregate, exceed \$75,000,000; (iii) Distributions during any period while an Event of Default under Section 9.1 has occurred and is continuing as a result of Borrowers' failure to pay any principal or interest due under this Agreement; or (iv) Distributions during any period that any other material non-monetary Event of Default has occurred and is continuing, unless after taking into account all available funds of MAC from all other sources, such Distributions are required in order to enable MAC to continue to qualify as a REIT.

8.12 *Financial Covenants of Borrower Parties.*

(1) **Minimum Tangible Net Worth.** As of the last day of any Fiscal Quarter, Tangible Net Worth shall not be less than the sum of (a) \$575,000,000, minus (b) 100% of the cumulative Depreciation and Amortization Expense deducted in determining Net Income for all fiscal quarters ending after March 31, 2002, plus (c) 90% of the cumulative net cash proceeds received from and the value of assets acquired (net of Indebtedness incurred or assumed in connection therewith) through the issuance of Capital Stock of MAC after March 31, 2002. For purposes of clause (c), "net" means net of underwriters' discounts, commissions and other reasonable out-of-pocket expenses of issuance actually paid to any Person (other than a Borrower Party or any Affiliate of a Borrower Party).

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(2) **Maximum Total Liabilities to Gross Asset Value.** The ratio of Total Liabilities to Gross Asset Value (expressed as a percentage) shall not be more than:

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|---|-------|
| At any time during the first six Loan Months (the "Six Month Period") | 70.0% |
| At any time after the Six Month Period                                | 65.0% |

Notwithstanding the foregoing, if, at the end of the Six Month Period, the Borrowers have delivered evidence reasonably satisfactory to the Administrative Agent demonstrating that the Borrower Parties or their Subsidiary Entities have entered into binding contracts which provide for the Disposition of Projects within three (3) months after the Six Month Period, and the consummation of such Dispositions would result in a 65% (or less) ratio of Total Liabilities to Gross Asset Value (expressed as a percentage), the Borrowers shall have until the end of such additional three month period to satisfy such 65% ratio.

(3) **Minimum Interest Coverage Ratio.** As of the last day of any Fiscal Quarter, the Interest Coverage Ratio shall not be less than 1.80.

(4) **Minimum Fixed Charge Coverage Ratio.** As of the last day of any Fiscal Quarter, the Fixed Charge Coverage Ratio shall not be less than 1.50.

(5) **Secured Debt to Gross Asset Value.** At any date, the Secured Indebtedness Ratio shall not exceed 55%; provided, however, if, at any date, the ratio of Total Liabilities to Gross Asset Value is less than 60%, then the Secured Indebtedness Ratio shall not exceed 60%.

(6) **Minimum Debt Yield.** The ratio of EBITDA (notwithstanding the definition of such term, with respect to any Westcor entity that has not achieved Stabilization, EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized) to Total Liabilities shall not



be less than the ratios (expressed as a percentage) set forth below for the periods indicated below:

| <u>Period</u>  | <u>Ratio</u> |
|--|--------------|
| From the Closing Date through the end of the sixth (6th) Loan Month  | 11.0%        |
| From the first day of the seventh (7th) Loan Month to the last day of the twelfth (12th) Loan Month        | 11.5%        |
| From the first day of the thirteenth (13th) Loan Month to the last day of the eighteenth (18th) Loan Month | 12.0%        |
| From the first day of the nineteenth (19th) Loan Month and thereafter                                      | 12.5%        |

(7) **Maximum Floating Rate Debt.** The Borrower Parties shall maintain Hedging Obligations on a notional amount of Total Liabilities in respect of borrowed Indebtedness so that such notional amount, when added to the aggregate principal amount of such Total Liabilities which bears interest at a fixed rate, equals or exceeds 75% of the aggregate principal amount of all such Total Liabilities.

#### 8.13 *Financial Covenants of Westcor Borrowers.*

(1) **Westcor Maximum Total Liabilities to Gross Asset Value.** The ratio of Westcor Total Liabilities to Westcor Gross Asset Value (expressed as a percentage) shall not at any time be more than 65%.

(2) **Westcor Interest Coverage Ratio.** As of the end of any Fiscal Quarter, the Westcor Interest Coverage Ratio shall not be less than 1.80.

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(3) **Minimum Net Asset Value.** The Westcor Net Asset Value shall not at any time be less than the sum of (a) \$600,000,000, less (b) 100% of the cumulative mandatory repayments made under the Interim Facility (pursuant to *Section 7.16* hereof and *Section 3.3* of the Interim Facility) and this Agreement (pursuant to *Section 3.3*) in connection with a Financing or Disposition of a Westcor Asset.

#### ARTICLE 9. *Events of Default.* Upon the occurrence of any of the following events (an "Event of Default"):

9.1 The Borrowers shall fail to make any payment of principal or interest on the Term Loan on the date when due or shall fail to pay any other Obligation within three days of the date when due; or

9.2 Any representation or warranty made by the Borrower Parties in any Loan Document or in connection with any Loan Document shall be inaccurate or incomplete in any material respect on or as of the date made or deemed made; or

9.3 Any of the Borrower Parties shall default in the observance or performance of any covenant or agreement contained in *Article 8* above or *Sections 7.3(1), 7.5(1), 7.12, 7.13, 7.14, and 7.15*; or

9.4 Any of the Borrower Parties shall fail to observe or perform any other term or provision contained in the Loan Documents and such failure shall continue for thirty (30) days following the date a Responsible Officer of such Borrower Party knew of such failure or Borrower Party received notice thereof from Administrative Agent; or

9.5 Any of the Borrower Parties, or any Macerich Core Entities, shall default in any payment of principal of or interest on any recourse Indebtedness (other than, in the case of the Borrowers, the Obligations) in an aggregate unpaid amount for all such Persons in excess of \$15,000,000, and, prior to the election of the Lenders to accelerate the Obligations hereunder, such recourse Indebtedness is not paid or the payment thereof waived or cured in accordance with the terms of the documents, instruments and agreements evidencing the same; or

9.6 Any of the Borrower Parties, or any of the Macerich Core Entities, shall default in any payment of principal of or interest on any non-recourse Indebtedness in an aggregate amount for all such Persons in excess of \$75,000,000, and, prior to the election of the Lenders to accelerate the Obligations hereunder, such non-recourse Indebtedness is not paid or the payment thereof waived or cured in accordance with the terms of the documents, instruments and agreements evidencing the same; or

9.7 (1) Any of the Borrower Parties, or any of the Macerich Core Entities, shall commence any case, proceeding or other action (i) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or making a general assignment for the benefit of its creditors; or (2) there shall be commenced against any of the Borrower Parties or any of the Macerich Core Entities any case, proceeding or other action of a nature referred to in clause (1) above which (i) results in the entry of an order for relief or any such adjudication or appointment, or (ii) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (3) there shall be commenced against any of the Borrower Parties or any of the Macerich Core Entities any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or substantially all of its assets which results in the entry of an order for any such relief which shall

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not have been vacated, discharged, stayed, satisfied or bonded pending appeal within sixty (60) days from the entry thereof; or (4) any of the Borrower Parties or any of the Macerich Core Entities shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in (other than in connection with a final settlement), any of the acts set forth in clause (1), (2) or (3) above; or (5) any of the Borrower Parties or any of the Macerich Core Entities shall generally not, or shall be unable to, or shall admit in writing its inability to pay its debts as they become due; or

9.8 An ERISA Event shall occur with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any of the Borrower Parties under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of \$20,000,000, (2) the commencement or increase of contributions to, or the adoption of or the amendment of a Pension Plan by any of the Borrower Parties or an ERISA Affiliate which has result or could reasonably be expected to result in an increase in Unfunded Pension Liability among all Pension Plans in an aggregate amount in excess of \$50,000,000 or (3) any of the Borrower Parties or an ERISA Affiliate shall fail to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan, which has resulted or could reasonably be expected to result in a Material Adverse Effect; or

9.9 One or more judgments or decrees in an aggregate amount in excess of \$10,000,000 (excluding judgments and decrees covered by insurance, without giving effect to self-insurance or deductibles) shall be entered and be outstanding at any date against any of the Borrower Parties or the Macerich Core Entities and all such judgments or decrees shall not have been vacated, discharged, stayed, satisfied or bonded pending appeal (or otherwise secured in a manner satisfactory to Administrative Agent in its reasonable judgment) within sixty (60) days from the entry thereof or in any event later than five days prior to the date of any proposed sale thereunder; or

9.10 Any Guarantor shall attempt to rescind or revoke its Guaranty, with respect to future transactions or otherwise, or shall fail to observe or perform any term or provision of the Guaranties; or

9.11 MAC shall fail to maintain its status as a REIT; or

9.12 There shall occur an Event of Default under either the Interim Facility or the Revolving Credit Facility; or

9.13 Any Event of Default shall occur under any of the other Loan Documents; or

9.14 There shall occur a Change in Control;

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automatically upon the occurrence of an Event of Default under *Section 9.7* above, and in all other cases, at the request or with the consent of the Majority Benefited Creditors: (i) the Collateral Agent may (or at the direction of the Majority Benefited Creditors shall) exercise, on behalf of the Benefited Creditors, all rights and remedies under the Guaranties, the Pledge Agreements, and any other collateral documents entered into with respect to the Term Loan; (ii) the outstanding principal balance of the Term Loan and interest accrued but unpaid thereon and all other Obligations shall become immediately due and payable, without demand upon or presentment to any of the Borrower Parties, which are expressly waived by the Borrower Parties; and (iii) the Collateral Agent may (or at the direction of the Majority Benefited Creditors, shall), and, to the extent applicable, the Administrative Agent and the Lenders may, immediately exercise all rights, powers and remedies available to them at law, in equity or otherwise, including, without limitation, under the other Loan Documents, all of which rights, powers and remedies are cumulative and not exclusive.

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## ARTICLE 10. *The Agents.*

10.1 *Appointment.* Each Lender hereby irrevocably designates and appoints the Administrative Agent and the Collateral Agent as the agents of such Lender under the Loan Documents and each such Lender hereby irrevocably authorizes the Administrative Agent and the Collateral Agent, as the agents for such Lender, to take such action on its behalf under the provisions of the Loan Documents and to exercise such powers and perform such duties as are expressly delegated to each such Agent by the terms of the Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in the Loan Documents, neither the Administrative Agent nor the Collateral Agent shall have any duties or responsibilities, except those expressly set forth herein or therein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Loan Documents or otherwise exist against any of the Agents. The Administrative Agent and each Lender acknowledge and agree that they shall be bound by all terms and conditions of the Pledge Agreements and the Guaranties.

10.2 *Delegation of Duties.* The Administrative Agent and the Collateral Agent may execute any of their respective duties under the Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither the Administrative Agent nor the Collateral Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

10.3 *Exculpatory Provisions.* None of the Administrative Agent, the other Agents, nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (1) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Loan Documents (except for its or such Person's own gross negligence or willful misconduct), or (2) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower Parties or any officer thereof contained in the Loan Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent or the Collateral Agent under or in connection with the Loan Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of the Loan Documents or for any failure of the Borrower Parties to perform their obligations hereunder. The Administrative Agent and all other Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, the Loan Documents or to inspect the properties, books or records of the Borrower Parties.

10.4 *Reliance by the Agents.* Each of the Agents shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certification, affidavit, letter, cablegram, telegram, teletype message, statement, order or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrowers), independent accountants and other experts selected by such Agent. As to the Lenders: (1) the Administrative Agent shall be fully justified in failing or refusing to take any action under the Loan Documents unless it shall first

receive such advice or concurrence of one hundred percent (100%) of the Lenders (or, if a provision of this Agreement expressly provides that a lesser number of the Lenders may direct the action of the Administrative Agent, such lesser number of Lenders) or it shall first be indemnified to its satisfaction by the Lenders ratably in accordance with their respective Percentage Shares against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any action (except for liabilities and expenses resulting from the Administrative Agent's gross negligence or willful misconduct), (2) the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance

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with a request of one hundred percent (100%) of the Lenders (or, if a provision of this Agreement expressly provides that the Administrative Agent shall be required to act or refrain from acting at the request of a lesser number of the Lenders, such lesser number of Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders, (3) the Collateral Agent shall be fully justified in failing or refusing to take any action under the Loan Documents unless it shall first receive such advice or concurrence of the Required Benefited Creditors (or, if a provision of this Agreement or the Loan Documents expressly provides that the Collateral Agent shall be required to act or refrain from acting at the request of the Majority Benefited Creditors or a lesser number of the Benefited Creditors, such Majority Benefited Creditors or lesser number of Benefited Creditors) or it shall first be indemnified to its satisfaction by the Benefited Creditors against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any action (except for liabilities and expenses resulting from the Collateral Agent's gross negligence or willful misconduct), and (4) the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance with a request of the Required Benefited Creditors (or, if a provision of this Agreement or the Loan Documents expressly provides that the Collateral Agent shall be required to act or refrain from acting at the request of the Majority Benefited Creditors or a lesser number of the Benefited Creditors, such Majority Benefited Creditors or lesser number of Benefited Creditors), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

**10.5 Notice of Default.** The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Potential Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender or the Borrowers referring to the Loan Documents, describing such Potential Default or Event of Default and stating that such notice is a "notice of default." In the event that the Administrative Agent receives such a notice and a Potential Default has occurred, the Administrative Agent shall promptly give notice thereof to the Collateral Agent and the Lenders. The Collateral Agent shall take such action with respect to such Potential Default or Event of Default as shall be reasonably directed by the Majority Benefited Creditors; provided that, unless and until the Collateral Agent shall have received such directions, the Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Potential Default or Event of Default as it shall deem advisable in the best interest of the Benefited Creditors (except to the extent that this Agreement, the Pledge Agreements or the Guaranties expressly require that such action be taken or not taken by the Collateral Agent with the consent or upon the authorization of the Required Benefited Creditors or such other group of Lenders or Benefited Creditors, in which case such action will be taken or not taken as directed by the Required Benefited Creditors or such other group of Lenders or Benefited Creditors).

**10.6 Non-Reliance on Agents and Other Lenders.** Each Lender expressly acknowledges that none of the Administrative Agent, the other Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the other Agents hereinafter taken, including any review of the affairs of the Borrowers, shall be deemed to constitute any representation or warranty by the Administrative Agent or the other Agents to any Lender. Each Lender represents to the Administrative Agent and the other Agents that it has, independently and without reliance upon the Administrative Agent, the other Agents or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower Parties and made its own decision to make its loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, the other Agents or any other Lender, and based on such

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documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrowers. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent and the other Agents shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrowers or other Borrower Parties which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

**10.7 Indemnification.** The Lenders agree to indemnify the Administrative Agent and the other Agents in their respective capacity as such (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so), ratably according to the respective amounts of their Percentage Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including without limitation at any time following the payment of the Obligations) be imposed on, incurred by or asserted against the Administrative Agent or the other Agents in any way relating to or arising out of the Loan Documents or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Administrative Agent or the other Agents under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or any other Agent's gross negligence or willful misconduct, respectively. The provisions of this Section 10.7 shall survive the payment of the Obligations and the termination of this Agreement.

**10.8 Agents in Their Individual Capacity.** The Administrative Agent, the other Agents and their affiliates may make loans to, accept deposits from and generally engage in any kind of business with any of the Borrower Parties or any of their respective Subsidiaries Entities and Affiliates as though the Administrative Agent and the other Agents were not, respectively, the Administrative Agent, a Co-Syndication Agent, a Collateral Agent or an Agent hereunder. With respect to such loans made or renewed by them and any Note issued to them, the Administrative Agent and the other Agents shall

have the same rights and powers under the Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, a Co-Syndication Agent or an Agent, respectively, and the terms "Lender" and "Lenders" shall include the Administrative Agent, each Co-Syndication Agent and each other Agent in its individual capacity.

10.9 *Successor Administrative Agent.* The Administrative Agent may resign as Administrative Agent under the Loan Documents upon thirty (30) days' notice to the Lenders. If the Administrative Agent shall resign, then the Lenders (other than the Lender resigning as Administrative Agent) shall (with, so long as there shall not exist and be continuing an Event of Default, the consent of the Borrowers, such consent not to be unreasonably withheld or delayed) appoint a successor agent or, if the Lenders are unable to agree on the appointment of a successor agent, the Administrative Agent shall appoint a successor agent for the Lenders whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon its appointment, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any of the Loan Documents or successors thereto. After any retiring Administrative Agent's resignation hereunder as Administrative Agent,

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the provisions of the Loan Documents shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under the Loan Documents.

10.10 *Successor Collateral Agent.* The Collateral Agent may resign as Collateral Agent under the Loan Documents upon thirty (30) days' notice to the Lenders. If the Collateral Agent shall resign, then the Required Benefited Creditors (as determined by excluding the Benefited Creditor resigning as Collateral Agent) shall (with, so long as there shall not exist and be continuing an Event of Default, the consent of the Borrowers, such consent not to be unreasonably withheld or delayed) appoint a successor agent or, if such Required Benefited Creditors are unable to agree on the appointment of a successor agent, the Collateral Agent shall appoint a successor agent for the Lenders and the other Benefited Creditors whereupon such successor agent shall succeed to the rights, powers and duties of the Collateral Agent, and the term "Collateral Agent" shall mean such successor agent effective upon its appointment, and the former Collateral Agent's rights, powers and duties as Collateral Agent shall be terminated, without any other or further act or deed on the part of such former Collateral Agent or any of the parties to this Agreement or any of the Loan Documents or successors thereto. After any retiring Collateral Agent's resignation hereunder as Collateral Agent, the provisions of the Loan Documents shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under the Loan Documents.

10.11 *Limitations on Agents Liability.* None of the Co-Syndication Agents, the Co-Documentation Agent or the Co-Lead Arrangers, in such capacities, shall have any right, power, obligation, liability, responsibility or duty under this Agreement.

#### ARTICLE 11. *Miscellaneous Provisions.*

11.1 *No Assignment by Borrowers.* None of the Borrower Parties may assign its rights or obligations under this Agreement or the other Loan Documents without the prior written consent of the Administrative Agent and one hundred percent (100%) of the Lenders. Subject to the foregoing, all provisions contained in this Agreement and the other Loan Documents and in any document or agreement referred to herein or therein or relating hereto or thereto shall inure to the benefit of the Administrative Agent and each Lender, their respective successors and assigns, and shall be binding upon each of the Borrower Parties and such Person's successors and assigns.

11.2 *Modification.* Neither this Agreement nor any other Loan Document may be Modified or waived unless such Modification or waiver is in writing and signed by the Administrative Agent, the Guarantors, the Borrowers and, except for the Modifications and waivers referred to in clauses (i) and (ii) below, the Required Lenders. Notwithstanding the foregoing, no such Modification or waiver shall: (i) without the prior written consent of the Required Benefited Creditors: (1) Modify or waive: any mandatory payment requirement of *Section 3.3*; *Section 3.4*; *Section 7.16*; any covenant in *Article 8*; or the last paragraph of *Article 9*; (2) increase the applicable rate of interest payable hereunder, (3) Modify the definition of "Required Benefited Creditors", "Majority Benefited Creditors" or "Benefited Creditors", or (4) Modify this clause (i) of this *Section 11.2* or *Section 7* of the Pledge Agreements (and any definitions therein related solely to the application of such Section); and (ii) without the prior written consent of one hundred percent (100%) of the Lenders: (1) reduce the principal of, or rate of interest on, the Term Loan or fees payable hereunder, (2) except as expressly contemplated by *Section 11.8* below, modify the Percentage Share of any Lender, (3) Modify the definition of "Required Lenders", (4) extend or waive any scheduled payment date for any principal, interest or fees, (5) release MAC from its obligations under the REIT Guaranty, release the Macerich Partnership from its obligation to repay the Term Loan, release any of the pledgors under the Pledge Agreements or release any portion of the collateral pledged under the Pledge Agreements (except for such releases as may be specifically authorized by or otherwise approved in accordance with this Credit Agreement), (6) Modify this

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*Section 11.2* (except that clause (i) above shall govern Modifications to such clause (i) of this *Section 11.2*), or (7) Modify any provision of the Loan Documents which by its terms requires the consent or approval of one hundred percent (100%) of the Lenders. It is expressly agreed and understood that the failure by the Majority Benefited Creditors or the Required Lenders, as applicable, to elect to accelerate amounts outstanding hereunder and/or to terminate the obligation of the Lenders to make Loans hereunder shall not constitute a Modification or waiver of any term or provision of this Agreement. No Modification of any provision of the Loan Documents relating to the Administrative Agent or the Collateral Agent shall be effective without the written consent, as applicable, of the Administrative Agent or the Collateral Agent.

11.3 *Cumulative Rights; No Waiver.* The rights, powers and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and in addition to all rights, power and remedies provided under any and all agreements among the Borrower Parties, the Administrative Agent and the Lenders relating hereto, at law, in equity or otherwise. Any delay or failure by Administrative Agent and the Lenders to exercise any right, power or remedy shall not constitute a waiver thereof by the Administrative Agent or the Lenders, and no single or partial exercise by the Administrative Agent or the Lenders of any right, power or remedy shall preclude other or further exercise thereof or any exercise of any other rights, powers or remedies.

11.4 *Entire Agreement.* This Agreement, the other Loan Documents and the schedules, appendices, documents and agreements referred to herein and therein embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof and thereof.

11.5 *Survival.* All representations, warranties, covenants and agreements contained in this Agreement and the other Loan Documents on the part of the Borrower Parties shall survive the termination of this Agreement and shall be effective until the Obligations are paid and performed in full or longer as expressly provided herein.

11.6 *Notices.* All notices given by any party to the others under this Agreement and the other Loan Documents shall be in writing unless otherwise provided for herein, and any such notice shall become effective (i) upon personal delivery thereof, including, but not limited to, delivery by overnight mail and courier service, (ii) four (4) days after it shall have been mailed by United States mail, first class, certified or registered, with postage prepaid, or (iii) in the case of notice by a telecommunications device, when properly transmitted, in each case addressed to the party at the address set forth on *Schedule 11.6* attached hereto. Any party may change the address to which notices are to be sent by notice of such change to each other party given as provided herein. Such notices shall be effective on the date received or, if mailed, on the third Business Day following the date mailed.

11.7 *Governing Law.* This Agreement and the other Loan Documents shall be governed by and construed in accordance with the laws of the State of New York without giving effect to its choice of law rules.

11.8 *Assignments, Participations, Etc.*

(1) With the prior written consent of the Administrative Agent and, but only if there has not occurred and is continuing an Event of Default or Potential Default, MAC, such consents not to be unreasonably withheld or delayed, any Lender may at any time assign and delegate to one or more Eligible Assignees (provided that no written consent of MAC or the Administrative Agent shall be required in connection with any assignment and delegation by a Lender to an Affiliate of such Lender or to another Lender or its Affiliate) (each an "Assignee") all or any part of such Lender's Percentage Share of the Term Loan and the other

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Obligations held by such Lender hereunder, in a minimum amount of \$1,000,000, which minimum amount may be an aggregated amount in the event of simultaneous assignments to or by two or more funds under common management (or if such Lender's Percentage Share of the Term Loan is less than \$1,000,000, one hundred percent (100%) thereof); provided, however, that MAC, the Borrowers and the Administrative Agent may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrowers and the Administrative Agent by such Lender and the Assignee; (ii) such Lender and its Assignee shall have delivered to the Borrowers and the Administrative Agent an Assignment and Acceptance Agreement and (iii) the Assignee has paid to the Administrative Agent a processing fee in the amount of \$3500.

(A) From and after the date that the Administrative Agent notifies the assignor Lender and the Borrowers that it has received an executed Assignment and Acceptance Agreement and payment of the above-referenced processing fee: (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned to it pursuant to such Assignment and Acceptance Agreement, shall have the rights and obligations of a Lender under the Loan Documents, (ii) the assignor Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance Agreement, relinquish its rights and be released from its obligations under the Loan Documents (but shall be entitled to indemnification as otherwise provided in this Agreement with respect to any events occurring prior to the assignment) and (iii) this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Percentage Shares resulting therefrom.

(2) Within five Business Days after its receipt of notice by the Administrative Agent that it has received an executed Assignment and Acceptance Agreement and payment of the processing fee (which notice shall also be sent by the Administrative Agent to each Lender), the Borrowers shall, if requested by the Assignee, execute and deliver to the Administrative Agent, a new Note evidencing such Assignee's Percentage Share of the Term Loan.

(3) Any Lender may at any time sell to one or more commercial banks or other Persons not Affiliates of the Borrowers (a "Participant") participating interests in the Term Loan and the other interests of that Lender (the "originating Lender") hereunder and under the other Loan Documents; provided, however, that (i) the originating Lender's obligations under this Agreement shall remain unchanged, (ii) the originating Lender shall remain solely responsible for the performance of such obligations, and (iii) the Borrowers and the Administrative Agent shall continue to deal solely and directly with the originating Lender in connection with the originating Lender's rights and obligations under this Agreement and the other Loan Documents. In the case of any such participation, the Participant shall be entitled to the benefit of *Sections 2.5, 2.6 and 2.7* (and subject to the burdens of *Sections 2.8 and 11.8* above) as though it were also a Lender thereunder, and if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, and *Section 11.10* of this Agreement shall apply to such Participant as if it were a Lender party hereto.

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(4) Notwithstanding any other provision contained in this Agreement or any other Loan Document to the contrary, any Lender may assign all or any portion of its Percentage Share of the Term Loan held by it to any Federal Reserve Lender or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Lender, provided that any payment in respect of such assigned Percentage Share of the Term Loan made by the Borrowers to or for the account of the assigning and/or pledging Lender in accordance with the terms of this Agreement shall satisfy the Borrowers' obligations hereunder

in respect to such assigned Percentage Share of the Term Loan to the extent of such payment. No such assignment shall release the assigning Lender from its obligations hereunder.

11.9 *Counterparts.* This Agreement and the other Loan Documents may be executed in any number of counterparts, all of which together shall constitute one agreement.

11.10 *Sharing of Payments.* If any Lender shall receive and retain any payment, whether by setoff, application of deposit balance or security, or otherwise, in respect of the Obligations in excess of such Lender's Percentage Share thereof, then such Lender shall purchase from the other Lenders for cash and at face value and without recourse, such participation in the Obligations held by them as shall be necessary to cause such excess payment to be shared ratably as aforesaid with each of them; provided, that if such excess payment or part thereof is thereafter recovered from such purchasing Lender, the related purchases from the other Lenders shall be rescinded ratably and the purchase price restored as to the portion of such excess payment so recovered, but without interest. Each Lender is hereby authorized by the Borrower Parties to exercise any and all rights of setoff, counterclaim or bankers' lien against the full amount of the Obligations, whether or not held by such Lender. Each Lender hereby agrees to exercise any such rights first against the Obligations and only then to any other Indebtedness of the Borrowers to such Lender.

11.11 *Confidentiality.* Each Lender agrees to take normal and reasonable precautions and exercise due care to maintain the confidentiality of all information provided to it by any of the Borrower Parties or by the Administrative Agent on the Borrower Parties' behalf, in connection with this Agreement or any other Loan Document, and neither it nor any of its Affiliates shall use any such information for any purpose or in any manner other than pursuant to the terms contemplated by this Agreement, except to the extent such information: (1) was or becomes generally available to the public other than as a result of a disclosure by any Lender or any prospective Lender, or (2) was or becomes available from a source other than the Borrower Parties not known to the Lenders to be in breach of an obligation of confidentiality to the Borrower Parties in the disclosure of such information. Nothing contained herein shall restrict any Lender from disclosing such information (i) at the request or pursuant to any requirement of any Governmental Authority; (ii) pursuant to subpoena or other court process; (iii) when required to do so in accordance with the provisions of any applicable Requirement of Law; (iv) to the extent reasonably required in connection with any litigation or proceeding to which the Administrative Agent, any Lender or their respective Affiliates may be party; (v) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Loan Document; (vi) to such Lender's independent auditors and other professional advisors; and (vii) to any Participant or Assignee and to any prospective Participant or Assignee, provided that each Participant and Assignee or prospective Participant or Assignee first agrees to be bound by the provisions of this Section 11.11.

11.12 *Consent to Jurisdiction.* ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS CREDIT AGREEMENT, EACH

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OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

11.13 *Waiver of Jury Trial.* EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH OF SUCH PARTIES FURTHER AGREES THAT ITS RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

11.14 *Indemnity.* Whether or not the transactions contemplated hereby are consummated, each of the Borrower Parties shall indemnify and hold the Administrative Agent, the other Agents and each Lender and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "*Indemnified Person*") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including reasonable attorney's fees and expenses) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Term Loan and the termination, resignation or replacement of the Administrative Agent or replacement of any Lender) be imposed on, incurred by or asserted against any such Person in any way relating to or arising out of this Agreement or any document contemplated by or referred to herein, or the transactions contemplated hereby, or any action taken or omitted by any such Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any insolvency proceeding or appellate proceeding) related to or arising out of this Agreement or the Term Loan or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "*Indemnified Liabilities*"); provided, however, that the Borrower Parties shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities resulting solely from the gross negligence or willful misconduct of such Indemnified Person. The agreements in this Section 11.14 shall survive payment of all other Obligations.

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11.15 *Telephonic Instruction.* Any agreement of the Administrative Agent and the Lenders herein to receive certain notices by telephone is solely for the convenience and at the request of the Borrowers. The Administrative Agent and the Lenders shall be entitled to rely on the authority of any Person purporting to be a Person authorized by the Borrowers to give such notice and the Administrative Agent and the Lenders shall not have any liability to the Borrowers or other Person on account of any action taken or not taken by the Administrative Agent or the Lenders in reliance upon such telephonic notice. The obligation of the Borrowers to repay the Loans shall not be affected in any way or to any extent by any failure by the Administrative Agent and the Lenders to receive written confirmation of any telephonic notice or the receipt by the Administrative Agent and the Lenders of a confirmation which is at variance with the terms understood by the Administrative Agent and the Lenders to be contained in the telephonic notice.

11.16 *Marshalling; Payments Set Aside.* Neither the Administrative Agent nor the Lenders shall be under any obligation to marshal any assets in favor of any of the Borrower Parties or any other Person or against or in payment of any or all of the Obligations. To the extent that any of the Borrower Parties makes a payment or payments to the Administrative Agent or the Lenders, or the Administrative Agent or the Lenders enforce their Liens or exercise their rights of set-off, and such payment or payments or the proceeds of such enforcement or set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent in its discretion) to be repaid to a trustee, receiver or any other party in connection with any insolvency proceeding, or otherwise, then (1) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or set-off had not occurred, and (2) each Lender severally agrees to pay to the Administrative Agent upon demand its ratable share of the total amount so recovered from or repaid by the Administrative Agent.

11.17 *Set-off.* In addition to any rights and remedies of the Lenders provided by law, if an Event of Default exists, each Lender is authorized at any time and from time to time, without prior notice to the Borrower Parties, any such notice being waived by the Borrower Parties to the fullest extent permitted by law, to set off and apply in favor of the Benefited Creditors any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing to, such Lender to or for the credit or the account of the Borrower Parties against any and all Aggregate Obligations owing to the Benefited Creditors, now or hereafter existing, irrespective of whether or not the Administrative Agent, the Collateral Agent or such Lender shall have made demand under this Agreement or any Loan Document and although such Aggregate Obligations may be contingent or unmatured. Each Lender agrees promptly to (i) notify the Borrower Parties, the Administrative Agent and the Collateral Agent after any such set-off and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application and (ii) pay such amounts that are set-off to the Collateral Agent for the ratable benefit of the Benefited Creditors.

11.18 *Severability.* The illegality or unenforceability of any provision of this Agreement or any other Loan Document or any instrument or agreement required hereunder or thereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions hereof or thereof.

11.19 *No Third Parties Benefited.* This Agreement and the other Loan Documents are made and entered into for the sole protection and legal benefit of the Borrower Parties, the Lenders and the Administrative Agent, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents.

11.20 *Time.* Time is of the essence as to each term or provision of this Agreement and each of the other Loan Documents.

[Signature Pages Following]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

BORROWERS:

THE MACERICH PARTNERSHIP, L.P.,  
a Delaware limited partnership

By: The Macerich Company,  
a Maryland corporation,  
Its general partner  
By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH GALAHAD GP CORP.,  
a Delaware corporation

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH GALAHAD LP,  
a Delaware limited partnership

By: Macerich Galahad GP Corp.,  
a Delaware corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and  
General Counsel

MACERICH WRLP CORP.,  
a Delaware corporation

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

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MACERICH WRLP LLC,  
a Delaware limited liability company

By: The Macerich Partnership, L.P.,  
a Delaware limited partnership,  
Its sole member

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and  
General Counsel

MACERICH TWC II CORP.,  
a Delaware corporation

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH TWC II LLC,  
a Delaware limited liability company

By: The Macerich Partnership, L.P.,  
a Delaware limited partnership,  
Its sole member

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and  
General Counsel

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GUARANTORS:

THE MACERICH COMPANY,  
a Maryland corporation

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH BRISTOL ASSOCIATES,  
a California general partnership

By: The Macerich Company,



a Maryland corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH GREAT FALLS LIMITED PARTNERSHIP,  
a California limited partnership

By: Macerich Great Falls GP Corp.,  
a Delaware corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH OKLAHOMA LIMITED PARTNERSHIP,  
a California limited partnership

By: Macerich Oklahoma GP Corp.,  
a Delaware corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

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MACERICH WESTSIDE ADJACENT LIMITED  
PARTNERSHIP, a California limited partnership

By: Macerich Westside Adjacent GP Corp.,  
a Delaware corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH SASSAFRAS LIMITED PARTNERSHIP,  
a California limited partnership

By: Macerich Sassafras GP Corp.,  
a Delaware corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

NORTHGATE MALL ASSOCIATES,  
a California general partnership

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

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DEUTSCHE BANK TRUST COMPANY AMERICAS,  
as Administrative Agent, Collateral Agent and a Lender

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

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JP MORGAN CHASE BANK

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

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DRESDNER BANK AG, NEW YORK and  
GRAND CAYMAN BRANCHES

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

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ING CAPITAL LLC,  
a Delaware limited liability company

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

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FLEET NATIONAL BANK,  
a national banking association

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

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COMMERZBANK AG, NEW YORK and  
GRAND CAYMAN BRANCHES

By:

\_\_\_\_\_

Name:

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Title:

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By:

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Name:

\_\_\_\_\_

Title:

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KZH STERLING LLC

By:

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Name:

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Title:

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KZH ING-2 LLC

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

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KZH CYPRESS TREE-1 LLC

By:

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Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

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KZH CNC LLC

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

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THIS GLOSSARY is attached to and made a part of that certain Credit Agreement (the "*Credit Agreement*") dated as of July 26, 2002 by and among THE MACERICH PARTNERSHIP, L.P., a limited partnership organized under the laws of the state of Delaware ("*Macerich Partnership*"); MACERICH GALAHAD GP CORP., a Delaware corporation ("*Galahad GP*"); MACERICH GALAHAD LP, a Delaware limited partnership ("*Galahad LP*"); MACERICH WRLP CORP., a Delaware corporation ("*Macerich WRLP Corp.*"); MACERICH WRLP LLC, a Delaware limited liability company ("*Macerich WRLP LLC*"); MACERICH TWC II CORP., a Delaware corporation ("*Macerich TWC Corp.*"); MACERICH TWC II LLC, a Delaware limited liability company ("*Macerich TWC LLC*") (Galahad GP, Galahad LP, Macerich WRLP Corp., Macerich WRLP LLC, Macerich TWC Corp. and Macerich TWC LLC being referred to herein, jointly and severally, as "*Westcor Borrowers*") (Macerich Partnership and Westcor Borrowers being referred to herein, jointly and severally, as the "*Borrowers*"); THE MACERICH COMPANY, a Maryland corporation ("*MAC*"); THE ENTITIES FROM TIME TO TIME PARTY HERETO AS GUARANTORS; THE LENDERS FROM TIME TO TIME PARTY HERETO (collectively and severally, the "*Lenders*"); and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "*Administrative Agent*") and as Collateral Agent for the Benefited Creditors. For purposes of the Credit Agreement and the other Loan Documents, the terms set forth below shall have the following meanings:

"*Act*" shall have the meaning given such term in *Section 6.13* of the Credit Agreement.

"*Administrative Agent*" shall have the meaning given such term in the introductory paragraph of the Credit Agreement and shall include any successor to DBTCA as the initial "Administrative Agent" thereunder.

"*Affiliate*" shall mean, as to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with, such Person. "Control" as used herein means the power to direct the management and policies of such Person. In the case of a Lender which is a fund that invests in loans, any other fund that invests in loans which is managed by the same investment advisor as such Lender, or by another Affiliate of such Lender or such investment advisor, shall be deemed an Affiliate of such Lender.

"*Affiliate Guaranties*" shall mean each of the credit guaranties executed by each of the Affiliate Guarantors in favor of DBTCA (or a successor Collateral Agent), in its capacity as Collateral Agent for the benefit of the Benefited Creditors, as the same may be Modified from time to time.

"*Affiliate Guarantors*" shall mean, jointly and severally, MACERICH BRISTOL ASSOCIATES, a California general partnership, and its successors, MACERICH GREAT FALLS LIMITED PARTNERSHIP, a California limited partnership, and its successors, MACERICH OKLAHOMA LIMITED PARTNERSHIP, a California limited partnership, and its successors, MACERICH WESTSIDE ADJACENT LIMITED PARTNERSHIP, a California limited partnership, and its successors, MACERICH SASSAFRAS LIMITED PARTNERSHIP, a California limited partnership, and its successors, NORTHGATE MALL ASSOCIATES, a California general partnership, and its successors, and any other guarantors executing Supplemental Guaranties in accordance with *Section 4.1* of the Credit Agreement.

"*Agents*" shall mean the Administrative Agent, the Co-Syndication Agents, the Co-Lead Arrangers, the Co-Documentation Agents, the Collateral Agent and any other Persons acting in the capacity of an agent for the Lenders under the Credit Agreement, together with their permitted successors and assigns.

"*Aggregate Investment Value*" shall mean for each permitted Investment identified in *Section 8.5* of the Credit Agreement (and any related Property referred to in such Section), the greater of (i) the purchase price of such Investment (and related Property); or (ii) that portion of the Gross Asset Value represented by the relevant Investment (and related Property) as calculated in the most recent Measuring Period; provided, however, that all Real Property Under Construction shall be valued at the out-of-pocket costs incurred by the applicable Borrower Parties or their Subsidiary Entities in respect of such Real Property Under Construction.

"*Aggregate Obligations*" shall mean, collectively, the "Obligations" under, and as such term is defined in, each of the Interim Facility Credit Agreement, the Revolving Credit Agreement and the Credit Agreement.

"*Applicable Base Rate*" shall mean the floating rate per annum equal to the daily average Base Rate in effect during the applicable calculation period plus one percent (1.00%).

"*Applicable LIBO Rate*" shall mean, with respect to any LIBO Rate Loan for the Interest Period applicable to such LIBO Rate Loan, the per annum rate equal to the Reserve Adjusted LIBO Rate plus the percentage (per annum) set forth below which corresponds to the applicable ratio of Total Liabilities to Gross Asset Value (expressed as a percentage) as measured at the end of each Fiscal Quarter:

| Ratio of Total Liabilities<br>to Gross Asset Value | LIBO Spread |
|--|-------------|
| Less than 60%                                      | 2.75%       |
| Greater than or equal to 60%                       | 3.00%       |

Notwithstanding the foregoing, if the Compliance Certificate is not delivered pursuant to the Credit Agreement for purposes of calculating the ratio of Total Liabilities to Gross Asset Value (or if such calculation cannot be made for any other reason), then the "LIBO Spread" above shall be 3.00%. Any change in the Applicable LIBO Rate resulting from a change in the ratio of Total Liabilities to Gross Asset Value shall not take effect until the fifth Business Day after the Compliance Certificate with respect to a Fiscal Quarter is (or is required to be) delivered.

"*Assignee*" shall have the meaning given such term in *Section 11.8* of the Credit Agreement.

"*Assignment and Acceptance Agreement*" shall mean an agreement in the form of that attached to the Credit Agreement as *Exhibit B*.

"*Base Rate*" shall mean on any day the higher of: (a) the Prime Rate in effect on such day, and (b) the sum of the Federal Funds Rate in effect on such day plus one half of one percent (0.50%).

"*Base Rate Loan*" shall have the meaning given such term in *Section 2.1* of the Credit Agreement.

"Benefited Creditors" shall mean, collectively, each of the "Lenders" from time to time under, and as such term is defined in each of, the Revolving Credit Agreement, the Interim Facility Credit Agreement and the Credit Agreement, and the "Issuing Lender" (as such term is defined in the Revolving Credit Agreement).

"Book Value" shall mean the book value of such asset or property, including related Indebtedness.

"Borrower Parties" shall mean, jointly and severally, each of the Borrowers and the Guarantors.

"Borrowers" shall mean, jointly and severally, the Macerich Partnership and the Westcor Borrowers.

"Bristol Shopping Center Asset" shall mean Real Property and improvements located at 3601-3925 Bristol Street, Santa Ana, CA 92704 and 1200 MacArthur Blvd., Santa Ana, CA 92704, commonly

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referred to as "Bristol Shopping Center" and owned by Macerich Bristol Associates, a California general partnership.

"Broadway Plaza Property" shall mean Real Property and improvements located at 1275 Broadway Plaza, Walnut Creek, CA 94596, commonly referred to as "Broadway Plaza" and owned by Macerich Northwestern Associates, a California general partnership.

"Bullet Payment" shall mean any payment of the entire unpaid balance of any Indebtedness at its final maturity other than the final payment with respect to a loan that is fully amortized over its term.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banks in Los Angeles, California or New York, New York are authorized or obligated to close their regular banking business.

"Capitalized Lease" of a Person means any lease of property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Loan Fees" shall mean, with respect to the Macerich Entities, and with respect to any period, any upfront, closing or similar fees paid by such Person in connection with the incurrence or refinancing of Indebtedness during such period that are capitalized on the balance sheet of such Person.

"Capital Stock" means (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including, without limitation, each class or series of common stock and preferred stock of such Person and (ii) with respect to any Person that is not a corporation, any and all investment units, partnership, membership or other equity interests of such Person.

"Cash Equivalents" shall mean, with respect to any Person: (a) securities issued, guaranteed or insured by the United States of America or any of its agencies with maturities of not more than one year from the date acquired; (b) certificates of deposit with maturities of not more than one year from the date acquired by a United States federal or state chartered commercial bank of recognized standing, which has capital and unimpaired surplus in excess of \$500,000,000 and which bank or its holding company has a short-term commercial paper rating of at least A-2 or the equivalent by S&P or at least P-2 or equivalent by Moody's; (c) reverse repurchase agreements with terms of not more than seven days from the date acquired, for securities of the type described in clause (a) above and entered into only with commercial banks having the qualifications described in clause (b) above; (d) commercial paper issued by any Person incorporated under the laws of the United States of America or any State thereof and rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof of Moody's, in each case with maturities of not more than one year from the date acquired; and (e) investments in money market funds registered under the Investment Company Act of 1940, which have net assets of at least \$500,000,000 and at least 85% of whose assets consist of securities and other obligations of the type described in clauses (a) through (d) above.

"Change in Law" shall mean (a) the adoption of any law, rule or regulation after the date of the Credit Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of the Credit Agreement or (c) compliance by any Lender (or by any lending office of such Lender or by such Lender's holding company, if any) with any guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of the Credit Agreement.

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"Change in Control" shall mean, with respect to MAC, the occurrence of either of the following: (i) a change in the beneficial ownership within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 of more than twenty-five percent (25%) of the Capital Stock of MAC having general voting rights so that such Capital Stock is held by a Person, or two (2) or more Persons acting in concert, unless the Administrative Agent and the Required Lenders have approved in advance in writing the identity of such Person or Persons or (ii) the resignation or removal from the Board of Directors of fifty percent (50%) or more of the members of MAC's Board of Directors during any twelve (12) month period for any reason other than death, disability or voluntary retirement or personal reasons, unless otherwise approved in advance in writing by the Required Lenders.

"Closing Certificate" shall mean a certificate in the form of that attached to the Credit Agreement as *Exhibit C*.

"Closing Date" shall mean the date as of which all conditions set forth in *Section 5.1* of the Credit Agreement shall have been satisfied or waived and the Term Loan shall have been funded.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, as from time to time in effect.

"Co-Documentation Agents" shall mean ING Capital LLC and Fleet National Bank, in their respective capacities as co-documentation agents for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

"Co-Lead Arrangers" shall mean Deutsche Bank Securities, Inc. and J.P. Morgan Securities Inc., in their respective capacities as co-lead arrangers and joint book runners for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

"Collateral Agent" shall mean DBTCA in its capacity as collateral agent for the benefit of the Benefited Creditors, together with its permitted successors and assigns.

"Commencement of Construction" shall mean with respect to any Real Property or Westcor Real Property, the commencement of material on-site work (including grading) or the commencement of a work of improvement of such property.

"Compliance Certificate" shall mean a certificate in the form of that attached to the Credit Agreement as *Exhibit D*.

"Construction in Process" means, with respect to any Real Property Under Construction or Westcor Real Property Under Construction, the aggregate amount of expenditures classified as "construction-in-process" on the balance sheet of the Consolidated Entities or Westcor, respectively, with respect thereto.

"Consolidated Entities" means, collectively, (i) the Borrower Parties, (ii) MAC's Subsidiaries; and (iii) any other Person the accounts of which are consolidated with those of MAC in the consolidated financial statements of MAC in accordance with GAAP.

"Contact Office" shall mean the office of DBTCA located at Deutsche Bank Trust Company Americas, 90 Hudson Street Mail Stop: JCY05-0511 Jersey City, NJ 07302 Attn: Joseph Adamo, or such other offices in New York, New York as the Administrative Agent may notify the Borrowers and the Lenders from time to time in writing.

"Contingent Obligation" as to any Person shall mean, without duplication, (i) any contingent obligation of such Person required to be shown on such Person's balance sheet in accordance with GAAP, and (ii) any obligation required to be disclosed in the footnotes to such Person's financial statements in accordance with GAAP, guaranteeing partially or in whole any non-recourse Indebtedness, lease, dividend or other obligation, exclusive of contractual indemnities (including,

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without limitation, any indemnity or price-adjustment provision relating to the purchase or sale of securities or other assets), of such Person or of any other Person. The amount of any Contingent Obligation described in clause (ii) shall be deemed to be (a) with respect to a guaranty of interest or interest and principal, or operating income guaranty, the sum of all payments required to be made thereunder (which in the case of an operating income guaranty shall be deemed to be equal to the debt service for the note secured thereby), calculated at the interest rate applicable to such Indebtedness, through (1) in the case of an interest or interest and principal guaranty, the stated date of maturity of the obligation (and commencing on the date interest could first be payable thereunder), or (2) in the case of an operating income guaranty, the date through which such guaranty will remain in effect, and (b) with respect to all guarantees not covered by the preceding clause (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as recorded on the balance sheet and on the footnotes to the most recent financial statements of the applicable Person required to be delivered pursuant hereto. Notwithstanding anything contained herein to the contrary, guarantees of completion and non-recourse carve outs in secured loans shall not be deemed to be Contingent Obligations unless and until a claim for payment has been made thereunder, at which time any such guaranty of completion shall be deemed to be a Contingent Obligation in an amount equal to any such claim. Subject to the preceding sentence, (i) in the case of a joint and several guaranty given by such Person and another Person (but only to the extent such guaranty is recourse, directly or indirectly to the applicable Borrower Party or their respective Subsidiaries), the amount of the guaranty shall be deemed to be 100% thereof unless and only to the extent that (X) such other Person has delivered cash or Cash Equivalents to secure all or any part of such Person's guaranteed obligations or (Y) such other Person holds an Investment Grade Credit Rating from either Moody's or S&P, and (ii) in the case of a guaranty (whether or not joint and several) of an obligation otherwise constituting Indebtedness of such Person, the amount of such guaranty shall be deemed to be only that amount in excess of the amount of the obligation constituting Indebtedness of such Person. Notwithstanding anything contained herein to the contrary, "Contingent Obligations" shall not be deemed to include guarantees of loan commitments or of construction loans to the extent the same have not been drawn.

"Contractual Obligation" as to any Person shall mean any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

"Credit Agreement" shall mean the Credit Agreement defined in the introductory paragraph of this Glossary, as the same may be Modified, extended or replaced from time to time.

"DBTCA" shall mean Deutsche Bank Trust Company Americas.

"Depreciation and Amortization Expense" shall mean (without duplication), for any period, the sum for such period of (i) total depreciation and amortization expense, whether paid or accrued, of the Consolidated Entities, plus (ii) any Consolidated Entity's *pro rata* share of depreciation and amortization expenses of Joint Ventures. For purposes of this definition, MAC's *pro rata* share of depreciation and amortization expense of any Joint Venture shall be deemed equal to the product of (i) the depreciation and amortization expense of such Joint Venture, multiplied by (ii) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"Designated Assets" shall mean those certain unencumbered assets set forth on *Schedule G-1* to the Credit Agreement together with any Unencumbered Property subsequently acquired by the Borrower Parties or any Macerich Core Entities.

"Designated Environmental Properties" shall have the meaning given such term in *Section 7.9* of the Credit Agreement.

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"Disposition" shall mean the sale, conveyance, pledge, hypothecation, ground lease, encumbrance, creation of a security interest with respect to, or other transfer, whether voluntary or involuntary, direct or indirect, of any legal or beneficial interest in a Property, including any sale, conveyance, pledge, hypothecation, ground lease, encumbrance, creation of a security interest with respect to, or other transfer, at any tier, of any ownership interest in any Macerich Entity; provided, however, that Disposition shall not include any Permitted Encumbrances; provided further that such exclusion of Permitted Encumbrances shall not apply to the Dispositions described in Sections 8.4(1), 8.4(2), and 8.4(3). "Disposition" shall not include the sale or ground lease of any ancillary building pad site within a Project provided that the consideration received for such transaction does not exceed \$250,000 for any Project and \$3,000,000 in the aggregate for all Projects.

"Disposition Promissory Note" shall mean any promissory note received as consideration for the Disposition of a Property subject to Section 3.3 of the Credit Agreement.

"Disqualified Capital Stock" shall mean with respect to any Person any Capital Stock of such Person (other than preferred stock of MAC issued and outstanding on the Closing Date) that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or otherwise (including upon the occurrence of any event), is required to be redeemed or is redeemable for cash at the option of the holder thereof, in whole or in part (including by operation of a sinking fund), or is exchangeable for Indebtedness (other than at the option of such Person), in whole or in part, at any time.

"Distribution" shall mean with respect to MAC and Macerich Partnership: (i) any distribution of cash or Cash Equivalent, directly or indirectly, to the partners or holders of Capital Stock of such Persons, or any other distribution on or in respect of any partnership, company or equity interests of such Persons; and (ii) the declaration or payment of any dividend on or in respect of any shares of any class of Capital Stock of such Persons, other than: (1) dividends payable solely in shares of common stock by MAC; or (2) the purchase, redemption, or other retirement of any shares of any class of Capital Stock of such Persons, directly or indirectly through a Subsidiary of MAC or otherwise, to the extent such purchase, redemption, or other retirement occurs in exchange for the issuance of Capital Stock of MAC or Macerich Partnership.

"EBITDA" shall mean, for the twelve months then most recently ended, solely with respect to the Consolidated Entities, (i) Net Income, plus (without duplication) (A) Interest Expense, (B) Tax Expense, and (C) Depreciation and Amortization Expense, in each case for such period.

"Eligible Assignee" shall mean any of the following:

(a) A commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least \$100,000,000;

(b) A commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having a combined capital and surplus of at least \$100,000,000 (provided that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD);

(c) A Person that is engaged in the business of commercial banking and that is: (1) an Affiliate of a Lender, (2) an Affiliate of a Person of which a Lender is an Affiliate, or (3) a Person of which a Lender is an Affiliate;

(d) An insurance company, mutual fund or other financial institution organized under the laws of the United States, any state thereof, any other country which is a member of the OECD or a political subdivision of any such country which invests in bank loans and has a net worth of \$500,000,000; and

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(e) Any fund (other than a mutual fund) which invests in bank loans and whose assets exceed \$100,000,000;

provided, however, that no Person shall be an "Eligible Assignee" unless at the time of the proposed assignment to such Person: (i) such Person is able to make its portion of the Term Loan in U.S. dollars, and (ii) such Person is exempt from withholding of tax on interest and is able to deliver the documents related thereto pursuant to Section 2.10(5) of the Credit Agreement.

"Environmental Properties" shall have the meaning given such term in Section 6.15 of the Credit Agreement.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as Modified, and the rules and regulations promulgated thereunder as from time to time in effect.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) under common control with any Consolidated Entity within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" shall mean (a) a Reportable Event with respect to a Pension Plan or a Multiemployer Plan; (b) a withdrawal by any Consolidated Entity or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Consolidated Entity or any ERISA Affiliate from a Multiemployer Plan or notification that a multiemployer is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a plan amendment as a termination under Section 4041 or 4041A of ERISA or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) a failure by any Consolidated Entity to make required contributions to a Pension Plan, Multiemployer Plan or other Plan subject to Section 412 of the Code; (f) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (g) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Consolidated Entity or any ERISA Affiliate; or (h) an application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code with respect to any Plan.

"Eurodollar Business Day" shall mean a Business Day on which commercial banks in London, England and Frankfurt, Germany are open for domestic and international business.

"Event of Default" shall have the meaning given such term in Section 9 of the Credit Agreement.

"Evidence of No Withholding" shall have the meaning given such term in Section 2.10 of the Credit Agreement.

"Exchange Property" shall mean real property acquired in connection with a Like Kind Exchange by a Macerich Entity as consideration, in whole or in part, for the sale of Real Property owned by such Macerich Entity.

"Excluded Taxes" shall mean, with respect to the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Borrowers hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by any state, locality or foreign jurisdiction under the laws of which such recipient is organized or in which it maintains an office or permanent establishment, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrowers are located and (c) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to the Credit Agreement or is attributable to such Foreign Lender's failure to comply with Section 2.10(5) of

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the Credit Agreement; provided, however, Excluded Taxes shall not include any withholding tax resulting from any inability to comply with Section 2.10(5) of the Credit Agreement solely by reason of there having occurred a Change in Law.

"Existing Revolving Credit Facility" shall mean that certain Third Amended and Restated Credit and Guaranty Agreement dated as of July 30, 2001 (as amended and modified from time to time) by and among the Macerich Partnership, MAC, the entities from time party thereto as guarantors, the banks and other financial institutions party thereto and Wells Fargo Bank, National Association, as the agent.

"Federal Funds Rate" shall mean for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 1:00 p.m. (New York time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"FFO" shall mean net income (loss) (computed in accordance with GAAP) excluding gains (or losses) from debt restructurings and sales of property, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures, as set forth in more detail under the definitions and interpretations thereof promulgated by the National Association of Real Estate Investment Trusts or its successor as of the Closing Date.

"Financing" shall mean any transaction pursuant to which new Indebtedness is incurred and secured by a Property subject to the mandatory payment provisions of Section 3.3 of the Credit Agreement.

"First Extended Maturity Date" shall have the meaning given such term in Section 1.4(1) of the Credit Agreement.

"First Extension Fee" shall have the meaning given such term in Section 1.4(2) of the Credit Agreement.

"Fiscal Quarter" or "fiscal quarter" means any three-month period ending on March 31, June 30, September 30 or December 31 of any Fiscal Year.

"Fiscal Year" or "fiscal year" shall mean the 12-month period ending on December 31 in each year or such other period as MAC may designate and the Administrative Agent may approve in writing.

"Fixed Charge Coverage Ratio" shall mean, at any time, the ratio of (i) EBITDA for the twelve months then most recently ended (except that, with respect to any Westcor entity that has not achieved Stabilization, EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized), to (ii) Fixed Charges for such period (except that, with respect to any Westcor entity that has not achieved Stabilization, Fixed Charges for such entity shall be calculated for the most recent fiscal quarter and annualized).

"Fixed Charges" shall mean, for any period, solely with respect to the Consolidated Entities, the sum of the amounts for such period of (i) scheduled payments of principal of Indebtedness of the Consolidated Entities (other than any Bullet Payment, including any Bullet Payment under the Interim Facility, and any scheduled amortization payments under the Interim Facility), (ii) the Consolidated Entities' *pro rata* share of scheduled payments of principal of Indebtedness of Joint Ventures (other than any Bullet Payment) that does not otherwise constitute Indebtedness of and is not otherwise recourse to the Consolidated Entities or their assets, (iii) Interest Expense, (iv) payments of dividends in respect of Disqualified Capital Stock; and (v) to the extent not otherwise included in Interest Expense, dividends and other distributions paid during such period by the Borrowers or MAC with

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respect to preferred stock or preferred operating units. For purposes of clauses (ii) and (v), the Consolidated Entities' *pro rata* share of payments by any Joint Venture shall be deemed equal to the product of (a) the payments made by such Joint Venture, multiplied by (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"Foreign Lender" shall mean any Lender that is organized under the laws of a jurisdiction other than that in which the Borrowers are located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"GAAP" shall mean generally accepted accounting principles in the United States of America in effect from time to time; provided that for purposes of calculating the covenants set forth in Section 8.12 and Section 8.13 of the Credit Agreement, GAAP shall mean generally accepted accounting principles in the United States of America in effect as of the Closing Date.



"*Good Faith Contest*" means the contest of an item if (1) the item is diligently contested in good faith, and, if appropriate, by proceedings timely instituted, (2) adequate reserves are established if required by, and in accordance with, GAAP with respect to the contested item, (3) during the period of such contest, the enforcement of any contested item is effectively stayed and (4) the failure to pay or comply with the contested item during the period of the contest is not likely to result in a Material Adverse Effect.

"*Governmental Authority*" shall mean any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any court or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"*Gross Asset Value*" shall mean, at any time, solely with respect to the Consolidated Entities, the sum of (without duplication):

(i) for Retail Properties that are Wholly-Owned the sum of, for each such property, (a) such property's Property NOI for the Measuring Period, divided by (b) (1) 8.25% (expressed as a decimal), in the case of regional Retail Properties or (2) 9.50% (expressed as a decimal) in the case of Retail Properties that are not regional Retail Properties; provided, however that for purposes of calculating Gross Asset Value for the Westcor Assets, for the first 12 Loan Months, the Gross Asset Value under this subsection (i) shall equal the Consolidated Entities' allocated acquisition costs with respect to such Westcor Assets; *plus*

(ii) for Retail Properties that are not Wholly-Owned, the sum of, for each such property, (a) the Gross Asset Value of each such Retail Property at such time, as calculated pursuant to the foregoing clause (i), multiplied by (b) the percentage of the total outstanding Capital Stock held by Consolidated Entities in the owner of the subject Retail Property, expressed as a decimal; provided, however that for purposes of calculating Gross Asset Value for the Westcor Assets, for the first 12 Loan Months, the Gross Asset Value under this subsection (ii) shall equal the Consolidated Entities' allocated acquisition costs with respect to such Westcor Assets; provided, further, notwithstanding anything to the contrary in this definition, so long as 100% of the Indebtedness and other liabilities of the owner of the Broadway Plaza Property reflected in the financial statements of such owner or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) is counted in the calculation of Total Liabilities pursuant to subsection (ii) of the definition of "Total Liabilities", the Broadway Plaza Property, and the cash and Cash Equivalents and "Other GAV Assets" (as defined below) with respect thereto, shall be deemed to be Wholly-Owned and the Gross Asset Value with respect to the Broadway Plaza Property shall be calculated in accordance with clause (i) of this definition; *plus*

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(iii) all cash and Cash Equivalents (other than, in either case, Restricted Cash) held by the Consolidated Entity at such time, and, in the case of cash and Cash Equivalents not Wholly-Owned, multiplied by a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by the Consolidated Entity holding title to such cash and Cash Equivalents; *plus*

(iv) all Mortgage Loans acquired for the purpose of acquiring the underlying real property, valued by the book value of each such Mortgage Loan when measured; *plus*

(v)(a)100% of the Book Value of Construction-in-Process with respect to Retail Properties that are Wholly-Owned and (b) the product of (1) 100% of the Book Value of Construction-in-Process with respect to Retail Properties Under Construction that are not Wholly-Owned multiplied by (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by the Consolidated Entity holding title to such Retail Properties Under Construction; *plus*

(vi) to the extent not otherwise included in the foregoing clauses, (a) the book value of tenant receivables, deferred charges and other assets with respect to Real Properties that are Wholly-Owned and (b) the product of (1) the book value of tenant receivables, deferred charges and other assets with respect to Real Properties that are not Wholly-Owned multiplied by (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by a Consolidated Entity holding title to such Retail Property (collectively, "Other GAV Assets"), provided that the aggregate value of Other GAV Assets shall not exceed five percent (5%) of the aggregate Gross Asset Value of all the assets of the Consolidated Entities; *plus*

(vii) the Book Value of land and other Properties not constituting Retail Properties;

*provided, however, that the determination of Gross Asset Value for any period shall not include any Retail Property (or any Property NOI relating to any Retail Property) that has been sold or otherwise disposed of at any time prior to or during such period.*

"*Gross Leasable Area*" shall mean the total leasable square footage of buildings situated on Real Properties, excluding the square footage of any department stores.

"*Guarantors*" shall mean, jointly and severally (i) any Initial Guarantor and (ii) any Supplemental Guarantor.

"*Guaranty*" shall mean any unconditional guaranty executed by any Person in favor of DBTCA (or a successor) in its capacity as Collateral Agent for the Benefited Creditors pursuant to the terms of the Credit Agreement, in a form approved by the Administrative Agent and the Collateral Agent. "Guaranty" shall include all Affiliate Guaranties and the REIT Guaranty.

"*Hazardous Materials*" shall mean any flammable materials, explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definitions of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal, state, or local laws or regulations.

"*Hazardous Materials Claims*" shall mean any enforcement, cleanup, removal or other governmental or regulatory action or order with respect to the Property, pursuant to any Hazardous Materials Laws, and/or any claim asserted in writing by any third party relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials.

"*Hazardous Materials Laws*" shall mean any applicable federal, state or local laws, ordinances or regulations relating to Hazardous Materials.

"*Hedging Obligations*" of a Person means any and all obligations of such Person or any of its Subsidiaries, whether absolute or contingent and howsoever and whenever created, arising, evidenced

or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, commodity prices, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any of the foregoing.

"*Incremental Payment*" shall have the meaning given such term in Section 2.9 of the Credit Agreement.

"*Indebtedness*" of any Person shall mean without duplication, (a) all liabilities and obligations of such Person, whether consolidated or representing the proportionate interest in any other Person, (i) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof, and including construction loans), (ii) evidenced by bonds, notes, debentures or similar instruments, (iii) representing the balance deferred and unpaid of the purchase price of any property or services, except those incurred in the ordinary course of its business that would constitute a trade payable to trade creditors (but specifically excluding from such exception the deferred purchase price of real property), (iv) evidenced by bankers' acceptances, (v) consisting of obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from property now or hereafter owned or acquired by such Person (in an amount equal to the *lesser* of the obligation so secured and the fair market value of such property), (vi) consisting of Capitalized Lease Obligations (including any Capitalized Leases entered into as a part of a sale/leaseback transaction), (vii) consisting of liabilities and obligations under any receivable sales transactions, (viii) consisting of a letter of credit or a reimbursement obligation of such Person with respect to any letter of credit, or (ix) consisting of Net Hedging Obligations; or (b) all Contingent Obligations and liabilities and obligations of others of the kind described in the preceding clause (a) that such Person has guaranteed or that is otherwise its legal liability and all obligations to purchase, redeem or acquire for cash or non-cash consideration any Capital Stock or other equity interests and (c) obligations of such Person to purchase for cash or non-cash consideration Securities or other property arising out of or in connection with the sale of the same or substantially similar securities or property. For the avoidance of doubt, Indebtedness of any water, sewer, or other improvement district that is payable from assessments or taxes on property located within such district shall not be deemed to be Indebtedness of any Person owning property located within such district; provided that such Person has not otherwise obligated itself in respect of the repayment of such Indebtedness.

"*Indemnified Liabilities*" shall have the meaning given such term in Section 11.14 of the Credit Agreement.

"*Indemnified Person*" shall have the meaning given such term in Section 11.14 of the Credit Agreement.

"*Indemnified Taxes*" means Taxes other than Excluded Taxes.

"*Initial Guarantors*" shall mean, jointly and severally, MAC and the Affiliate Guarantors who enter into Guaranties on or as of the Closing Date.

"*Initial Financial Statements*" shall have the meaning given such term in Section 6.1 of the Credit Agreement.

"*Intangible Assets*" shall mean (i) all unamortized debt discount and expense, unamortized deferred charges, goodwill and other intangible assets and (ii) all write-ups (other than write-ups resulting from foreign currency translations and write-ups of assets of a going concern business made within twelve

months after the acquisition of such business) subsequent to December 31, 1994, in the book value of any asset owned by the Consolidated Entities.

"*Interest Coverage Ratio*" shall mean, at any time, the ratio of (i) EBITDA for the twelve months then most recently ended (except that, with respect to any Westcor entity that has not achieved Stabilization, EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized), to (ii) Interest Expense for such period (except that with respect to Interest Expense of any Westcor entity that has not achieved Stabilization, Westcor Interest Expense for such entity shall be calculated for the most recent fiscal quarter and annualized).

"*Interest Expense*" shall mean, for any period, solely with respect to the Consolidated Entities, the sum (without duplication) for such period of: (i) total interest expense, whether paid or accrued, of the Consolidated Entities, including fees payable in connection with the Credit Agreement, charges in respect of letters of credit and the portion of any Capitalized Lease Obligations allocable to interest expense, including the Consolidated Entities' share of interest expenses in Joint Ventures but excluding amortization or write-off of debt discount and expense (except as provided in clause (ii) below), (ii) amortization of costs related to interest rate protection contracts and rate buydowns (other than the costs associated with the interest rate buydowns completed in connection with the initial public offering of MAC), (iii) capitalized interest, *provided* that capitalized interest may be excluded from this clause (iii) to the extent (A) such interest is paid or reserved out of any interest reserve established under a loan facility; or (B) consists of interest imputed under GAAP in respect of ongoing construction activities, but only to the extent such interest has not actually been paid, and the amount thereof does not exceed \$10,000,000, (iv) for purposes of determining Interest Expense as used in the Fixed Charge Coverage Ratio (both numerator and denominator) only, amortization of Capitalized Loan Fees, (v) to the extent not included in clauses (i), (ii), (iii) and (iv), any Consolidated Entities' *pro rata* share of interest expense and other amounts of the type referred to in such clauses of the Joint Ventures, and (vi) interest incurred on any liability or obligation that constitutes a Contingent Obligation of any Consolidated Entity. For purposes of clause (v), any Consolidated Entities' *pro rata* share of interest expense or other amount of any Joint Venture shall be deemed equal to the product of (a) the interest expense or other relevant amount of such Joint Venture, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"*Interest Period*" shall mean, with respect to a LIBO Rate Loan, a period of one, two, three or six months commencing on a Eurodollar Business Day selected by the Borrowers pursuant to the Credit Agreement. Such Interest Period shall end on (but exclude) the day which corresponds numerically to such date one, two, three or six months thereafter, provided, however, that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day

which is not a Eurodollar Business Day, such Interest Period shall end on the next succeeding Eurodollar Business Day, provided, however, that if said next succeeding Eurodollar Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Eurodollar Business Day.

"*Interim Facility Credit Agreement*" shall mean that certain Credit Agreement evidencing the Interim Facility dated as of the date of the Credit Agreement, by and among the Borrowers, as borrowers, MAC and the other guarantors signatory thereto, the lenders signatory thereto and DBTCA, as administrative agent.

"*Interim Facility*" shall mean that certain credit facility embodied in the Interim Facility Credit Agreement, which provides for the funding of a term loan to Macerich Partnership in the amount of \$380,000,000.

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"*Investment*" shall mean, with respect to any Person, (i) any purchase or other acquisition by that Person of Securities, or of a beneficial interest in Securities, issued by any other Person, (ii) any purchase by that Person of a Property or the assets of a business conducted by another Person, and (iii) any loan (other than loans to employees), advance (other than deposits with financial institutions available for withdrawal on demand, prepaid expenses, accounts receivable, advances to employees and similar items made or incurred in the ordinary course of business) or capital contribution by that Person to any other Person, including, without limitation, all Indebtedness to such Person arising from a sale of property by such Person other than in the ordinary course of its business. "Investment" shall not include any promissory notes or other consideration paid to it or by a tenant in connection with Project leasing activities. The amount of any Investment shall be the original cost of such Investment, plus the cost of all additions thereto less the amount of any return of capital or principal to the extent such return is in cash with respect to such Investment without any adjustments for increases or decreases in value or write-ups, write-downs or write-offs with respect to such Investment. Notwithstanding the foregoing, Investments shall not include any Disposition Promissory Notes.

"*IRS*" shall mean the Internal Revenue Service or any entity succeeding to any of its principal functions under the Code.

"*Joint Venture*" shall mean, as to any Person: (i) any corporation fifty percent (50%) or less of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization fifty percent (50%) or less of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Notwithstanding the foregoing, a Joint Venture of MAC shall include each Person, other than a Subsidiary, in which MAC owns a direct or indirect equity interest. Unless otherwise expressly provided, all references in the Loan Documents to a "Joint Venture" shall mean a Joint Venture of MAC.

"*Lenders*" shall mean each of the lenders from time to time party to the Credit Agreement, including any Assignee permitted pursuant to *Section 11.8* of the Credit Agreement.

"*LIBO Rate*" shall mean, with respect to any LIBO Rate Loan for the Interest Period applicable to such LIBO Rate Loan, the per annum rate for such Interest Period and for an amount equal to the amount of such LIBO Rate Loan shown on Dow Jones Telerate Page 3750 (or any equivalent successor page) at approximately 11:00 (London time) two Eurodollar Business Days prior to the first day of such Interest Period or if such rate is not quoted, the arithmetic average as determined by the Administrative Agent of the rates at which deposits in immediately available U.S. dollars in an amount equal to the amount of such LIBO Rate Loan having a maturity approximately equal to such Interest Period are offered to four (4) reference banks to be selected by the Administrative Agent in the London interbank market, at approximately 11:00 a.m. (London time) two Eurodollar Business Days prior to the first day of such Interest Period.

"*LIBO Rate Loan*" shall have the meaning given such term in *Section 2.1* of the Credit Agreement.

"*LIBO Reserve Percentage*" shall mean with respect to an Interest Period for a LIBO Rate Loan, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves and taking into account any transitional adjustments) which is imposed under Regulation D on eurocurrency liabilities.

"*Lien*" shall mean any security interest, mortgage, pledge, lien, claim on property, charge or encumbrance (including any conditional sale or other title retention agreement), any lease in the nature thereof, and any agreement to give any security interest.

"*Like-Kind Exchange*" shall mean an exchange of real property qualifying for non-recognition of gain pursuant to Section 1031 of the Code.

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"*Loan Documents*" shall mean the Credit Agreement and the Notes and each of the following (but only to the extent evidencing, guaranteeing, supporting or securing the obligations under the foregoing instruments and agreements): the REIT Guaranty, each of the Affiliate Guaranties, any Guaranty executed by any other Guarantor, the Pledge Agreements, and each other instrument, certificate or agreement executed by the Borrowers, MAC or the other Borrower Parties in connection herewith, as any of the same may be Modified from time to time.

"*Loan Month*" shall mean any full calendar month during the term of the Term Loan, with the first Loan Month being August, 2002, which first Loan Month shall be deemed to include the partial month commencing on the Closing Date of the Loan.

"*MAC*" shall have the meaning given such term in the preamble to the Credit Agreement.

"*Macerich Core Entities*" shall mean collectively, (i) the Consolidated Entities, and (ii) any Joint Venture in which any Consolidated Entity is a general partner or in which any Consolidated Entity owns more than 50% of the Capital Stock.

"*Macerich Entities*" shall mean the Borrower Parties, and all Subsidiary Entities of the Borrower Parties.

"*Macerich Partnership*", "*Macerich Galahad GP*", "*Macerich Galahad LP*", "*Macerich WRLP Corp.*", "*Macerich WRLP LLC*", "*Macerich TWC Corp.*", and "*Macerich TWC LLC*" shall each have the meanings given such terms in the preamble to the Credit Agreement.

"Majority Benefited Creditors" shall mean, at any date, Benefited Creditors the sum of whose (i) aggregate outstanding portion of the principal amount of the Term Loan, (ii) aggregate outstanding portion of the principal amount of the "Interim Loan" (as such term is defined in the Interim Facility Credit Agreement) and (iii) aggregate "Commitments" (as such term is defined in the Revolving Credit Agreement), represents an amount greater than 50% of the sum of the outstanding principal amount of the Term Loan, principal amount of the Interim Loan, and total Commitments.

"Management Companies" shall mean Macerich Property Management Company, a Delaware limited liability company, Macerich Management Company, a California corporation, Westcor Partners LLC, an Arizona limited liability company, and Westcor Partners of Colorado LLC, a Colorado limited liability company, and includes their respective successors.

"Management Contracts" shall mean any contract between any Management Company, on the one hand, and any other Macerich Entity, on the other hand, relating to the management of any Macerich Entity or any Joint Venture or any of the properties of such Person, as the same may be amended from time to time.

"Margin Stock" shall mean "margin stock" as defined in Regulation U.

"Master Management Agreements" shall mean Management Contracts between a Macerich Entity, as owner of a Project, and a Wholly Owned Subsidiary in the form of Exhibit E attached hereto (or with respect to Westcor Subsidiaries, in the form that exists as of the Closing Date) with such Modifications to such form as may be made by the Macerich Entities in their reasonable judgment so long as such Modifications are fair, reasonable, and no less favorable to the owner than would be obtained in a comparable arm's-length transaction with a Person not a Transactional Affiliate.

"Material Adverse Effect" shall mean with respect to (a) MAC and its Subsidiaries on a consolidated basis taken as a whole, (b) Macerich Partnership and its Subsidiaries on a consolidated basis taken as a whole or (c) the Westcor Borrowers, the Westcor Principal Entities and their respective Subsidiaries taken as a whole, any of the following (1) a material adverse change in, or a material adverse effect upon, the operations, business, properties, condition (financial or otherwise) or prospects of any of such Persons from and after the Statement Date, (2) a material impairment of the ability of

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any of such Persons to otherwise perform under any Loan Document; or (3) a material adverse effect upon the legality, validity, binding effect or enforceability against any of such Persons of any Loan Document.

"Maturity Date" shall initially mean the Original Maturity Date; provided that the "Maturity Date" shall mean (i) the First Extended Maturity Date if the Borrowers extend the Original Maturity Date in accordance with the terms and conditions of Section 1.4, or (ii) the Second Extended Maturity Date if the Borrowers extend the First Extended Maturity Date in accordance with the terms and conditions of Section 1.4. The Maturity Date shall be subject to acceleration upon an Event of Default as otherwise provided in the Credit Agreement.

"Measuring Period" shall mean the period of four consecutive fiscal quarters ended on the last day of the Fiscal Quarter most recently ended as to which operating statements with respect to a Real Property have been delivered to the Lenders.

"Minority Interest" shall mean all of the partnership units (as defined under the Macerich Partnership's partnership agreement) of the Macerich Partnership held by any Person other than MAC.

"Modifications" shall mean any amendments, supplements, modifications, renewals, replacements, consolidations, severances, substitutions and extensions of any document or instrument from time to time; "Modify", "Modified," or related words shall have meanings correlative thereto.

"Moody's" shall mean Moody's Investors Service, Inc., or any successor thereto.

"Mortgage Loans" shall mean all loans owned or held by any of the Macerich Entities secured by mortgages or deeds of trust on Retail Properties.

"Multiemployer Plan" shall mean a "multiemployer plan" (within the meaning of Section 4001(a)(3) of ERISA) and to which any Consolidated Entity or any ERISA Affiliate makes, is making, or is obligated to make contributions or, during the preceding three calendar years, has made, or been obligated to make, contributions.

"Net Cash Proceeds" shall mean with respect to any Disposition of any Property, any Financing with respect to any Property, or the issuance of any debt or equity Securities: (a) all cash consideration, as well as the value of all non-cash consideration (other than Disposition Promissory Notes, which shall be subject to the mandatory prepayment provisions set forth in Section 3.3(2)(D) of the Credit Agreement); **less**, but without duplication, (b) any repayment of Secured Indebtedness incurred with respect to the Property subject to a Disposition or Financing, to the extent required or permitted under the terms of the loan documents governing the Secured Indebtedness, and any net payments made to a counterparty under Hedging Obligations incurred with respect to such Secured Indebtedness in connection with the termination of such Hedging Obligations as a result of a subject Disposition, **less** (c) transfer taxes, customary brokerage costs, reasonable legal fees and other customary and reasonable out of pocket costs actually paid to unaffiliated third parties in connection with such Disposition, Financing, or issuance. Notwithstanding the foregoing: (1) to the extent the Property subject to the Disposition or Financing is not Wholly-Owned, Net Cash Proceeds shall equal the sum of (a), (b), and (c) as the same is payable or allocable to the Borrowers, MAC, or their Wholly Owned Subsidiaries, and any sums not so allocable (i.e. portions of the net proceeds allocable to Unaffiliated Partners) shall not be included in Net Cash Proceeds; (2) Net Cash Proceeds shall not include (i) any portion of a construction loan advanced for purposes of improving the subject Real Property, (ii) any taxable gain from a Disposition to the extent that: (A) MAC would be subject to paying corporate tax on such gain as a result of the obligation to make a mandatory repayment to the Lenders pursuant to the Credit Agreement (and the resulting failure to distribute such sums to its shareholders); and (B) the amount of such gain does not, when added to any taxable gain from other Dispositions subject to this clause (2)(ii) made on or prior to the date of such Disposition, exceed \$50,000,000 in the aggregate (provided that such \$50,000,000 limitation shall only apply during the first 18 Loan Months);

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and (3) Net Cash Proceeds shall not include any proceeds resulting from a Financing of an Unencumbered Property to the extent each of following conditions has been satisfied as determined by Administrative Agent in its good faith judgment: (i) such proceeds are used repay advances made under the Revolving Credit

Facility used to purchase the subject Unencumbered Property; (ii) in the event the Interim Facility has not been repaid in full, such Financing occurs within sixty (60) days after the subject Unencumbered Property is acquired; and (iii) in the event the Term Loan has not been repaid in full, such Financing occurs within ninety (90) days after the subject Unencumbered Property is acquired.

"*Net Hedging Obligations*" shall mean, as of any date of determination, the excess (if any) of all "unrealized losses" over all "unrealized profits" of such Person arising from Hedging Obligations as substantiated in writing by the Borrowers and approved by the Administrative Agent. "Unrealized losses" means the fair market value of the cost to such Person of replacing such Hedging Obligation as of the date of determination (assuming the Hedging Obligation were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Hedging Obligation as of the date of determination (assuming such Hedging Obligation were to be terminated as of that date).

"*Net Income*" shall mean, for any period, the net income (or loss), after provision for taxes, of the Consolidated Entities determined on a consolidated basis for such period taken as a single accounting period as determined in accordance with GAAP, and including the Consolidated Entities' pro rata share of the net income (or loss) of any Joint Venture for such period, but excluding (i) any recorded losses and gains and other extraordinary items for such period; (ii) other non-cash charges and expenses (including non-cash charges resulting from accounting changes), (iii) any gains or losses arising outside of the ordinary course of business, and (iv) any charges for minority interests in the Macerich Partnership held by Unaffiliated Partners. For purposes hereof the Consolidated Entities' pro rata share of the net income (or loss) of any Joint Venture shall be deemed equal to the product of (i) the income (or loss) of such Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"*Net Worth*" means, at any date, the consolidated stockholders' equity of the Consolidated Entities, excluding any amounts attributable to Disqualified Capital Stock.

"*Note*" shall mean a promissory note in the form of that attached to the Credit Agreement as *Exhibit F* issued by the Borrowers at the request of a Lender pursuant to *Section 3.1* of the Credit Agreement.

"*Obligations*" shall mean any and all debts, obligations and liabilities of the Borrowers or the other Borrower Parties to the Administrative Agent, the other Agents and the Lenders (whether now existing or hereafter arising, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred), arising out of or related to the Loan Documents.

"*Officer's Certificate*" shall mean as to any entity, a certificate executed on behalf of such entity by a Responsible Officer.

"*Organizational Documents*" shall mean: (a) for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation, (b) for any partnership, the partnership agreement, any certificate of formation, and any other instrument or agreement relating to the rights between the partners or pursuant to which such partnership is formed, (c) for any limited liability company, the operating agreement, any articles of organization or formation, and any other instrument or agreement

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relating to the rights between the members, pertaining to the manager, or pursuant to which such limited liability company is formed, and (d) for any trust, the trust agreement and any other instrument or agreement relating to the rights between the trustors, trustees and beneficiaries, or pursuant to which such trust is formed.

"*Original Maturity Date*" shall have the meaning given such term in *Section 1.3* of the Credit Agreement.

"*Other Taxes*" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies of a Governmental Authority with respect to any payment made under any Loan Document or from the execution, delivery or enforcement of any Loan Document.

"*Participant*" shall have the meaning given such term in *Section 11.8* of the Credit Agreement.

"*PBGC*" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any of its principal functions under ERISA.

"*Pension Plan*" shall mean a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA which the Consolidated Entities or any ERISA Affiliate sponsors, maintains, or to which it makes, is making, or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding five (5) plan years, but excluding any Multiemployer Plan.

"*Percentage Share*" shall mean for any Lender at any date the percentage set forth next to such Lender's name on *Schedule G-2* to the Credit Agreement, as the same may be Modified from time to time, including, without limitation, to reflect the addition or withdrawal of a Lender or the assignment of all or a portion of an existing Lender's Percentage Share as permitted pursuant to *Section 11.8* of the Credit Agreement.

"*Permitted Encumbrances*" shall mean any Liens with respect to the assets of the Borrowers consisting of the following:

(a) Liens (other than environmental Liens and Liens in favor of the PBGC) with respect to the payment of taxes, assessments or governmental charges in all cases which are not yet due or which are being contested in good faith and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;

(b) Statutory liens of carriers, warehousemen, mechanics, materialmen, landlords, repairmen or other like Liens arising by operation of law in the ordinary course of business for amounts which, if not resolved in favor of the Borrower Parties, could not result in a Material Adverse Effect;

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(c) Liens securing the performance of bids, trade contracts (other than borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(d) Other Liens, incidental to the conduct of the business of the Borrower Parties, including Liens arising with respect to zoning restrictions, easements, licenses, reservations, covenants, rights-of-way, easements, encroachments, building restrictions, minor defects, irregularities in title and other similar charges or encumbrances on the use of the assets of the Borrower Parties which do not interfere with the ordinary conduct of the business of the Borrower Parties and that are not incurred (i) in violation of any terms and conditions of the Credit Agreement; (ii) in connection with the borrowing of money or the obtaining of advances or credit, or (iii) in a manner which could result in a Material Adverse Effect;

(e) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance and other types of social security;

(f) Any attachment or judgment Lien not constituting an Event of Default;

(g) Licenses (with respect to intellectual property and other property), leases or subleases granted to third parties;

(h) any (i) interest or title of a lessor or sublessor under any lease not prohibited by the Credit Agreement, (ii) Lien or restriction that the interest or title of such lessor or sublessor may be subject to, or (iii) subordination of the interest of the lessee or sublessee under such lease to any Lien or restriction referred to in the preceding clause (ii), so long as the holder of such Lien or restriction agrees to recognize the rights of such lessee or sublessee under such lease;

(i) Liens arising from filing UCC financing statements relating solely to leases not prohibited by the Credit Agreement;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; and

(k) Liens on personal property.

"Person" shall mean any corporation, natural person, firm, joint venture, partnership, trust, unincorporated organization, government or any department or agency of any government.

"Plan" shall mean an employee benefit plan (as defined in Section 3(3) of ERISA) which the Consolidated Entities or any ERISA Affiliate sponsors or maintains or to which the Consolidated Entities or any ERISA Affiliate makes, is making, or is obligated to make contributions and includes any Pension Plan, other than a Multiemployer Plan.

"Pledge Agreements" shall mean, individually or collectively, each of the Pledge Agreements dated as of even date herewith from the Macerich Partnership, MAC and the Westcor Borrowers (other than Macerich TWC Corp. and Macerich TWC LLC), each in substantially the form attached to the Credit Agreement as Exhibit G, pursuant to which each of the Macerich Partnership, MAC and the Westcor Borrowers (other than Macerich TWC Corp. and Macerich TWC LLC) shall pledge to the Collateral Agent, for the ratable benefit of the Benefited Creditors, all of its direct and indirect ownership interest in the Westcor Borrowers and Westcor Realty Limited Partnership, as applicable.

"Post-Extension Amortization Payments" shall mean, collectively, all of those amortization payments required to be paid by the Borrowers after the Original Maturity Date (in such case where there is any extension of the Original Maturity Date pursuant to Section 1.4 of the Credit Agreement) pursuant to Section 3.4 of the Credit Agreement.

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"Potential Default" shall mean an event which but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.

"Pre-Extension Amortization Payments" shall mean, collectively, all of those amortization payments required to be paid by the Borrowers on or before the Original Maturity Date pursuant to Section 3.4 of the Credit Agreement.

"Prime Rate" shall mean the fluctuating per annum rate announced from time to time by DBTCA or any successor Administrative Agent at its principal office in New York, New York as its "prime rate". The Prime Rate is a rate set by DBTCA as one of its base rates and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto, and is evidenced by the recording thereof after its announcement in such internal publication or publications as DBTCA may designate. The Prime Rate is not tied to any external index and does not necessarily represent the lowest or best rate of interest actually charged to any class or category of customers. Each change in the Prime Rate will be effective on the day the change is announced within DBTCA.

"Proceeds Expenditure Account" shall have the meaning given such term in Section 3.3(3).

"Proceeds Expenditure Date" shall have the meaning given such term in Section 3.3(3).

"Pro Forma Statements" shall have the meaning given such term in Section 6.1 of the Credit Agreement.

"Project" shall mean any shopping center, retail property, office building, mixed use property or other income producing project owned or controlled, directly or indirectly by a Macerich Entity. "Project" shall include the redevelopment, or reconstruction of any existing Project.

"Property" shall mean, collectively and severally, any and all Real Property and all personal property owned or occupied by the subject Person. "Property" shall include all Capital Stock owned by the subject Person in a Subsidiary Entity.

"Property Expense" shall mean, for any Retail Property, all operating expenses relating to such Retail Property, including the following items (provided, however, that Property Expenses shall not include debt service, tenant improvement costs, leasing commissions, capital improvements, Depreciation and Amortization Expenses and any extraordinary items not considered operating expenses under GAAP): (i) all expenses for the operation of such Retail Property, including any management fees payable under the Management Contracts and all insurance expenses, but not including any expenses incurred in connection with

a sale or other capital or interim capital transaction; (ii) water charges, property taxes, sewer rents and other impositions, other than fines, penalties, interest or such impositions (or portions thereof) that are payable by reason of the failure to pay an imposition timely; and (iii) the cost of routine maintenance, repairs and minor alterations, to the extent they can be expensed under GAAP.

"*Property Income*" shall mean, for any Retail Property, all gross revenue from the ownership and/or operation of such Retail Property (but excluding income from a sale or other capital item transaction), service fees and charges and all tenant expense reimbursement income payable with respect to such Retail Property.

"*Property NOI*" shall mean, for any Retail Property for any period, (i) all Property Income for such period, *minus* (ii) all Property Expenses for such period.

"*Rate Request*" shall mean a request for the conversion or continuation of a Base Rate Loan or LIBO Rate Loan in the form of that attached to the Credit Agreement as *Exhibit H*.

"*Real Property*" means each of those parcels (or portions thereof) of real property, improvements and fixtures thereon and appurtenances thereto now or hereafter owned or leased by the Macerich Entities.

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"*Real Property Under Construction*" shall mean Real Property for which Commencement of Construction has occurred but either: (i) construction of such Real Property is not substantially complete; or (ii) less than 80% of the Gross Leaseable Area of such Real Property is subject to binding leases.

"*Regulation D*" shall mean Regulation D of the Board of Governors of the Federal Reserve System from time to time in effect and shall include any successor or other regulation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"*Regulation U*" shall mean Regulation U of the Board of Governors of the Federal Reserve System (12 C.F.R. § 221), as the same may from time to time be amended, supplemented or superseded.

"*REIT*" shall mean a domestic trust or corporation that qualifies as a real estate investment trust under the provisions of Sections 856, et seq. of the Code.

"*REIT Guaranty*" shall mean the credit guaranty executed by MAC in favor of DBTCA (or a successor Collateral Agent), in its capacity as Collateral Agent for the benefit of the Benefited Creditors, as the same may be Modified from time to time.

"*Reportable Event*" shall mean any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder, other than any such event for which the thirty (30)-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

"*Required Benefited Creditors*" shall mean, at any date, Benefited Creditors the sum of whose (i) aggregate outstanding portion of the principal amount of the Term Loan, (ii) aggregate outstanding portion of the principal amount of the "Interim Loan" (as such term is defined in the Interim Facility Credit Agreement) and (iii) aggregate "Commitments" (as such term is defined in the Revolving Credit Agreement), represents an amount not less than 66<sup>2</sup>/<sub>3</sub>% of the sum of the outstanding principal amount of the Term Loan, principal amount of the Interim Loan, and total Commitments.

"*Required Lenders*" shall mean at any date, those Lenders holding not less than 66<sup>2</sup>/<sub>3</sub>% of the outstanding principal portion of the Term Loan.

"*Requirements of Law*" shall mean, as to any Person, the Organizational Documents of such Person, and any law, treaty, rule or regulation, or a final and binding determination of an arbitrator or a determination of a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"*Reserve Adjusted LIBO Rate*" shall mean, with respect to any LIBO Rate Loan, the rate per annum (rounded upward, if necessary, to the next higher <sup>1</sup>/<sub>16</sub> of one percent) calculated as of the first day of such Interest Period in accordance with the following formula:

$$\text{Reserve Adjusted LIBO Rate} = \frac{\text{LR}}{1-\text{LRP}}$$

where

LR = LIBO Rate

LRP = LIBO Reserve Percentage

"*Responsible Financial Officer*" shall mean, with respect to any Person, the chief financial officer or treasurer of such Person or any other officer, partner or member having substantially the same authority and responsibility.

"*Responsible Officer*" shall mean, with respect to any Person, the president, chief executive officer, vice president, Responsible Financial Officer, general partner, or managing member of such Person or any other officer, partner or member having substantially the same authority and responsibility.

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"*Restricted Cash*" shall mean any cash or cash equivalents held by any Person with respect to which such Person does not have unrestricted access and unrestricted right to expend such cash or expend or liquidate such permitted Investments.

"*Retail Property*" means any Real Property that is a neighborhood, community or regional shopping center or mall.

"*Revolving Credit Agreement*" shall mean that certain Credit Agreement evidencing the Revolving Credit Facility dated as of the date of the Credit Agreement, by and among the Borrowers, as borrowers, MAC and the other guarantors signatory thereto, the lenders signatory thereto and DBTCA, as administrative agent.

"*Revolving Credit Facility*" shall mean that certain credit facility evidenced by the Revolving Credit Agreement, which provides for the funding of certain revolving loans and the issuance of letters of credit to, and on behalf of, Macerich Partnership in the aggregate commitment amount of \$425 million.

"*S&P*" shall mean Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., or any successor thereto.

"*Second Extended Maturity Date*" shall have the meaning given such term in *Section 1.4(3)* of the Credit Agreement.

"*Second Extension Fee*" shall have the meaning given such term in *Section 1.4(4)* of the Credit Agreement.

"*Secured Indebtedness*" shall mean that portion of the Total Liabilities that is, without duplication: (i) secured by a Lien (excluding, however, the Indebtedness under the Credit Agreement, the Interim Facility and the Revolving Credit Facility); or (ii) any unsecured Indebtedness of any Subsidiary of a Borrower Party if such Subsidiary is not a Guarantor.

"*Secured Indebtedness Ratio*" shall mean, at any time, the ratio of (i) Secured Indebtedness, to (ii) Gross Asset Value for such period.

"*Securities*" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit sharing agreement or arrangement, bonds, debentures, options, warrants, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"*Single Purpose Entity*" shall mean shall mean a Person, other than an individual, which (A) is formed or organized solely for the purpose of holding, directly or indirectly, an ownership interest in the Westcor Principal Entities, (B) does not engage in any business unrelated to clause (A) above, (C) has not and will not have any assets other than those related to its activities in accordance with clauses (A) and (B) above, (D) maintains its own separate books and records and its own accounts, in each case which are separate and apart from the books and records and accounts of any other Person, (E) holds itself out as being a Person, separate and apart from any other Person, (F) does not and will not commingle its funds or assets with those of any other Person, (G) conducts its own business in its own name, (H) maintains separate financial statements and files its own tax returns (or if its tax returns are consolidated with those of MAC, such returns shall clearly identify such Person as a separate legal entity), (I) pays its own debts and liabilities when they become due out of its own funds, (J) observes all partnership, corporate, limited liability company or trust formalities, as applicable, and does all things necessary to preserve its existence, (K) except as expressly permitted by the Loan Documents, maintains an arm's-length relationship with its Transactional Affiliates and shall not enter into any Contractual Obligations with any Affiliates except as permitted under the Credit Agreement, (L) pays the salaries of its own employees, if any, and maintains a sufficient number of employees in light of its

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contemplated business operations, (M) does not guarantee or otherwise obligate itself with respect to the debts of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person, except with respect to the Term Loan (and the co-Borrower provisions set forth in the Credit Agreement) and as otherwise permitted under the Loan Documents, (N) does not acquire obligations of or securities issued by its partners, members or shareholders, (O) allocates fairly and reasonably shared expenses, including any overhead for shared office space, (P) uses separate stationery, invoices, and checks, (Q) does not and will not pledge its assets for the benefit of any other Person (except as permitted under the Loan Documents) or make any loans or advances to any other Person (except with respect to the Term Loan, the Revolving Credit Facility and the Interim Facility and the joint-Borrower provisions set forth in the Credit Agreement), (R) does and will correct any known misunderstanding regarding its separate identity, (S) maintains adequate capital in light of its contemplated business operations, and (T) has and will have a partnership or operating agreement, certificate of incorporation or other organizational document which complies with the requirements set forth in this definition.

"*Solvent*" shall mean, when used with respect to any Person, that at the time of determination: (i) the fair saleable value of its assets is in excess of the total amount of its liabilities (including, without limitation, contingent liabilities); (ii) the present fair saleable value of its assets is greater than its probable liability on its existing debts as such debts become absolute and matured; (iii) it is then able and expects to be able to pay its debts (including, without limitation, contingent debts and other commitments) as they mature; and (iv) it has capital sufficient to carry on its business as conducted and as proposed to be conducted.

"*Stabilization*" shall mean, with respect to any Real Property, the date on which eighty-five percent (85%) or more of the Gross Leasable Area of such Real Property has been subject to binding leases for a period of one (1) year or longer.

"*Statement Date*" shall mean December 31, 2001.

"*Subordinated Creditor*" shall have the meaning given such term in *Section 7.15(1)*.

"*Subordinated Debt*" shall have the meaning given such term in *Section 7.15(1)*.

"*Subsidiary*" shall mean, with respect to any Person: (a) any corporation more than fifty percent (50%) of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, (b) any partnership, limited liability company, association, joint venture or similar business organization more than fifty percent (50%) of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled, (c) with respect to MAC, any other Person in which MAC owns, directly or indirectly, any Capital Stock and which would be combined with MAC in the consolidated financial statements of MAC in accordance with GAAP; or (d) with respect to the Westcor Borrowers and the Westcor Principal Entities, any other Person in which they own, directly or indirectly, any Capital Stock and which would be combined with them in consolidated financial statements in accordance with GAAP.

"*Subsidiary Entities*" shall mean a Subsidiary or Joint Venture of a Person. Unless otherwise expressly provided, all references in the Loan Documents to a "Subsidiary Entity" shall mean a Subsidiary Entity of MAC.



"Supplemental Guarantor" shall have the meaning set forth in Section 4.1 of the Credit Agreement.

"Supplemental Guaranties" shall mean a Guaranty executed by a Supplemental Guarantor pursuant to Section 4.1 of the Credit Agreement.

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"Co-Syndication Agents" shall mean JPMorgan Chase Bank and Dresdner Bank AG, New York and Grand Cayman Branches, as the co-syndication agents for the credit facility evidenced by the Credit Agreement, together with its permitted successors and assigns.

"Tangible Net Worth" shall mean, at any time, (i) Net Worth *minus* (ii) Intangible Assets, *plus* (iii) solely for purposes of Section 8.12(1) of the Credit Agreement, any minority interest reflected in the balance sheet of MAC, but only to the extent attributable to Minority Interests, in each case at such time.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Tax Expense" shall mean (without duplication), for any period, total tax expense (if any) attributable to income and franchise taxes based on or measured by income, whether paid or accrued, of the Consolidated Entities, including the Consolidated Entity's *pro rata* share of tax expenses in any Joint Venture. For purposes of this definition, the Consolidated Entities' *pro rata* share of any such tax expense of any Joint Venture shall be deemed equal to the product of (i) such tax expense of such Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by the Consolidated Entity, expressed as a decimal.

"Term Loan" shall have the meaning given such term in Section 1.1 of the Credit Agreement.

"Total Liabilities" shall mean, at any time, without duplication, the aggregate amount of (i) all Indebtedness and other liabilities of the Consolidated Entities reflected in the financial statements of MAC or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation), *plus* (ii) all Indebtedness and other liabilities of all Joint Ventures reflected in the financial statements of such Joint Ventures or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) which are otherwise recourse to any Consolidated Entity or any of its assets or that otherwise constitutes Indebtedness of any Consolidated Entity (including any recourse obligations arising as a result of a Consolidated Entity serving as a general partner, directly or indirectly, in such Joint Ventures, unless such general partner is a corporation whose sole asset is its general partnership interest and who otherwise meets the criteria set forth in clauses (D) through (T) in the definition of Single Purpose Entity); *provided that*, notwithstanding this clause (ii), those certain guarantees described on Schedule G-3 to the Credit Agreement, which liabilities thereunder are recourse, directly or indirectly, to any of the Westcor Principal Entities or their Subsidiaries, shall be considered an obligation governed by clause (iii) below, *plus* (iii) the Consolidated Entities' *pro rata* share of all Indebtedness and other liabilities reflected in the financial statements of any Joint Venture or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) not otherwise constituting Indebtedness of or recourse to any Consolidated Entity or any of its assets, *plus* (iv) all liabilities of the Consolidated Entities with respect to purchase and repurchase obligations, provided that any obligations to acquire fully-constructed Real Property shall not be included in Total Liabilities prior to the transfer of title of such Real Property. With respect to any Real Property Under Construction as to which any Consolidated Entity has provided an outstanding and undrawn letter of credit relating to the performance and/or completion of construction at such property, the amount of Indebtedness evidenced by such letter of credit shall be included in Total Liabilities if: (a) such Indebtedness does not duplicate Indebtedness incurred in respect of such Real Property Under Construction (including any off-site improvements associated therewith); (b) such Indebtedness is required by GAAP to be reflected on the liability side of any Consolidated Entities' balance sheet; and (c) to the extent such Indebtedness is not required by GAAP to be reflected on the liability side of any Consolidated Entities' balance sheet, then such Indebtedness shall only be included to the extent the amount of such Indebtedness exceeds \$40,000,000. For purposes of clause (iii), the Consolidated Entities' *pro rata* share of all Indebtedness and other liabilities of any Joint Venture shall be deemed equal to the product of (a) such Indebtedness or other liabilities, *multiplied by* (b) the percentage of

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the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"Transactional Affiliates" shall have the meaning given such term in Section 8.6 of the Credit Agreement.

"UCC" shall mean the Uniform Commercial Code.

"Unaffiliated Partner Interests" shall mean the Capital Stock of Unaffiliated Partners in a Subsidiary Entity of the Borrower Parties.

"Unaffiliated Partners" shall mean Persons who own, directly or indirectly at any tier, a beneficial interest in the Capital Stock of a Subsidiary Entity, but such Persons shall exclude: (i) the Macerich Entities; (ii) Affiliates of Macerich Entities; (iii) Persons whose Capital Stock or beneficial interest therein is owned, directly or indirectly at any tier, by the Macerich Entities or their Affiliates.

"Unencumbered Property" shall have the meaning set forth in Section 4.1 of the Credit Agreement.

"Unfunded Pension Liability" shall mean the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"Westcor" shall mean (i) the Westcor Principal Entities, (ii) the Westcor Borrowers, (iii) the Subsidiaries of the Westcor Borrowers; and (iv) any other Person the accounts of which would be consolidated with those of the Westcor Borrowers in consolidated financial statements in accordance with GAAP. When the context so requires, "Westcor" shall mean any of the Persons described above.

"Westcor Acquisition" shall mean that certain acquisition by MAC and the Borrowers of the Westcor Principal Entities, to be consummated as of the Closing Date.

"Westcor Assets" shall mean all Projects and related Property, directly or indirectly, in whole or in any part, owned or leased by Westcor.

"Westcor Borrowers" shall have the meaning given such term in the preamble to the Credit Agreement.

"Westcor Depreciation and Amortization Expense" shall mean (without duplication), for any period, the sum for such period of (i) total depreciation and amortization expense, whether paid or accrued, of Westcor, plus (ii) Westcor's *pro rata* share of depreciation and amortization expenses of any Westcor Joint Ventures. For purposes of this definition, Westcor's *pro rata* share of depreciation and amortization expense of any Westcor Joint Venture shall be deemed equal to the product of (i) the depreciation and amortization expense of such Westcor Joint Venture, multiplied by (ii) the percentage of the total outstanding Capital Stock of such Person held by Westcor, expressed as a decimal.

"Westcor EBITDA" shall mean, for the twelve months then most recently ended, solely with respect to Westcor and the Westcor Assets, Westcor Net Income, plus (without duplication) (A) Westcor Interest Expense, (B) Westcor Tax Expense, and (C) Westcor Depreciation and Amortization Expense, in each case for such period.

"Westcor Gross Asset Value" shall mean, at any time, solely with respect to Westcor and the Westcor Assets, the sum of (without duplication):

(i) for Westcor Retail Properties that are Wholly-Owned the sum of, for each such property, (a) such property's Westcor Property NOI for the Measuring Period, divided by (b) (1) 8.25% (expressed as a decimal), in the case of regional Westcor Retail Properties or (2) 9.50% (expressed as a decimal) in the case of Westcor Retail Properties that are not regional; provided, however that for purposes of calculating Westcor Gross Asset Value for the

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Westcor Assets, for the first 12 Loan Months, the Westcor Gross Asset Value under this subsection (i) shall equal Westcor's allocated acquisition costs with respect to such Westcor Assets, plus

(ii) for Westcor Retail Properties that are not Wholly-Owned, the sum of, for each such property, (a) the Westcor Gross Asset Value of each such Westcor Retail Property at such time, as calculated pursuant to the foregoing clause (i), multiplied by (b) the percentage of the total outstanding Capital Stock held by Westcor in the owner of the subject Retail Property, expressed as a decimal; provided, however that for purposes of calculating Westcor Gross Asset Value for the Westcor Assets, for the first 12 Loan Months, the Westcor Gross Asset Value under this subsection (ii) shall equal Westcor's allocated acquisition costs with respect to such Westcor Assets, plus

(iii) all cash and Cash Equivalents (other than, in either case, Restricted Cash) held by Westcor at such time, and, in the case of cash and Cash Equivalents not Wholly-Owned, multiplied by a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by Westcor in the Person holding title to such cash and Cash Equivalents, plus

(iv) all Mortgage Loans acquired for the purpose of acquiring the underlying real property, valued by the book value of each such Mortgage Loan at the time it is initially acquired; plus

(v)(a) 100% of the Book Value of Construction-in-Process with respect to Westcor Real Properties Under Construction that are Wholly-Owned and (b) the product of (1) 100% of the Book Value of Construction-in-Process with respect to Westcor Real Properties Under Construction that are not Wholly-Owned multiplied by (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by Westcor in the Person holding title to such Real Properties Under Construction; plus

(vi) to the extent not otherwise included in the foregoing clauses, (a) the book value of tenant receivables, deferred charges and other assets with respect to Westcor Real Properties that are Wholly-Owned and (b) the product of (1) the book value of tenant receivables, deferred charges and other assets with respect to Westcor Real Properties that are not Wholly-Owned multiplied by (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by Westcor in the Person holding title to such Westcor Real Property (collectively, "Westcor Other GAV Assets"), provided that the aggregate value of Westcor Other GAV Assets shall not exceed five percent (5%) of the aggregate Westcor Gross Asset Value of all the assets of Westcor; plus

(vii) the Book Value of land and other Properties not constituting Westcor Real Properties;

provided, however, that the determination of Westcor Gross Asset Value for any period shall not include any Westcor Real Property (or any Westcor Property NOI relating to any Westcor Real Property) that has been sold or otherwise disposed of at any time prior to or during such period.

"Westcor Interest Coverage Ratio" shall mean, at any time, the ratio of (i) Westcor EBITDA for the twelve months then most recently ended (except that with respect to any Westcor entity that has not achieved Stabilization, Westcor EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized), to (ii) Westcor Interest Expense for such period (except that with respect to Interest Expense of any Westcor entity that has not achieved Stabilization, Westcor Interest Expense for such entity shall be calculated for the most recent fiscal quarter and annualized).

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"Westcor Interest Expense" shall mean, for any period, solely with respect to Westcor and the Westcor Assets, the sum (without duplication) for such period of: (i) total interest expense (excluding interest expense incurred under the Credit Agreement, the Interim Facility and the Revolving Credit Facility), whether paid or accrued, of Westcor, including fees payable in connection with the Credit Agreement, charges in respect of letters of credit and the portion of any Capitalized Lease Obligations allocable to interest expense, including Westcor's share of interest expenses in Westcor Joint Ventures but excluding amortization or write-off of debt discount and expense (except as provided in clause (ii) below), (ii) amortization of costs related to interest rate protection contracts and rate buydowns, (iii) capitalized interest, provided that capitalized interest may be excluded from this clause (iii) to the extent (A) such interest is paid or reserved out of any interest reserve established under a loan facility or (B) consists of interest imputed under GAAP in respect of ongoing construction activities, but only to the extent such interest has not actually been paid, and the amount thereof, when taken together with such like amounts attributable to the Consolidated Entities, does not in the aggregate exceed \$10,000,000, (iv) to the extent not included in clauses (i), (ii) and (iii), Westcor's *pro rata* share of interest expense and other amounts of the type referred to in such clauses of the Westcor Joint Ventures, and (v) interest incurred on any liability or obligation that constitutes a Contingent Obligation of Westcor. For purposes of clause (iv), Westcor's *pro rata* share of interest expense or other amount of any Westcor Joint Venture shall be deemed

equal to the product of (a) the interest expense or other relevant amount of such Joint Venture, *multiplied by* (b) the percentage of the total outstanding Capital Stock held by Westcor in such Person, expressed as a decimal.

"Westcor Net Asset Value" shall mean: (i) Westcor Gross Asset Value; less (ii) Westcor Total Liabilities.

"Westcor Net Income" shall mean, for any period, the net income (or loss), after provision for taxes, of Westcor determined on a consolidated basis for such period taken as a single accounting period as determined in accordance with GAAP, and including Westcor's pro rata share of the net income (or loss) of any Westcor Joint Venture for such period, but excluding (i) any unrealized losses and gains for such period; (ii) other non-cash charges and expenses (including non-cash charges resulting from accounting changes); (iii) any gains or losses arising outside of the ordinary course of business; and (iv) any charges for minority interests in Westcor held by Unaffiliated Partners. For purposes hereof Westcor's pro rata share of the net income (or loss) of any Westcor Joint Venture shall be deemed equal to the product of (i) the income (or loss) of such Westcor Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by Westcor in such Person, expressed as a decimal.

"Westcor Principal Entities" shall mean, jointly and severally, Westcor Realty Limited Partnership and The Westcor Company II Limited Partnership.

"Westcor Property Income" shall mean, for any Westcor Real Property, all gross revenue from the ownership and/or operation of such Westcor Real Property (but excluding income from a sale or other capital item transaction), service fees and charges and all tenant expense reimbursement income payable with respect to such Westcor Real Property.

"Westcor Property Expense" shall mean, for any Westcor Real Property, all operating expenses relating to such Westcor Real Property, including the following items (*provided, however*, that Westcor Property Expenses shall not include debt service, tenant improvement costs, leasing commissions, capital improvements, Westcor Depreciation and Amortization Expenses and any extraordinary items not considered operating expenses under GAAP): (i) all expenses for the operation of such Westcor Real Property, including any management fees payable under the Management Contracts and all insurance expenses, but not including any expenses incurred in connection with a sale or other capital or interim capital transaction; (ii) water charges, property taxes, sewer rents and other impositions, other than fines, penalties, interest or such impositions (or portions thereof) that are payable by reason

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of the failure to pay an imposition timely; and (iii) the cost of routine maintenance, repairs and minor alterations, to the extent they can be expensed under GAAP.

"Westcor Property NOI" shall mean, for any Westcor Real Property for any period, (i) all Westcor Property Income for such period, *minus* (ii) all Westcor Property Expenses for such period.

"Westcor Real Property Under Construction" shall mean Westcor Real Property for which Commencement of Construction has occurred but either: (i) construction of such Westcor Real Property is not substantially complete; or (ii) less than 80% of the Gross Leaseable Area of such Westcor Real Property is subject to binding leases containing then applicable market terms.

"Westcor Tax Expense" shall mean (without duplication), for any period, total tax expense (if any) attributable to income and franchise taxes based on or measured by income, whether paid or accrued, of Westcor, including Westcor's *pro rata* share of tax expenses in any Joint Venture. For purposes of this definition, Westcor's *pro rata* share of any such tax expense of any Westcor Joint Venture shall be deemed equal to the product of (i) such tax expense of such Westcor Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by Westcor, expressed as a decimal.

"Westcor Total Liabilities" shall mean, at any time, without duplication, the aggregate amount of (i) all Indebtedness and other liabilities of Westcor (excluding the Indebtedness and liabilities incurred under the Credit Agreement and the other Loan Documents, the Interim Facility and the Revolving Credit Facility) reflected in their respective financial statements or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation), *plus* (ii) all Indebtedness and other liabilities of all Joint Ventures reflected in the financial statements of such Joint Ventures or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) which are otherwise recourse to Westcor or any of its assets or that otherwise constitutes Indebtedness of Westcor (including any recourse obligations arising as a result of a Westcor serving as a general partner, directly or indirectly, in such Joint Ventures, unless such general partner is a corporation whose sole asset is its general partnership interest and who otherwise meets the criteria set forth in clauses (D) through (T) in the definition of Single Purpose Entity); *provided that*, notwithstanding this clause (ii), those certain guarantees described on *Schedule G-3* to the Credit Agreement, which liabilities thereunder are recourse, directly or indirectly, to any of the Westcor Principal Entities or their Subsidiaries, shall be considered an obligation governed by clause (iii) below, *plus* (iii) Westcor's *pro rata* share of all Indebtedness and other liabilities reflected in the financial statements of any Joint Venture or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) not otherwise constituting Indebtedness of or recourse to Westcor or any of its assets, *plus* (iv) all liabilities of Westcor with respect to purchase and repurchase obligations, provided that any obligations to acquire fully-constructed Real Property shall not be included in Total Liabilities prior to the transfer of title of such Real Property. With respect to any Westcor Real Property Under Construction as to which Westcor has provided an outstanding and undrawn letter of credit relating to the performance and/or completion of construction at such property, the amount of Indebtedness evidenced by such letter of credit shall only be included in Westcor Total Liabilities if: (a) such Indebtedness does not duplicate Indebtedness incurred in respect of such Westcor Real Property Under Construction (including any off-site improvements associated therewith); (b) such Indebtedness is required by GAAP to be reflected on the liability side of any Westcor Principal Entities' balance sheet; and (c) to the extent such Indebtedness is not required by GAAP to be reflected on the liability side of any Westcor Principal Entities' balance sheet, then such Indebtedness shall only be included to the extent the amount of such Indebtedness exceeds \$40,000,000. For purposes of clause (iii), Westcor's *pro rata* share of all Indebtedness and other liabilities of any Joint Venture shall be deemed equal to the product of (a) such Indebtedness or other liabilities, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by Westcor, expressed as a decimal.

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"Wholly-Owned" shall mean, with respect to any Real Property, Capital Stock, or other Property owned or leased, that (i) title to such Property is held directly by, or such Property is leased by, the Macerich Partnership, or (ii) in the case of Real Property or Capital Stock, title to such property is held by, or (in the case of Real Property) such Property is leased by, a Consolidated Entity at least 99% of the Capital Stock of which is held of record and beneficially by the Macerich Partnership (or a Person whose Capital Stock is owned 100% by Macerich Partnership) and the balance of the Capital Stock of which (if any) is held of

record and beneficially by MAC (or a Person whose Capital Stock is owned 100% by MAC). References to Property Wholly-Owned by Westcor or a Macerich Entity shall mean property 100% owned by such Person.

"Wholly-Owned Raw Land" shall mean Wholly-Owned land that is not under development and for which no development is planned to commence within twelve (12) months after the date on which it was acquired.

*Other Interpretive Provisions.*

(1) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. Terms (including uncapped terms) not otherwise defined herein and that are defined in the UCC shall have the meanings therein described.

(2) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(3) (i) The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced;

(ii) The term "including" is not limiting and means "including without limitation;"

(iii) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding," and the word "through" means "to and including;"

(iv) The term "property" includes any kind of property or asset, real, personal or mixed, tangible or intangible; and

(v) The verb "exists" and its correlative noun forms, with reference to a Potential Default or an Event of Default, means that such Potential Default or Event of Default has occurred and continues uncured and unwaived.

(4) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent Modifications thereto, but only to the extent such Modifications are not prohibited by the terms of any Loan Document, (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation, and (iii) references to any Person include its permitted successors and assigns.

(5) This Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

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[AGREEMENT](#)

[ANNEX I: GLOSSARY](#)

**\$380,000,000 INTERIM FACILITY  
CREDIT AGREEMENT**

by and among

**THE MACERICH PARTNERSHIP, L.P.,  
MACERICH GALAHAD GP CORP.,  
MACERICH GALAHAD LP,  
MACERICH WRLP CORP.,  
MACERICH WRLP LLC,  
MACERICH TWC II CORP.,  
and  
MACERICH TWC II LLC,  
as the Borrowers**

**THE MACERICH COMPANY  
and  
THE ENTITIES FROM TIME TO TIME PARTY HERETO  
as Guarantors**

**DEUTSCHE BANK TRUST COMPANY AMERICAS,  
JPMORGAN CHASE BANK,  
and  
THE INSTITUTIONS FROM TIME TO TIME PARTY HERETO  
as Lenders**

**DEUTSCHE BANK TRUST COMPANY AMERICAS,  
as the Administrative Agent and the Collateral Agent for the Lenders**

**DEUTSCHE BANK SECURITIES INC.  
and  
J.P. MORGAN SECURITIES INC.,  
as the Co-Lead Arrangers**

**JPMORGAN CHASE BANK  
and  
DRESDNER BANK AG, NEW YORK and GRAND CAYMAN BRANCHES,  
as the Co-Syndication Agents**

**WELLS FARGO BANK, NATIONAL ASSOCIATION  
and  
COMMERZBANK AG, NEW YORK and GRAND CAYMAN BRANCHES  
as the Co-Documentation Agents**

**Dated as of July 26, 2002**

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**EXHIBITS:**

Exhibit A                      Form of Supplemental Guaranty  
Exhibit B                      Form of Assignment and Acceptance Agreement  
Exhibit C                      Form of Closing Certificate  
Exhibit D                      Form of Compliance Certificate  
Exhibit E                      Form of Management Agreement  
Exhibit F                      Form of Note  
Exhibit G                      Form of Pledge Agreement  
Exhibit H                      Form of Rate Request

## CREDIT AGREEMENT

THIS CREDIT AGREEMENT (the "*Agreement*") is made and dated as of the 26th day of July, 2002, by and among THE MACERICH PARTNERSHIP, L.P., a limited partnership organized under the laws of the state of Delaware ("*Macerich Partnership*"); MACERICH GALAHAD GP CORP., a Delaware corporation ("*Galahad GP*"); MACERICH GALAHAD LP, a Delaware limited partnership ("*Galahad LP*"); MACERICH WRLP CORP., a Delaware corporation ("*Macerich WRLP Corp.*"); MACERICH WRLP LLC, a Delaware limited liability company ("*Macerich WRLP LLC*"); MACERICH TWC II CORP., a Delaware corporation ("*Macerich TWC Corp.*"); MACERICH TWC II LLC, a Delaware limited liability company ("*Macerich TWC LLC*") (Galahad GP, Galahad LP, Macerich WRLP Corp., Macerich WRLP LLC, Macerich TWC Corp. and Macerich TWC LLC being referred to herein, jointly and severally, as "*Westcor Borrowers*") (Macerich Partnership and Westcor Borrowers being referred to herein, jointly and severally, as the "*Borrowers*"); THE MACERICH COMPANY, a Maryland corporation ("*MAC*"); THE ENTITIES FROM TIME TO TIME PARTY HERETO AS AFFILIATE GUARANTORS; THE LENDERS FROM TIME TO TIME PARTY HERETO (collectively and severally, the "*Lenders*"); and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "*Administrative Agent*") and as Collateral Agent for the Benefited Creditors.

### RECITALS

A. The Borrowers have requested the Lenders to extend credit to the Borrowers in the form of a single disbursement term loan and that DBTCA agree to act as administrative agent for the benefit of the Lenders with respect to such credit extension.

B. The Lenders party hereto have agreed to extend such credit facility and DBTCA has agreed to act as administrative agent on behalf of the Lenders on the terms and subject to the conditions set forth herein and in the other Loan Documents (as that term and capitalized terms are defined in, or the location of the definitions thereof referenced in, the Glossary attached hereto as *Annex I* and by this reference incorporated herein).

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

### AGREEMENT

#### ARTICLE 1. *Credit Facility.*

1.1 *Interim Loan Amount.* On the terms and subject to the conditions set forth herein, the Lenders severally agree that they shall fund their respective Percentage Shares of a term loan (the "*Interim Loan*"), in the amount of \$380,000,000 (the "*Facility Amount*"). Principal amounts on the Interim Loan that are repaid or prepaid by Borrowers may not be reborrowed.

1.2 *Funding of Interim Loan.* Each Lender shall make its Percentage Share of the Interim Loan available to the Administrative Agent, in same-day funds, on the Closing Date at the Contact Office, ABA 021-001-033 for the Administrative Agent's Account No. 99-401-268, Ref: Macerich Partnership, no later than 12:00 p.m. (New York time) on the Closing Date. The failure of any Lender to advance its Percentage Share of the Interim Loan shall not relieve any other Lender of its obligation hereunder to advance its Percentage Share thereof, but no Lender shall be responsible for the failure of any other Lender to make its required advance.

1.3 *Repayment of Principal.* Subject to (i) the mandatory prepayment provisions of *Section 3.3(2)*, (ii) the amortization payment provisions of *Section 3.4* below, (iii) the Interim Loan

extension provisions of *Section 1.4* below, and (iv) any earlier acceleration of the Interim Loan following an Event of Default, the principal balance of the Interim Loan shall be payable in full on January 26, 2003 (the "*Original Maturity Date*").

#### 1.4 *Interim Loan Extension.*

(1) Provided that no Potential Default or Event of Default shall have occurred and be continuing, the Borrowers shall have the option, to be exercised by giving written notice to the Administrative Agent at least thirty (30) days prior to the Original Maturity Date, subject to the terms and conditions set forth in this Agreement, to extend the Original Maturity Date by six (6) months to July 26, 2003 (the "*First Extended Maturity Date*"). The request by the Borrowers for the extension of the Original Maturity Date shall constitute a representation and warranty by the Borrower Parties that no Potential Default or Event of Default then exists and that all of the conditions set forth in *Section 1.4(2)* below shall have been satisfied on the Original Maturity Date.

(2) The obligations of the Administrative Agent and the Lenders to extend the Original Maturity Date as provided in *Section 1.4(1)* shall be subject to the prior satisfaction of each of the following conditions precedent as determined by the Administrative Agent in its good faith judgment: (A) on the Original Maturity Date there shall exist no Potential Default or Event of Default; (B) the Borrowers shall have paid to the Administrative Agent for the ratable benefit of the Lenders an extension fee (the "*First Extension Fee*") equal to one-eighth of one percent (0.125%) of the then outstanding principal balance of the Interim Loan (which fee Borrowers hereby agree shall be fully earned and nonrefundable under any circumstances when paid); (C) the representations and warranties made by the Borrower Parties in the Loan Documents shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the Original Maturity Date (provided, however, that any factual matters disclosed in the Schedules referenced in *Article 6* shall be subject to update in accordance with clause (D) below); (D) the Borrower Parties shall have delivered updates to the Administrative Agent of all the Schedules set forth in *Article 6* hereof and such updated Schedules shall be acceptable to Administrative Agent in its reasonable judgment; (E) the Borrowers shall have delivered to the Administrative Agent a Compliance Certificate demonstrating that MAC and Borrowers are in compliance with the covenants set forth in



*Article 8*; (F) Borrowers shall have paid all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent and all reasonable fees and expenses paid to third party consultants (including reasonable attorneys' fees and expenses) by Administrative Agent in connection with such extension; (G) the Guarantors shall have acknowledged and ratified that their obligations under the Guaranties remain in full force and effect, and continue to guaranty the Obligations under the Loan Documents, as extended; and (H) the Borrowers shall have made all amortization payments required under *Section 3.4* to reduce the outstanding principal balance of the Interim Loan to no more than seventy-five percent (75%) of the Facility Amount by the Original Maturity Date, as more particularly set forth in said Section.

(3) In the event that the Original Maturity Date has been extended as provided in *Sections 1.4(1) and (2)*, then provided that no Potential Default or Event of Default shall have occurred and be continuing, the Borrowers shall have the option, to be exercised by giving written notice to the Agent hereto at least thirty (30) days prior to the First Extended Maturity Date, subject to the terms and conditions set forth in this Agreement, to extend the First Extended Maturity Date by an additional six (6) months to January 26, 2004 (the "*Second Extended Maturity Date*"). The request by the Borrowers for the further extension of the First Extended Maturity Date shall constitute a representation and warranty by the Borrower Parties that no Potential Default or Event of Default then exists and that all of the

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conditions set forth in *Section 1.4(4)* below shall have been satisfied on the First Extended Maturity Date.

(4) The obligations of the Administrative Agent and the Lenders to extend the First Extended Maturity Date as provided in *Section 1.4(3)* shall be subject to the satisfaction of each of the following conditions precedent as determined by the Administrative Agent in its good faith judgment: (A) on the First Extended Maturity Date there shall exist no Potential Default or Event of Default; (B) the Borrowers shall have paid to the Administrative Agent for the ratable benefit of the Lenders an extension fee (the "*Second Extension Fee*") equal to one-eighth of one percent (0.125%) of the then outstanding principal balance of the Interim Loan (which fee Borrowers hereby agree shall be fully earned and nonrefundable under any circumstances when paid); (C) the representations and warranties made by the Borrower Parties in the Loan Documents shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the First Extended Maturity Date (provided, however, that any factual matters disclosed in the Schedules referenced in *Article 6* shall be subject to update in accordance with clause (D) below); (D) the Borrower Parties shall have delivered updates to the Administrative Agent of all the Schedules set forth in *Article 6* hereof and such updated Schedules shall be acceptable to the Administrative Agent in its reasonable judgment; (E) the Borrowers shall have delivered to the Administrative Agent a Compliance Certificate demonstrating that MAC and Borrowers are in compliance with the covenants set forth in *Article 8*; (F) Borrowers shall have paid all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent and all reasonable fees and expenses paid to third party consultants (including reasonable attorneys' fees and expenses) by Administrative Agent in connection with such extension; (G) the Guarantors shall have acknowledged and ratified that their obligations under the Guaranties remain in full force and effect, and continue to guaranty the Obligations under the Loan Documents, as extended; and (H) the Borrowers shall have made all amortization payments required under *Section 3.4* to reduce the outstanding principal balance of the Interim Loan to no more than fifty percent (50%) of the Facility Amount by the First Extended Maturity Date, as more particularly set forth in said Section.

(5) The Administrative Agent shall notify each of the Lenders in the event that the Original Maturity Date and the First Extended Maturity Date are extended as provided in this *Section 1.4*.

1.5 *Interest.* Interest shall be payable on the outstanding principal balance of the Interim Loan at the rates and on the dates set forth in *Sections 2.1 and 2.2* below.

1.6 *Joint Borrower Provisions.*

(1) Each Borrower hereby irrevocably designates, appoints and authorizes the other Borrowers as its agent and attorney-in-fact to take actions under this Agreement and any other Loan Document, together with such powers as are reasonably incidental thereto. The Administrative Agent and the Lenders shall be entitled to rely, and shall be fully protected in relying, upon any communication from or to any of the Borrowers (including, without limitation, any notice, consent or other instructions from any of the Borrowers) without any confirming communication from or to the other Borrowers; provided, however, that upon notice to any Borrower (which notice shall be given at the sole and absolute discretion of the Administrative Agent), the Administrative Agent shall be entitled to fail or refuse to take any action under this Agreement or any other Loan Document (to the extent such action requires communication, including, without limitation, any notice, consent or other instructions, from any of the Borrowers), unless the Administrative Agent has received confirming

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communications from all Borrowers. Any action taken by one Borrower under this Agreement and any other Loan Document shall be conclusively binding upon the other Borrowers.

(2) Each Borrower agrees that it is jointly and severally liable to the Administrative Agent and the Lenders for the payment of all Obligations and that such liability is independent of the liability and obligation of the other Borrowers with respect thereto, whether such Obligations are due or not due, absolute or contingent, liquidated or unliquidated or whether such Obligations otherwise become unenforceable against the other Borrowers. Any payment by a Borrower of an Obligation shall not reduce its liability and obligation with respect to all other Obligations hereunder. A separate action or actions may be brought and prosecuted against one of the Borrowers whether action is brought against the other Borrowers or whether the other Borrowers are joined in such action or actions. Each Borrower authorizes the Administrative Agent, on behalf of the Lenders, without notice or demand and without affecting its liability and obligations hereunder, from time to time, to (i) receive and hold security for the payment of the Obligations and exchange, enforce, waive, release, fail to perfect, sell or otherwise dispose of any such security, (ii) apply such security and direct the order or manner of sale thereof as the Administrative Agent in its discretion may determine, and (iii) release or substitute any one or more of endorser, guarantor or co-obligors of the Obligations.

(3) Each Borrower waives any right to require the Administrative Agent or the Lenders to (i) proceed against the other Borrowers, (ii) proceed against or exhaust any security, or (iii) pursue any other remedy in the Administrative Agent's or the Lenders' power whatsoever. Each Borrower waives any defense arising by reason of any disability or other defense of the other Borrowers, or the cessation from any cause

whatsoever of the liability of the other Borrowers, or any claim that such Borrower's Obligations exceed or are more burdensome than those of the other Borrowers. Until the Obligations shall have been finally, irrevocably, indefeasibly paid in full, each Borrower waives any right of subrogation, reimbursement, indemnification or contribution (contractual, statutory, or otherwise) including, without limitation, any claim or right of subrogation under the Bankruptcy Code (Title 11, United States Code) or any successor statute, arising from the existence or performance of this Agreement, and each Borrower waives any right to enforce any remedy which the Administrative Agent and/or the Lenders now have or may hereafter have against the other Borrowers and waives any benefit of, and any right to participate in, any security hereafter held by the Administrative Agent, on behalf of the Lenders for the Obligations. Each Borrower waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Agreement and of the existence, creation or incurring of new or additional Obligations by the other Borrowers.

(4) Each Borrower acknowledges and agrees that it will have the sole responsibility for obtaining from the other Borrowers such information concerning the other Borrowers' financial conditions or business operations as such Borrower may require, and that the Administrative Agent and the Lenders have no duty at any time to disclose to any Borrower any information relating to the other Borrowers, including, without limitation, information regarding its business, operations or financial condition.

(5) Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, if any amount paid on account of the Obligations is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by any Lender or the Administrative Agent or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise (such payment, a "Preferential Payment"), then, to the extent of such Preferential Payment, the Obligations or part thereof originally intended

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to be satisfied shall be revived and continued in full force and effect as if such payment had not been made.

## ARTICLE 2. *Interest Rate and Yield-Related Provisions.*

2.1 *Applicable Interest Rate.* The outstanding principal balance of the Interim Loan and portions thereof shall bear interest from the date disbursed to but not including the date of payment calculated at a per annum rate equal to, at the option of and as selected by the Borrowers from time to time (subject to the provisions of Sections 2.3, 2.4, 2.5 and 2.12 below): (i) the Applicable LIBO Rate for the selected Interest Period, or (ii) the Applicable Base Rate during the applicable interest calculation period. Portions of the Interim Loan bearing interest at the Applicable LIBO Rate shall be referred to herein sometimes as "LIBO Rate Loans" and portions of the Interim Loan bearing interest at the Applicable Base Rate shall be referred to herein as "Base Rate Loans".

### 2.2 *Payment of Interest.*

(1) The Borrowers shall pay interest on Base Rate Loans monthly, in arrears, on the last Business Day of each calendar month, as set forth on an interest billing delivered by the Administrative Agent to the Borrowers (which delivery may be by facsimile transmission) no later than 1:00 p.m. (New York time) on such date.

(2) The Borrowers shall pay interest on LIBO Rate Loans on the last day of the applicable Interest Period or, in the case of LIBO Rate Loans with an Interest Period ending later than three months after the date funded, converted or continued, at the end of each three month period from the date funded, converted or continued and on the last day of the applicable Interest Period, as set forth on an interest billing delivered by the Administrative Agent to the Borrowers (which delivery may be by facsimile transmission) no later than 1:00 p.m. (New York time) on such date.

### 2.3 *Procedures for Interest Rate Election.*

(1) The Borrowers may elect to have the Interim Loan or portions thereof funded on the Closing Date as LIBO Rate Loans and may from time to time thereafter elect to convert portions of the Interim Loan outstanding as Base Rate Loans to LIBO Rate Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 1:00 p.m. (New York time) on the third Eurodollar Business Day preceding the proposed funding or conversion date.

(2) The Borrowers may elect to have the Interim Loan or portions thereof funded on the Closing Date as Base Rate Loans and may from time to time thereafter elect to convert portions of the Interim Loan outstanding as LIBO Rate Loans to Base Rate Loans by giving the Administrative Agent irrevocable notice of such election no later than 1:00 p.m. (New York time) on the third Eurodollar Business Day preceding the proposed funding or conversion date.

(3) Subject to subsection (4) below, any LIBO Rate Loan may be continued as such upon the expiration of the Interest Period with respect thereto by the Borrowers giving the Administrative Agent prior irrevocable notice of such election on the third Eurodollar Business Day preceding the proposed continuation date. If the Borrowers shall fail to give notice of such continuation election, the Borrowers shall be deemed to have elected to convert any affected LIBO Rate Loan to a Base Rate Loan on the last day of the applicable Interest Period.

(4) No portion of the Interim Loan shall be funded or continued as a LIBO Rate Loan and no portion of the Interim Loan shall be converted into a LIBO Rate Loan if an Event of

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Default or Potential Default has occurred and is continuing on the day occurring three Eurodollar Business Days prior to the date of, or on the date of, the requested funding, continuation or conversion.

(5) Each Base Rate Loan shall be in a minimum principal amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof and each LIBO Rate Loan shall be in a minimum principal amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof; provided, that any Base Rate Loan or LIBO Rate Loan may be in such other amount (i) as may result from a partial prepayment thereof pursuant to *Section 3.3* or (ii) as may equal all of the then remaining outstanding balance of the Interim Loan.

(6) Each request for the conversion or continuation of a Base Rate Loan into a LIBO Rate Loan or of a LIBO Rate Loan into a Base Rate Loan shall be evidenced by the timely delivery by the Borrowers to the Administrative Agent of a duly executed Rate Request (which delivery may be by facsimile transmission).

(7) In no event shall there at any time be LIBO Rate Loans outstanding having more than six (6) different Interest Periods.

(8) The Borrowers shall only request Interest Periods of one, two, three or six months.

**2.4 Inability to Determine Rate.** In the event that the Administrative Agent shall have reasonably determined (which determination shall be conclusive and binding upon the Borrowers) that by reason of circumstances affecting the interbank market adequate and reasonable means do not exist for ascertaining the LIBO Rate for any Interest Period, the Administrative Agent shall forthwith give telephonic notice of such determination to each Lender and to the Borrowers. If such notice is given: (1) no portion of the Interim Loan may be funded as a LIBO Rate Loan, (2) any Base Rate Loan that was to have been converted to a LIBO Rate Loan shall, subject to the provisions hereof, be continued as a Base Rate Loan, and (3) any outstanding LIBO Rate Loan shall be converted, on the last day of the Interest Period applicable thereto, to a Base Rate Loan. Until such notice has been withdrawn by the Administrative Agent, the Borrowers shall not have the right to convert any Base Rate Loan to a LIBO Rate Loan or to continue a LIBO Rate Loan as such. The Administrative Agent shall withdraw such notice in the event that the circumstances giving rise thereto no longer pertain and that adequate and reasonable means exist for ascertaining the LIBO Rate for the Interest Period requested by the Borrowers, and, following withdrawal of such notice by the Administrative Agent, the Borrowers shall have the right to convert any Base Rate Loan to a LIBO Rate Loan and to continue any LIBO Rate Loan as such in accordance with the terms and conditions of this Agreement.

**2.5 Illegality.** Notwithstanding any other provisions herein, if any law, regulation, treaty or directive issued by any Governmental Authority or any change therein or in the interpretation or application thereof, shall make it unlawful for any Lender to maintain LIBO Rate Loans as contemplated by this Agreement: (1) the commitment of such Lender hereunder to continue LIBO Rate Loans or to convert Base Rate Loans to LIBO Rate Loans shall forthwith be cancelled, and (2) LIBO Rate Loans held by such Lender then outstanding, if any, shall be converted automatically to Base Rate Loans at the end of their respective Interest Periods or within such earlier period as may be required by law. In the event of a conversion of any LIBO Rate Loan prior to the end of its applicable Interest Period, the Borrowers hereby agree promptly to pay any Lender affected thereby, upon demand, the amounts required pursuant to *Section 2.9* below, it being agreed and understood that such conversion shall constitute a prepayment for all purposes hereof. The provisions hereof shall survive the termination of this Agreement and payment of all other Obligations.

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**2.6 Funding.** Each Lender shall be entitled to fund all or any portion of its Percentage Share of the Interim Loan in any manner it may determine in its sole discretion, including, without limitation, in the Grand Cayman inter-bank market, the London inter-bank market and within the United States, but all calculations and transactions hereunder shall be conducted as though all Lenders actually fund all LIBO Rate Loans through the purchase of offshore dollar deposits in the amount of such Lender's Percentage Share of the relevant LIBO Rate Loan with a maturity corresponding to the applicable Interest Period.

**2.7 Requirements of Law; Increased Costs.**

(1) In the event that any applicable law, order, regulation, treaty or directive issued by any central bank or other governmental authority, agency or instrumentality or in the governmental or judicial interpretation or application thereof, or compliance by any Lender with any request or directive (whether or not having the force of law) issued by any central bank or other governmental authority, agency or instrumentality:

(A) Does or shall subject any Lender to any Taxes of any kind whatsoever with respect to this Agreement or the Interim Loan, or change the basis of determining the Taxes imposed on payments to such Lender of principal, fee, interest or any other amount payable hereunder (except for change in the rate of tax on the overall net income of such Lender);

(B) Does or shall impose, modify or hold applicable any reserve, capital requirement, special deposit, compulsory loan or similar requirements against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender which are not otherwise included in the determination of interest payable on the Obligations; or

(C) Does or shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender of making, renewing or maintaining its Percentage Share of the Interim Loan or to reduce any amount receivable in respect thereof or the rate of return on the capital of such Lender or any corporation controlling such Lender, then, in any such case, the Borrowers shall, without duplication of amounts payable pursuant to *Section 2.10*, promptly pay to such Lender, upon its written demand made through the Administrative Agent, any additional amounts necessary to compensate such Lender for such additional cost or reduced amounts receivable or rate of return as determined by such Lender with respect to this Agreement or such Lender's Percentage Share of the Interim Loan, so long as such Lender requires substantially all obligors under other commitments of this type made available by such Lender to similarly so compensate such Lender.

(2) If a Lender becomes entitled to claim any additional amounts pursuant to this *Section 2.7*, it shall promptly notify the Borrowers of the event by reason of which it has become so entitled. A certificate as to any additional amounts so claimed payable containing the calculation thereof in reasonable detail submitted by a Lender to the Borrowers, accompanied by a certification that such Lender has required substantially all obligors under other commitments of this type made available by such Lender to similarly so compensate such Lender, shall constitute prima facie evidence thereof.

(3) Failure or delay on the part of any Lender to demand compensation pursuant to this *Section 2.7* shall not constitute a waiver of such Lender's right to demand such compensation. The provisions of this *Section 2.7* shall survive the termination of this Agreement and payment of the Interim Loan and all other Obligations.

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2.8 *Obligation of Lenders to Mitigate; Replacement of Lenders.* Each Lender agrees that:

(1) As promptly as reasonably practicable after the officer of such Lender responsible for administering such Lender's Percentage Share of the Interim Loan becomes aware of any event or condition that would entitle such Lender to receive payments under *Section 2.7* above or *Section 2.10* below or to cease maintaining LIBO Rate Loans under *Section 2.5* above, such Lender will use reasonable efforts: (i) to maintain its Percentage Share of the Interim Loan through another lending office of such Lender or (ii) take such other measures as such Lender may deem reasonable, if as a result thereof the additional amounts which would otherwise be required to be paid to such Lender pursuant to *Section 2.7* above or pursuant to *Section 2.10* below would be materially reduced or eliminated or the conditions rendering such Lender incapable of maintaining LIBO Rate Loans under *Section 2.5* above no longer would be applicable, and if, as determined by such Lender in its sole discretion, the maintaining of such LIBO Rate Loans through such other lending office or in accordance with such other measures, as the case may be, would not otherwise materially adversely affect such LIBO Rate Loans or the interests of such Lender.

(2) If the Borrowers receive a notice pursuant to *Section 2.7* above or pursuant to *Section 2.10* below or a notice pursuant to *Section 2.5* above stating that a Lender is unable to maintain LIBO Rate Loans (for reasons not generally applicable to the Required Lenders), so long as (i) no Potential Default or Event of Default shall have occurred and be continuing, (ii) the Borrowers have obtained a commitment from another Lender or an Eligible Assignee to purchase at par such Lender's Percentage Share of the Interim Loan and accrued interest and fees and to assume all obligations of the Lender to be replaced under the Loan Documents and (iii) such Lender to be replaced is unwilling to withdraw the notice delivered to the Borrowers, upon thirty (30) days' prior written notice to such Lender and the Administrative Agent, the Borrowers may require, at the Borrowers' expense, the Lender giving such notice to assign, without recourse, all of its Percentage Share of the Interim Loan and accrued interest and fees to such other Lender or Eligible Assignee pursuant to the provisions of *Section 11.8* below.

2.9 *Funding Indemnification.* In addition to all other payment obligations hereunder, in the event: (1) any LIBO Rate Loan is prepaid prior to the last day of the applicable Interest Period, whether following a voluntary prepayment, a mandatory prepayment or otherwise, or (2) the Borrowers shall fail to borrow the Interim Loan on the Closing Date (to the extent the Borrowers have requested that the Interim Loan or portions thereof be initially funded as a LIBO Rate Loan), or to continue or to make a conversion to a LIBO Rate Loan after the Borrowers have given notice thereof as required hereunder, then the Borrowers shall immediately pay to each Lender which would have funded the requested LIBO Rate Loan or holding the LIBO Rate Loans prepaid or not continued or converted, through the Administrative Agent, an additional premium sum compensating such Lender for losses, costs and expenses incurred by such Lender in connection with such prepayment or such failure to borrow, continue or convert. Without limiting the foregoing, such compensation shall include an amount equal to the present value (using as the discount rate an interest rate equal to the rate determined under (2) below) of the excess, if any, of (1) the amount of interest which otherwise would have accrued on the principal amount so paid, prepaid, converted or continued (or not converted, continued or borrowed) (the "*Incremental Payment*") for the period from the date of such payment, prepayment, conversion or continuation (or failure to convert, continue or borrow) to the last day of the then current applicable Interest Period (or, in the case of a failure to convert, continue or borrow, to the last day of the applicable Interest Period which would have commenced on the date specified therefor in the relevant notice) at the applicable LIBO Rate provided for herein with respect to such Incremental Payment, over (2) the amount of interest that would have accrued (as reasonably determined by such Lender),

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based upon the interest rate which such Lender would have bid in the London interbank market for Dollar deposits, on amounts comparable to the Incremental Payment and maturities comparable to such period. A determination of any Lender as to the amounts payable pursuant to this *Section 2.9* shall be conclusive absent manifest error.

2.10 *Taxes.*

(1) Any and all payments by or on account of any obligation of the Borrowers hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrowers shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this *Section 2.10*) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrowers shall make such deductions and (iii) the Borrowers shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(2) In addition, the Borrowers shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(3) The Borrowers shall indemnify the Administrative Agent and each Lender, within ten (10) Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this *Section 2.10*) paid by the Administrative Agent or such Lender, as the case may be, and any penalties, interest (except to the extent such penalties and/or interest arise as a result of a Lender's delay in dealing with any such Indemnified Tax) and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Lender or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(4) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrowers to a Governmental Authority, the Borrowers shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(5) Each Foreign Lender shall deliver to the Borrowers (with copies to the Administrative Agent) on or before the date hereof (or in the case of a Foreign Lender who became a Lender by way of an assignment, on or before the date of the assignment) or at least five (5) Business Days prior to the first date for any payment herewith to such Lender, and from time to time as required for renewal under applicable law, such certificates, documents or other evidence, as required by the Code or Treasury Regulations issued pursuant thereto, including, without limitation, Internal Revenue Service Form W-8BEN or W-ECI, as appropriate, and any other certificate or statement of exemption required by Section 871(h) or Section 881(c) of the Code or any subsequent version thereof, properly completed and duly executed by such Lender establishing that payments to such Lender hereunder are not subject to withholding under the Code ("*Evidence of No Withholding*"). Each Foreign Lender shall promptly notify the Borrowers and the Administrative Agent of any change in its applicable lending office and upon written request of the Borrowers or the Administrative Agent shall, prior to the immediately following due date of any payment by the Borrowers hereunder or under any other Loan Document, deliver Evidence of No

Withholding to the Borrowers and the Administrative Agent. The Borrowers shall be entitled to rely on such forms in their possession until receipt of any revised or successor form pursuant to this Section 2.10(5). If a Lender fails to provide Evidence of No Withholding as required pursuant to this Section 2.10(5), then (i) the Borrowers (or the Administrative Agent) shall be entitled to deduct or withhold from payments to Administrative Agent or such Lender as a result of such failure, as required by law, and (ii) the Borrowers shall not be required to make payments of additional amounts with respect to such withheld Taxes pursuant to Section 2.10(1) to the extent such withholding is required solely by reason of the failure of such Lender to provide the necessary Evidence of No Withholding.

### 2.11 [RESERVED]

2.12 *Post-Default Interest.* During such time as there shall have occurred and be continuing an Event of Default, all Obligations outstanding shall, at the election of the Administrative Agent, bear interest at a per annum rate equal to one and one-half percent (1.5%) above the Applicable Base Rate in effect during the applicable calculation period (whether or not such Applicable Base Rate shall otherwise have been elected by Borrowers in accordance with this Agreement).

2.13 *Computations.* All computations of interest and fees payable hereunder shall be based upon a year of 360 days for the actual number of days elapsed (which results in more interest being paid than if computed on the basis of a 365-day year).

## ARTICLE 3. *Payments.*

3.1 *Evidence of Indebtedness.* The obligation of the Borrowers to repay the Interim Loan shall be evidenced by notations on the books and records of the Lenders. Such books and records shall constitute prima facie evidence thereof. Any failure to record the interest rate applicable thereto or any other information regarding the Obligations, or any error in doing so, shall not limit or otherwise affect the obligation of the Borrowers with respect to any of the Obligations. Upon the request of a Lender, the Borrowers shall promptly execute and deliver to such Lender a Note evidencing such Lender's Percentage Share of the Interim Loan.

3.2 *Nature and Place of Payments.* All payments made on account of the Obligations shall be made by the Borrowers, without setoff or counterclaim, in lawful money of the United States of America in immediately available same day funds, free and clear of and without deduction for any Indemnified Taxes or Other Taxes, fees or other charges of any nature whatsoever imposed by any taxing authority and must be received by the Administrative Agent by 1:00 p.m. (New York time) on the day of payment, it being expressly agreed and understood that if a payment is received after 1:00 p.m. (New York time) by the Administrative Agent, such payment will be considered to have been made by the Borrowers on the next succeeding Business Day and interest thereon shall be payable by the Borrowers at the rate otherwise applicable thereto during such extension. All payments on account of the Obligations shall be made to the Administrative Agent through the Contact Office. If any payment required to be made by the Borrowers hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the then applicable rate during such extension.

### 3.3 *Prepayments.*

(1) Upon not less than one (1) Business Day's prior written notice (in the case of Base Rate Loans or LIBO Rate Loans with Interest Periods expiring on the date of payment) or three (3) Eurodollar Business Days' prior written notice (in the case of LIBO Rate Loans with an Interest Period not expiring on the date of payment) to the Administrative Agent (which shall promptly provide telephonic notice of the receipt thereof to each of the Lenders), the Borrowers may voluntarily prepay principal amounts outstanding under the Interim Loan in

whole or in part; provided, however, that voluntary prepayments shall be in the minimum amount of \$1,000,000 and integral multiples of \$100,000 in excess thereof. Voluntary prepayments of principal pursuant to this Section 3.3(1), shall be credited against the principal amortization payments next due as required under Section 3.4, but shall not relieve Borrowers from the obligation to make prepayments pursuant to Section 3.3(2).

(2) Subject to Section 3.3(3), Section 3.3(4) and Section 3.3(5), the Borrowers shall remit to the Administrative Agent as a mandatory prepayment for application against the outstanding principal balance of the Interim Loan:

(A) Subject to Section 3.3(2)(C), concurrently with the consummation of any Disposition, Financing, or Securities issuance, that dollar amount equal to one hundred percent (100%) of Net Cash Proceeds in respect of any Disposition or Financing of any Properties of the Borrower Parties or their Subsidiary Entities, or the issuance of debt or equity Securities by such Persons (but in all events any such debt or equity issuance shall otherwise comply with the terms of this Agreement).

(B) With respect to any principal payments received by any Macerich Entity in respect of any Disposition Promissory Note, (i) promptly, but in no event more than three (3) Business Days after the subject payment, one hundred percent (100%) of any such

principal payments; provided, however, that no such payment need be made to Administrative Agent pursuant to this clause (i) until the aggregate of all principal sums then paid in respect of such Disposition Promissory Notes, and not previously paid to Administrative Agent pursuant to clause (ii) below, exceed \$1,000,000; and (ii) on the first day of each January, April, July, and October, that dollar amount equal to one hundred percent (100%) of any principal payments made with respect to any Disposition Promissory Note during the immediately preceding fiscal quarter, less any sums paid to the Administrative Agent during such preceding fiscal quarter pursuant to clause (i) above.

(C) Notwithstanding *Section 3.3(2)(A)* above:

(i) No prepayment shall be required under *Section 3.3(2)(A)* above with respect to a Disposition if and to the extent that each of the following conditions is satisfied: (i) such Disposition occurs as part of a Like-Kind Exchange; (ii) the Exchange Property is acquired by the Macerich Entity engaged in such Disposition, a Wholly-Owned Subsidiary of such Macerich Entity, Macerich Partnership, or a Wholly-Owned Subsidiary of Macerich Partnership substantially concurrently with such Disposition, or, if not substantially concurrently, then in accordance with all deferred Like Kind Exchange requirements under the Code, including: (A) deposit of the Net Cash Proceeds in a qualifying escrow account; (B) identifying the Exchange Property within the qualifying period provided under the Code; and (C) consummating the Like Kind Exchange within six months after the subject Disposition; (iii) the Exchange Property is treated as a Property for purposes of this *Section 3.3* such that any subsequent Disposition of such Exchange Property shall be subject to the mandatory prepayment provisions otherwise specified herein; and (iv) to the extent there are any Net Cash Proceeds in excess of the purchase price for the Exchange Property, one hundred percent (100%) of such sums are remitted to the Administrative Agent as a mandatory prepayment pursuant to this *Section 3.3(2)*.

(ii) No prepayment shall be required under *Section 3.3(2)(A)* above if and to the extent that a Disposition of the La Encantada Property occurs and each of the following conditions is satisfied: (i) such Disposition occurs in conjunction with the purchase of the interests in Arrowhead Property and/or the Superstition Property

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from General Growth Properties (the "*GGP Property*"); (ii) the GGP Property is acquired by the Macerich Entity engaged in such Disposition, a Wholly-Owned Subsidiary of such Macerich Entity, Macerich Partnership, or a Wholly-Owned Subsidiary of Macerich Partnership substantially concurrently with such Disposition or, if not acquired substantially concurrently, then in accordance with all deferred Like Kind Exchange requirements under the Code, including: (A) deposit of the Net Cash Proceeds in a qualifying escrow account; (B) identifying the Exchange Property within the qualifying period provided under the Code; and (C) consummating the Like Kind Exchange within six months after the subject Disposition; (iii) the GGP Property is treated as a Property for purposes of this *Section 3.3* such that any subsequent Disposition of such GGP Property shall be subject to the mandatory prepayment provisions otherwise specified herein; and (iv) to the extent there are any Net Cash Proceeds in excess of the purchase price for the GGP Property such sums are paid to the Administrative Agent, on behalf of the Lenders, as a mandatory prepayment in accordance with this *Section 3.3*.

(iii) No prepayment shall be required under *Section 3.3(2)(A)* above if and to the extent that a Disposition of the Flatiron Crossing Asset occurs and each of the following conditions is satisfied: (i) such Disposition occurs in conjunction with the purchase of a Project in the Phoenix metropolitan area (a "*Phoenix Mall Asset*"); (ii) the Phoenix Mall Asset is acquired by the Macerich Entity engaged in such Disposition, a Wholly-Owned Subsidiary of such Macerich Entity, Macerich Partnership, or a Wholly-Owned Subsidiary of Macerich Partnership within six months of such Disposition, (iii) the Phoenix Mall Asset is treated as a Property for purposes of this *Section 3.3* such that any subsequent Disposition of such Phoenix Mall Asset shall be subject to the mandatory prepayment provisions otherwise specified herein; and (iv) to the extent there are any Net Cash Proceeds in excess of the purchase price for the Phoenix Mall Asset such sums are paid to the Administrative Agent, on behalf of the Lenders, as a mandatory prepayment in accordance with this *Section 3.3*.

(3) Notwithstanding *Section 3.3(2)* above, no such prepayment shall be required if and to the extent that: (i) concurrently with the consummation of the subject Disposition or Financing, the Borrowers shall provide an Officer's Certificate to the Administrative Agent certifying that such Net Cash Proceeds will be utilized to either (x) purchase designated Unaffiliated Partner Interests; provided that the aggregate amount of such purchases of designated Unaffiliated Partner Interests shall not exceed \$75,000,000 over the life of the Interim Loan, or (y) make designated capital improvements to one or more specified Westcor Assets, each within one hundred and eighty (180) days (or such longer period of time as the Administrative Agent may approve in its reasonable judgment) of the consummation of such Disposition or Financing (the "*Proceeds Expenditure Date*"); (ii) concurrently with the consummation of the subject Disposition or Financing, such Net Cash Proceeds shall be deposited in an account (the "*Proceeds Expenditure Account*") pursuant to an account agreement in form and substance reasonably acceptable to the Administrative Agent, provided, that (w) the Proceeds Expenditure Account shall be interest bearing and all interest earned on Net Cash Proceeds deposited into the Proceeds Expenditure Account shall be for the account of the Borrowers and, so long as no Potential Default or Event of Default has occurred and is continuing, the Borrowers shall be permitted to withdraw such interest, without further approval from the Administrative Agent, (x) so long as no Potential Default or Event of Default has occurred and is continuing, the Borrowers shall be permitted to withdraw such deposited sums, without further approval of Administrative Agent, solely for the purposes, and subject to the limitations, set forth in clause (i) above, (y) the Borrowers

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shall certify in a Compliance Certificate delivered at the end of each fiscal quarter that the proceeds (other than interest accrued on deposited sums) withdrawn from the Proceeds Expenditure Account were used for the purposes (and, with respect to purchases of Unaffiliated Partner Interests, complied with the aggregate dollar limitation described above) set forth in clause (i) above (and such sums may be withdrawn in respect of designated improvement expenses or acquisition costs for designated Unaffiliated Partner Interests (subject to the aggregate dollar limitation described above) incurred prior to the subject Disposition or Financing if such sums were incurred not more than 180 calendar days prior to such Disposition or Financing and Borrowers have provided written notice to Administrative Agent of such anticipated use of Net Sales Proceeds within 90 days after such expenses are incurred) and (z) the Administrative Agent shall have, on behalf of itself and the Lenders (and Borrowers

hereby grant Administrative Agent), a perfected security interest in the Proceeds Expenditure Account and all funds deposited therein; and (iii) on or prior to the Proceeds Expenditure Date, all sums deposited in the Proceeds Expenditure Account shall be expended in accordance with the terms of this Section 3.3(3), and if not so expended shall promptly be delivered to the Administrative Agent for application to the principal amount of the Interim Loan. In the event, on the Proceeds Expenditure Date, Borrowers have incurred specific liabilities with respect to designated capital improvements or acquisition costs for designated Unaffiliated Partner Interests and Administrative Agent has determined in its reasonable judgment that such improvements or Unaffiliated Partner Interests acquisition will be completed in a timely manner, Borrowers may withdraw funds from the Proceeds Expenditure Account to pay for such incurred liabilities even if Borrowers have not then paid for such liability expenses and the improvements or Unaffiliated Partner Interests acquisition are not then completed. If an Event of Default occurs at any time, all sums deposited in the Proceeds Expenditure Account shall be disbursed to Administrative Agent and applied in accordance with Section 3.5.

(4) So long as no Event of Default has occurred, the amount of all prepayments made pursuant to this Section 3.3 shall be applied toward the satisfaction of the amortization requirement set forth in Section 3.4 below.

(5) In the event (i) no Potential Default or Event of Default exists and is continuing and (ii) the amount of prepayment required to be made pursuant to this Section 3.3 shall exceed the aggregate principal amount of the applicable outstanding Base Rate Loans (the amount of any such excess being called the "Excess Amount"), the Borrowers shall have the right, in lieu of making such prepayment in full at such time, to prepay all the outstanding Base Rate Loans and to deposit an amount equal to the Excess Amount with the Administrative Agent in a cash collateral account maintained by and in the sole dominion and control of the Administrative Agent and otherwise subject to an account agreement in form and substance reasonably satisfactory to the Administrative Agent. Any amounts so deposited shall be held by the Administrative Agent as collateral for the Obligations and applied to the prepayment of the applicable LIBO Rate Loans, in the order instructed by any Borrower or if no instructions are timely provided as directed, as determined by the Administrative Agent, at the end of the current Interest Periods applicable thereto. On any Business Day on which (x) collected amounts remain on deposit in or to the credit of such cash collateral account after giving effect to the payments made on such day pursuant to Section 3.3 and (y) the Borrowers shall have delivered to the Administrative Agent a written request or a telephonic request (which shall be promptly confirmed in writing) that such remaining collected amounts be invested in Cash Equivalents specified in such request, the Administrative Agent shall use its reasonable efforts to invest such remaining collected amounts in such Cash Equivalents; provided, however, that (A) the Administrative Agent shall have continuous dominion and full control over any such investments (and over any interest and proceeds that accrue thereon),

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(B) the Administrative Agent shall have otherwise determined in good faith that a perfected security interest shall be maintained in respect of all funds (including interest on and proceeds of the Cash Equivalents) deposited in such cash collateral account, and (C) no Cash Equivalents shall mature after the end of the Interest Period in respect of which it is to be applied. Under no circumstance shall the Borrowers have any right to withdraw any amount from such cash collateral account or cause the Administrative Agent to apply such sums for any purpose other than the application of such funds to repay the applicable LIBO Rate Loans and accrued interest thereon. Upon the occurrence of an Event of Default, all sums deposited with the Administrative Agent may be applied to the Obligations in accordance with this Agreement.

(6) The Borrowers shall pay in connection with any prepayment hereunder, whether voluntary or mandatory, all interest accrued but unpaid on that portion of the Interim Loan to which such prepayment is applied, and in the case of prepayment of any portion of the Interim Loan constituting LIBO Rate Loans, all amounts payable pursuant to Section 2.9 above, concurrently with payment of any principal amounts.

(7) Prior to the occurrence of an Event of Default and acceleration of the Obligations, prepayments shall be applied first to Base Rate Loans to the extent possible and then to LIBO Rate Loans.

**3.4 Amortization.** In the event that the Maturity Date is extended from the Original Maturity Date to the First Extended Maturity Date pursuant to the Borrowers' option under Section 1.4(1), the Borrowers shall make an amortization payment to Administrative Agent, for the benefit of the Lenders, on the Original Maturity Date in an amount equal to the amount necessary to cause the then principal outstanding balance of the Interim Loan to be no greater than seventy five percent (75%) of the Facility Amount (provided that if the Maturity Date is not so extended, the entire remaining balance of the Interim Loan shall be due and payable on the Original Maturity Date). In the event that the Maturity Date is extended from the First Extended Maturity Date to the Second Extended Maturity Date pursuant to the Borrowers' option under Section 1.4(3), the Borrowers shall make an amortization payment to Administrative Agent, for the benefit of the Lenders, on the First Extended Maturity Date in an amount equal to the amount necessary to cause the then principal outstanding balance of the Interim Loan to be no greater than fifty (50%) of the Facility Amount (provided that if the Maturity Date is not so extended, the entire remaining balance of the Interim Loan shall be due and payable on the First Extended Maturity Date). Such mandatory amortization payments shall be reduced (in the order then due) by any voluntary payments made by the Borrowers pursuant to Section 3.3(1) and any mandatory prepayment made under Section 3.3(2) and (3). To the extent not previously paid in full, the remaining balance of the Interim Loan shall be due and payable on the Maturity Date.

### 3.5 Allocation of Payments Received.

(1) Prior to the occurrence of an Event of Default and acceleration of the Obligations, and unless otherwise expressly provided herein, all amounts received by the Administrative Agent on account of the Obligations shall be disbursed by the Administrative Agent to the Lenders pro rata in accordance with their respective Percentage Shares, by wire transfer of like funds received on the date of receipt if received by the Administrative Agent before 1:00 p.m. (New York time) or if received later, by 1:00 p.m. (New York time) on the next succeeding Business Day, without further interest payable by the Administrative Agent.

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(2) Following the occurrence of an Event of Default and acceleration of the Obligations, all amounts received by the Administrative Agent on account of the Obligations, shall be promptly disbursed by the Administrative Agent as follows:

(A) First, to the payment of expenses incurred by the Administrative Agent in the performance of its duties and the enforcement of the rights of the Lenders under the Loan Documents, including, without limitation, all costs and expenses of collection, reasonable

attorneys' fees (including all allocated costs of internal counsel), court costs and other amounts payable as provided in *Section 7.6* below;

(B) Then, to the Lenders, pro rata in accordance with their respective Percentage Shares, until interest accrued on the Interim Loan has been paid in full;

(C) Then, to the Lenders, pro rata in accordance with their respective Percentage Shares, until principal under the Interim Loan has been paid in full;

(D) Then, to the Lenders, pro rata in accordance with the amount, expressed as a percentage, which the amount of remaining Obligations owed to such Lenders bears to all other Obligations held by all Lenders, until all other Obligations have been paid in full.

(3) The order of priority set forth in *Section 3.5(2)* and the related provisions of this Agreement are set forth solely to determine the rights and priorities of the Administrative Agent and the other Lenders as among themselves. The order of priority set forth in clauses (B) through (D) of *Section 3.5(2)* may at any time and from time to time be changed by the Required Lenders without necessity of notice to or consent of or approval by the Borrowers or any other Person. The order of priority set forth in clause (A) of *Section 3.5(2)* may be changed only with the prior written consent of the Administrative Agent.

#### ARTICLE 4. *Credit Support.*

4.1 *Guaranties.* As credit support for the Aggregate Obligations, on or before the Closing Date (1) MAC shall execute and deliver to the Collateral Agent, for the benefit of the Benefited Creditors, the REIT Guaranty, and (2) the Affiliate Guarantors shall each execute and deliver to the Collateral Agent, for the benefit of the Benefited Creditors, an Affiliate Guaranty. Upon the acquisition of any Project after the Closing Date by any Borrower Party or Wholly-Owned Subsidiary thereof, in the event at the time of acquisition the principal Property comprising such Project is unencumbered by any Lien in respect of borrowed indebtedness (an "*Unencumbered Property*"), and there is no Financing with respect to such Unencumbered Property within sixty (60) days of its acquisition, such Person (each a "*Supplemental Guarantor*") shall: (a) execute and deliver to the Collateral Agent, for the benefit of the Benefited Creditors, a Guaranty in the form of Exhibit A hereto pursuant to which such Supplemental Guarantor will unconditionally guarantee the Aggregate Obligations from time to time owing to the Benefited Creditors, (b) execute and deliver, or cause to be executed and delivered, to the Collateral Agent such other documents or legal opinions required by the Collateral Agent confirming the authorization, execution and delivery and enforceability (subject to customary exceptions) of the Guaranty by such Supplemental Guarantor, and (c) deliver copies of its Organizational Documents, certified by the Secretary or an Assistant Secretary of such Supplemental Guarantor (or if such Person is a limited partnership or limited liability company, an authorized representative of its general partner or manager) as of the date delivered as being accurate and complete. Upon the Disposition or Financing of any Unencumbered Property by any Affiliate Guarantor or Supplemental Guarantor and the corresponding payment of all sums due pursuant to *Section 3.3* hereof and *Section 3.3* of the Term Loan Credit Agreement in connection with such Disposition, the Collateral Agent shall release the guaranty executed by such Person pursuant to this *Section 4.1*.

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4.2 *Pledge Agreements.* As credit support for the Aggregate Obligations, on or before the Closing Date, Macerich Partnership, MAC, and the Westcor Borrowers (other than Macerich TWC Corp. and Macerich TWC LLC) shall each execute and deliver to the Collateral Agent, a Pledge Agreement, pursuant to which each of them shall pledge to the Collateral Agent, for the ratable benefit of the Benefited Creditors, all of its direct and indirect ownership interest in the Westcor Borrowers and Westcor Realty Limited Partnership.

#### ARTICLE 5. *Conditions Precedent.*

5.1 *Conditions to Funding of Interim Loan.* As conditions precedent to the agreement of the Lenders to fund their respective Percentage Shares of the Interim Loan:

(1) The Borrowers and MAC shall have delivered or shall have caused to be delivered to the Administrative Agent, in form and substance satisfactory to the Lenders and their counsel and duly executed by the appropriate Persons (with sufficient copies for each of the Lenders), each of the following:

(A) This Agreement;

(B) To the extent requested by any Lender pursuant to *Section 3.1* above, a Note payable to such Lender;

(C) The REIT Guaranty and the Affiliate Guaranties;

(D) The Pledge Agreements;

(E) [RESERVED];

(F) A certificate of the Secretary or Assistant Secretary of the general partner or managing member of those Borrower Parties which are partnerships or limited liability companies attaching copies of resolutions duly adopted by the Board of Directors of such general partner or managing member approving the execution, delivery and performance of the Loan Documents on behalf of such Borrower Parties and certifying the names and true signatures of the officers of such general partner or managing member authorized to sign the Loan Documents to which such Borrower Parties are party;

(G) A certificate or certificates of the Secretary or an Assistant Secretary of those Borrower Parties which are corporations attaching copies of resolutions duly adopted by the Board of Directors of such Borrower Parties approving the execution, delivery and performance of the Loan Documents to which such Borrower Parties are party and certifying the names and true signatures of the officers of each of such Borrower Parties authorized to sign the Loan Documents on behalf of such Borrower Parties;

(H) An opinion of counsel for the Borrowers, MAC and the other Persons who will be Guarantors as of the Closing Date, in form and substance reasonably acceptable to the Administrative Agent and the Lenders;



(I) Copies of the Certificate of Incorporation, Certificate of Formation, or Certificate of Limited Partnership of each of the Borrower Parties, certified by the Secretary of State of the state of formation of such Person as of a recent date;

(J) Copies of the Organizational Documents of each of the Borrower Parties (unless delivered pursuant to clause (I) above), the Westcor Principal Entities, and the Persons identified in *Schedule 5.1(1)(J)* attached hereto, certified by the Secretary or an Assistant Secretary of such Person (or if such Person is a limited partnership or limited liability company, an authorized representative of its general partner or manager) as of the date of this Agreement as being accurate and complete;

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(K) A certificate of authority and good standing or analogous documentation as of a recent date for each of the Borrower Parties for the State of California and each state in which such Person is organized, formed or incorporated, as applicable;

(L) From a Responsible Officer of each of the Borrowers and MAC, a Closing Certificate dated as of the Closing Date;

(M) Confirmation from the Administrative Agent and the other Agents (which may be oral) that all fees required to be paid by the Borrowers on or before the Closing Date have been, or will upon the funding of the Interim Loan be, paid in full;

(N) Evidence satisfactory to the Administrative Agent that all reasonable costs and expenses of the Administrative Agent and the other Agents, including, without limitation, fees of outside counsel and fees of third party consultants and appraisers, required to be paid by the Borrowers on or prior to the Closing Date have been, or will upon the funding of the Interim Loan be, paid in full;

(O) From a Responsible Financial Officer of MAC, a Compliance Certificate in form and substance satisfactory to the Administrative Agent and the Lenders, evidencing, as applicable, MAC's compliance with the financial covenants set forth under *Section 8.12* below at and as of March 31, 2002 and the Westcor Borrowers' compliance with the financial covenants set forth under *Section 8.13* below at and as of March 31, 2002.

(2) Each of the requirements set forth on *Schedule 5.1(2)* attached hereto shall have been met to the satisfaction of the Administrative Agent and the Lenders.

(3) All representations and warranties of the Borrower Parties set forth herein and in the other Loan Documents shall be accurate and complete in all material respects as if made on and as of the Closing Date (unless any such representation and warranty speaks as of a particular date, in which case it shall be accurate and complete in all material respects as of such date).

(4) There shall not have occurred and be continuing as of the Closing Date any Event of Default or Potential Default.

(5) All acts and conditions (including, without limitation, the obtaining of any third party consents and necessary regulatory approvals and the making of any required filings, recordings or registrations) required to be done and performed and to have happened precedent to the execution, delivery and performance of the Loan Documents by each of the Borrower Parties, the consummation of the Westcor Acquisition, and the closing of the Term Loan Facility and the Revolving Credit Facility, shall have been done and performed.

(6) There shall not have occurred any change, occurrence or development that could, in the good faith opinion of the Lenders, have a Material Adverse Effect.

(7) All documentation, including, without limitation, documentation for corporate and legal proceedings in connection with the transactions contemplated by the Loan Documents shall be satisfactory in form and substance to the Administrative Agent, the Lenders and their counsel.

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**5.2 Outside Closing Date.** If all conditions precedent set forth in *Section 5.1* above shall not have been met to the satisfaction of the Administrative Agent and the Lenders on or before August 15, 2002, then the agreement of the Lenders to fund their respective Percentage Shares of the Interim Loan shall terminate and this Agreement shall automatically be deemed of no further force or effect (except to the extent terms and provisions of this Agreement specifically provide that they shall survive termination hereof).

**ARTICLE 6. Representations and Warranties.** As an inducement to the Administrative Agent and each Lender to enter into this Agreement and for the Lenders to advance their respective Percentage Shares of the Interim Loan, each of the Borrower Parties, collectively and severally, represent and warrant, as of the Closing Date (or such later date as otherwise expressly provided in this Agreement) to the Administrative Agent and each Lender that (provided that any representations as of the Closing Date as to Westcor or the Westcor Assets are to the Borrower Parties' best knowledge):

**6.1 Financial Condition.** Complete and accurate copies of the following financial statements and materials have been delivered to the Administrative Agent: (i) audited financial statements of MAC for 2000 and 2001; (ii) unaudited financial statements of MAC for the calendar quarter ending March 31, 2002 (the materials described in clauses (i) and (ii) are referred to as the "*Initial Financial Statements*"); and (iii) a pro forma balance sheet and income statement ("*Pro Forma Statement*") dated March 31, 2002 reflecting the pro forma combined performance of the Consolidated Entities and Westcor.

All financial statements included in the Initial Financial Statements were prepared in all material respects in conformity with GAAP, except as otherwise noted therein, and fairly present in all material respects the respective consolidated financial positions, and the consolidated results of operations and cash flows for each of the periods covered thereby of MAC and its consolidated Subsidiaries as at the respective dates thereof. None of the Borrower Parties or any of their Subsidiaries has any Contingent Obligation, contingent liability or liability for any taxes, long-term leases or commitments, not reflected in its audited financial statements delivered to the Administrative Agent on or prior to the Closing Date or otherwise disclosed to the

Administrative Agent and the Lenders in writing, which will have or is reasonably likely to have a Material Adverse Effect. The Pro Forma Statement has been prepared in good faith based upon reasonable assumptions.

6.2 *No Material Adverse Effect.* Since the Statement Date no event has occurred which has resulted in, or is reasonably likely to have, a Material Adverse Effect.

6.3 *Compliance with Laws and Agreements.* Each of the Borrower Parties and the Macerich Core Entities is in compliance with all Requirements of Law and Contractual Obligations, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

6.4 *Organization, Powers; Authorization; Enforceability.*

(1) Macerich Partnership (A) is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware, (B) is duly qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably likely to have a Material Adverse Effect, (C) has all requisite power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted in connection with and following the consummation of the transactions contemplated by this Agreement and (D) is a partnership for purposes of federal income taxation and for purposes of the tax laws of any state or locality in which Macerich Partnership is subject to taxation based on its income.

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(2) MAC (A) is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland, (B) is duly authorized and qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably likely to have a Material Adverse Effect, and (C) has all requisite corporate power and authority to own, operate and encumber its Property and to conduct its business as presently conducted.

(3) Each Westcor Borrower and each Affiliate Guarantor (A) is either a corporation, a limited partnership or a limited liability company duly incorporated, formed or organized, validly existing, and in good standing under the laws of the State of its incorporation, organization and/or formation, (B) is duly qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably expected to have a Material Adverse Effect, and (C) has all requisite corporate, partnership or limited liability company power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted in connection with and following the consummation of the transactions contemplated by this Agreement.

(4) True, correct and complete copies of the Organizational Documents described in *Section 5.1(1)(J)* have been delivered to the Administrative Agent, each of which is in full force and effect, has not been Modified except to the extent indicated therein and, to the best of each of the Borrower Parties' knowledge, there are no defaults under such Organizational Documents and no events which, with the passage of time or giving of notice or both, would constitute a default under such Organizational Documents.

(5) The Borrower Parties have the requisite power and authority to execute, deliver and perform this Agreement and each of the other Loan Documents which are required to be executed on their behalf. The execution, delivery and performance of each of the Loan Documents which must be executed in connection with this Agreement by the Borrower Parties and to which the Borrower Parties are a party and the consummation of the transactions contemplated thereby are within their partnership, company, or corporate powers, have been duly authorized by all necessary partnership, company, or corporate action and such authorization has not been rescinded. No other partnership, company, or corporate action or proceedings on the part of the Borrower Parties is necessary to consummate such transactions.

(6) Each of the Loan Documents to which each Borrower Party is a party has been duly executed and delivered on behalf of such Borrower Party and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (subject to bankruptcy, insolvency, reorganization, or other laws affecting creditors' rights generally and to principles of equity, regardless of whether considered in a proceeding in equity or at law), is in full force and effect and all the terms, provisions, agreements and conditions set forth therein and required to be performed or complied with by such Borrower Party on or before the Closing Date have been performed or complied with, and no Potential Default or Event of Default exists thereunder.

6.5 *No Conflict.* The execution, delivery and performance of the Loan Documents, the borrowing hereunder and the use of the proceeds thereof, will not violate any material Requirement of Law or any Organizational Document or any material Contractual Obligation of any of the Borrower Parties or the Macerich Core Entities; or create or result in the creation of any Lien on any material assets of any of the Borrower Parties.

6.6 *No Material Litigation.* Except as disclosed on *Schedule 6.6* hereto, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower Parties, threatened by or against the Borrower Parties or the

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Macerich Core Entities or against any of such Persons' Properties or revenues which is likely to be adversely determined and which, if adversely determined, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

6.7 *Taxes.* All tax returns, reports and similar statements or filings of the Borrower Parties and the Macerich Core Entities have been timely filed. Except for Permitted Encumbrances, all taxes, assessments, fees and other charges of Governmental Authorities upon such Persons and upon or relating to their respective Properties, assets, receipts, sales, use, payroll, employment, income, licenses and franchises which are shown in such returns or reports to be due and payable have been paid, except to the extent (i) such taxes, assessments, fees and other charges of Governmental Authorities are subject to a Good Faith Contest; or (ii) the non-payment of such taxes, assessments, fees and other charges of Governmental Authorities would not, individually or in the aggregate, result in a Material Adverse Effect. The Borrower Parties have no knowledge of any proposed tax assessment against the Borrower Parties or the Macerich Core Entities that will have or is reasonably likely to have a Material Adverse Effect.

6.8 *Investment Company Act.* None of the Borrowers nor MAC, nor any Person controlling such entities is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940 (as amended from time to time).

6.9 *Subsidiary Entities.* *Schedule 6.9 (A)* contains charts and diagrams reflecting the corporate structure of the Borrower Parties and their respective Subsidiary Entities indicating the nature of the corporate, partnership, limited liability company or other equity interest in each Person included in such chart or diagram; and (B) accurately sets forth (1) the correct legal name of such Person, the type of organization, and the jurisdiction of its incorporation or organization, and (2) the class of outstanding Capital Stock of such Persons along with the percentage thereof owned by the Borrower Parties and their Subsidiaries. None of such issued and outstanding Capital Stock or Securities is subject to any vesting, redemption, or repurchase agreement, and there are no warrants or options outstanding with respect to such Securities, except as noted on *Schedule 6.9*. The outstanding Capital Stock of each Subsidiary Entity shown on *Schedule 6.9* as being owned by a Borrower Party or its Subsidiary is duly authorized, validly issued, fully paid and nonassessable. Except where failure may not have a Material Adverse Effect, each Subsidiary Entity of Borrower Parties: (A) is a corporation, limited liability company, or partnership, as indicated on *Schedule 6.9*, duly organized, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its organization, (B) is duly qualified to do business and, if applicable, is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing would limit its ability to use the courts of such jurisdiction to enforce Contractual Obligations to which it is a party, and (C) has all requisite power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted hereafter.

6.10 *Federal Reserve Board Regulations.* None of the Borrowers nor MAC is engaged or will engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "Margin Stock" within the respective meanings of such terms under Regulations U, T and X. No part of the proceeds of the Interim Loan will be used for "purchasing" or "carrying" "Margin Stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of, the Regulations of the Board of Governors of the Federal Reserve System.

6.11 *ERISA Compliance.* Except as disclosed on *Schedule 6.11*:

(1) Each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state law failure to comply with which would reasonably be likely to result in a Material Adverse Effect. Each Plan which is intended to qualify under Section 401(a) of the

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Code has received a favorable determination letter from the IRS and to the best knowledge of the Borrower Parties, nothing has occurred which would cause the loss of such qualification.

(2) There are no pending or, to the best knowledge of Borrower Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(3) No ERISA Event has occurred or is reasonably expected to occur with respect to any Pension Plan or, to the best knowledge of the Borrower Parties, Multiemployer Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(4) No Pension Plan has any Unfunded Pension Liability which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(5) None of the Borrower Parties or their respective Subsidiaries, nor any ERISA Affiliate has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA) which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(6) None of the Borrower Parties or their respective Subsidiaries, nor any ERISA Affiliate has incurred nor reasonably expects to incur any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(7) None of the Borrower Parties or their respective Subsidiaries, nor any ERISA Affiliate has transferred any Unfunded Pension Liability to any person or otherwise engaged in a transaction that is subject to Section 4069 or 4212(c) of ERISA which has resulted or could reasonably be expected to result in a Material Adverse Effect.

6.12 *Assets and Liens.* Each of the Borrower Parties and their respective Subsidiary Entities has good and marketable title to all Property and assets reflected in the financial statements referred to in *Section 6.1* above, except Property and assets sold or otherwise disposed of in the ordinary course of business subsequent to the respective dates thereof. None of the Borrower Parties, nor their respective Subsidiary Entities, has outstanding Liens on any of its Properties or assets nor are there any security agreements to which it is a party, except for Liens permitted in accordance with *Section 8.1*.

6.13 *Securities Acts.* None of the Borrower Parties or their respective Subsidiary Entities have issued any unregistered securities in violation of the registration requirements of Section 5 of the Securities Act of 1933, (as amended from time to time, the "Act") or any other law, nor are they in violation of any rule, regulation or requirement under the Act, or the Securities Exchange Act of 1934, (as amended from time to time) other than violations which could not reasonably be expected to have a Material Adverse Effect. None of the Borrower Parties or the Macerich Core Entities is required to qualify an indenture under the Trust Indenture Act of 1939, (as amended from time to time) in connection with its execution and delivery of this Agreement or the incurrence of Indebtedness hereunder.

6.14 *Consents, Etc.* Except as disclosed in *Schedule 6.14*, no consent, approval or authorization of, or registration, declaration or filing with any Governmental Authority or any other Person is required on the part of the Borrower Parties or the Macerich Core Entities in

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connection with the Westcor Acquisition, the execution and delivery of the Loan Documents by the Borrower Parties, or the performance of or compliance with the terms, provisions and conditions thereof by such Persons, other than those that have been obtained or will be obtained by the legally required time.

6.15 *Hazardous Materials.* The Borrower Parties and the Macerich Core Entities have caused Phase I and the other environmental assessments as set forth in *Schedule 6.15* to be conducted or have taken other steps to investigate the past and present environmental condition and use of their Properties (as used in this *Section 6.15* and *Section 7.9*, the "*Environmental Properties*"). Based on such investigation, except as otherwise disclosed on *Schedule 6.15*, to the best knowledge of the Borrower Parties: (1) no Hazardous Materials have been discharged, disposed of, or otherwise released on, under, or from the Environmental Properties so as to be reasonably expected to result in a violation of Hazardous Materials Laws and a material adverse effect to such Environmental Property or the owner thereof; (2) the owners of the Environmental Properties have obtained all material environmental, health and safety permits and licenses necessary for their respective operations, and all such permits are in good standing and the holder of each such permit is currently in compliance with all terms and conditions of such permits, except to the extent the failure to obtain such permits or comply therewith is not reasonably expected to result in a Material Adverse Effect or any material violation of Hazardous Materials Laws or in a material adverse effect to such Environmental Property or the owner thereof; (3) none of the Environmental Properties is listed or proposed for listing on the National Priorities List ("*NPL*") pursuant to CERCLA or on the Comprehensive Environmental Response Compensation Liability Information System List ("*CERCLIS*") or any similar applicable state list of sites requiring remedial action under any Hazardous Materials Laws; (4) none of the owners of the Environmental Properties has sent or directly arranged for the transport of any hazardous waste to any site listed or proposed for listing on the NPL, CERCLIS or any similar state list; (5) there is not now on or in any Environmental Property: (a) any landfill or surface impoundment; (b) any underground storage tanks; (c) any asbestos-containing material; or (d) any polychlorinated biphenyls (PCB), which in the case of any of clauses (a) through (d) could reasonably result in a violation of any Hazardous Materials Laws and a material adverse effect to such Environmental Property or the owner thereof; (6) no environmental Lien has attached to any Environmental Properties; and (7) no other event has occurred with respect to the presence of Hazardous Materials on or under the Environmental Properties, which would reasonably be expected to result in a Material Adverse Effect.

6.16 *Regulated Entities.* None of the Borrower Parties or the Macerich Core Entities: (1) is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur Indebtedness, or (2) is a "foreign person" within the meaning of Section 1445 of the Code.

6.17 *Copyrights, Patents, Trademarks and Licenses, etc.* To the best knowledge of the Borrower Parties, the Borrower Parties and the Macerich Core Entities own or are licensed or otherwise have the right to use all of the patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other rights that are necessary for the operation of their respective businesses, without conflict with the rights of any other Person. To the best knowledge of the Borrower Parties, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Borrower Parties or the Macerich Core Entities infringes upon any rights held by any other Person, except for any infringements, individually or in the aggregate, which would not result, or be expected to result, in a Material Adverse Effect.

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6.18 *REIT Status.* MAC: (1) is a REIT, (2) has not revoked its election to be a REIT, (3) has not engaged in any "prohibited transactions" as defined in Section 856(b)(6)(iii) of the Code (or any successor provision thereto), and (4) for its current "tax year" as defined in the Code is and for all prior tax years subsequent to its election to be a REIT has been entitled to a dividends paid deduction which meets the requirements of Section 857 of the Code.

6.19 *Insurance.* *Schedule 6.19* accurately sets forth as of the Closing Date all insurance policies currently in effect with respect to the respective Property and assets and business of the Borrower Parties and the Macerich Core Entities, specifying for each such policy, (i) the amount thereof, (ii) the general risks insured against thereby, (iii) the name of the insurer and each insured party thereunder, (iv) the policy or other identification number thereof, and (v) the expiration date thereof. Such insurance policies are currently in full force and effect, in compliance with the requirements of *Section 7.8* hereof.

6.20 *Full Disclosure.* None of the representations or warranties made by the Borrower Parties in the Loan Documents as of the date such representations and warranties are made or deemed made contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading.

6.21 *Indebtedness.* *Schedule 6.21* sets forth, as of June 30, 2002, all Indebtedness for borrowed money of each of the Borrower Parties and the Macerich Core Entities, and, except as set forth on such *Schedule 6.21*, there are no defaults in the payment of principal or interest on any such Indebtedness, and no payments thereunder have been deferred or extended beyond their stated maturity, and there has been no material change in the type or amount of such Indebtedness since June 30, 2002.

6.22 *Real Property.* Set forth on *Schedule 6.22* is a list, as of the date of this Agreement, of all of the Projects of the Borrower Parties and the Macerich Entities, indicating in each case whether the respective property is owned or ground leased by such Persons, the identity of the owner or lessee and the location of the respective property.

6.23 *Brokers.* The Borrowers and MAC have not dealt with any broker or finder with respect to the transactions embodied in this Agreement and the other Loan Documents.

6.24 *No Default.* No Default or Potential Default has occurred and is continuing.

6.25 *Solvency.* After giving effect to the Interim Loan, and the disbursement of the proceeds thereof pursuant to the Borrowers' instructions, the Borrower Parties are each Solvent.

ARTICLE 7. *Affirmative Covenants.* As an inducement to the Administrative Agent and each Lender to enter into this Agreement and for the Lenders to advance their respective Percentage Shares of the Interim Loan, each of the Borrower Parties, collectively and severally, hereby covenants and agrees with the Administrative Agent and each Lender that, as long as any Obligations remain unpaid:

7.1 *Financial Statements.* The Borrower Parties shall maintain, for themselves, and shall cause each of the Macerich Core Entities to maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of consolidated financial statements in conformity with GAAP. Each of the financial statements and reports described below shall be prepared from such system and records and in form reasonably satisfactory to the Administrative Agent, and shall be provided to Administrative Agent:

(1) As soon as practicable, and in any event within ninety (90) days after the close of each fiscal year of MAC, the consolidated balance sheet of MAC and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, stockholders' equity and cash flow of MAC and its Subsidiaries for such fiscal year, setting forth in each case in

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comparative form the consolidated or combined figures, as the case may be, for the previous fiscal year, all in reasonable detail and accompanied by a report thereon of PricewaterhouseCoopers or other independent certified public accountants of recognized national standing selected by the Borrowers and reasonably satisfactory to the Administrative Agent, which report shall be unqualified (except for qualifications that the Required Lenders do not, in their discretion, consider material) and shall state that such consolidated financial statements fairly present the financial position of MAC and its Subsidiaries as at the date indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP (except as otherwise stated therein) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(2) As soon as practicable, and in any event within fifty (50) days after the close of each of the first three fiscal quarters of each fiscal year of MAC, for MAC and its Subsidiaries, unaudited balance sheets as at the close of each such period and the related combined statements of income and cash flow of MAC and its Subsidiaries for such quarter and the portion of the fiscal year ended at the end of such quarter, setting forth in each case in comparative form the consolidated or combined figures, as the case may be, for the corresponding periods of the prior fiscal year, all in reasonable detail and in conformity with GAAP (except as otherwise stated therein), together with a representation by a Responsible Financial Officer, as of the date of such financial statements, that such financial statements have been prepared in accordance with GAAP (provided, however, that such financial statements may not include all of the information and footnotes required by GAAP for complete financial information) and reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the financial information contained therein;

(3) Together with each delivery of any quarterly or annual report pursuant to paragraphs (1) through (2) of this *Section 7.1*, MAC shall deliver a Compliance Certificate signed by MAC's Responsible Financial Officer representing and certifying (1) that the Responsible Financial Officer signatory thereto has reviewed the terms of the Loan Documents, and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and consolidated financial condition of MAC and its Subsidiaries, during the fiscal quarter covered by such reports, that such review has not disclosed the existence during or at the end of such fiscal quarter, and that such officer does not have knowledge of the existence as at the date of such Compliance Certificate, of any condition or event which constitutes an Event of Default or Potential Default or mandatory prepayment event, or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Borrowers, MAC or their Subsidiaries has taken, is taking and proposes to take with respect thereto, (2) the calculations (with such specificity as the Administrative Agent may reasonably request) for the period then ended which demonstrate compliance with the covenants and financial ratios set forth in *Article 8*, (3) a schedule of Total Liabilities in respect of borrowed money in the level of detail disclosed in MAC's Form 10 Q filings with the Securities and Exchange Commission, as well as such other information regarding such Indebtedness as may be reasonably requested by the Administrative Agent, (4) that any proceeds withdrawn from the Proceeds Expenditure Account during the prior quarter were withdrawn in compliance with *Section 3.3(3)* and shall specify the use of such proceeds, and (5) a schedule of EBITDA.

(4) To the extent not otherwise delivered pursuant to this *Section 7.1*, copies of all financial statements and financial information delivered by the Borrowers, MAC and the Westcor Principal Entities (or, upon Administrative Agent's request, any Subsidiaries of such

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Persons) from time to time to the holders of any Indebtedness for borrowed money of such Persons; and

(5) Copies of all proxy statements, financial statements, and reports which the Borrowers or MAC send to their respective stockholders or limited partners, and copies of all regular, periodic and special reports, and all registration statements under the Act which the Borrowers or MAC file with the Securities and Exchange Commission or any Governmental Authority which may be substituted therefor, or with any national securities exchange; provided, however, that there shall not be required to be delivered hereunder such copies for any Lender of prospectuses relating to future series of offerings under registration statements filed under Rule 415 of the Act or other items which such Lender has indicated in writing to the Borrowers or MAC from time to time need not be delivered to such Lender.

(6) Notwithstanding the foregoing, it is understood and agreed that to the extent MAC files documents with the Securities and Exchange Commission and such documents contain the same information as required by subsections (1), (2), (3) (only with respect to subclause (3)), (4) and (5) above, MAC may deliver copies, which copies may be delivered electronically, of such forms with respect to the relevant time periods in lieu of the deliveries specified in such clauses.

7.2 *Certificates; Reports; Other Information.* The Borrower Parties shall furnish or cause to be furnished to the Administrative Agent and each of the Lenders directly:

(1) From time to time upon reasonable request by the Administrative Agent, a rent roll, tenant sales report and income statement with respect to any Project;

(2) As soon as practicable and in any event by January 1st of each calendar year, the Borrower Parties shall deliver to the Administrative Agent (i) a report in form and substance reasonably satisfactory to the Administrative Agent outlining all insurance coverage maintained as of the date of such report by the Borrower Parties and the Macerich Core Entities and the duration of such coverage and (ii) evidence that all premiums with respect to such coverage have been paid when due.

(3) Promptly, such additional financial and other information, including, without limitation, information regarding the Borrower Parties, the Macerich Core Entities, any of such entities' assets and Properties and the Westcor Acquisition as Administrative Agent or any Lender may from time to time reasonably request, including, without limitation, such information as is necessary for any Lender to participate out any of its interests in the Obligations.

**7.3 Maintenance of Existence and Properties.** The Borrower Parties shall, and shall cause each of the Macerich Core Entities to, at all times: (1) maintain its corporate existence or existence as a limited partnership or limited liability company, as applicable; provided that a Macerich Core Entity (other than the Borrowers, MAC, or the Westcor Principal Entities) (A) may change its form of organization from one type of legal entity to another to the extent otherwise permitted in this Agreement; (B) may effect a dissolution if such actions are taken subsequent to a Disposition of substantially all of its assets as otherwise permitted under this Agreement (including *Section 8.4*); and (C) may merge or consolidate with any Person as otherwise not prohibited by this Agreement (including *Section 8.3*); (2) maintain in full force and effect all rights, privileges, licenses, approvals, franchises, Properties and assets material to the conduct of its business; (3) remain qualified to do business and maintain its good standing in each jurisdiction in which failure to be so qualified and in good standing will have a Material Adverse Effect; and (4) not permit, commit or suffer any waste or abandonment of any Project that will have a Material Adverse Effect.

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**7.4 Inspection of Property; Books and Records; Discussions.** The Borrower Parties shall, and shall cause each of the Macerich Core Entities, to keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all material Requirements of Law shall be made of all dealings and transactions in relation to its business and activities, and shall permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make copies or abstracts from any of its books and records at any reasonable time during normal business hours and as often as may reasonably be desired by the Administrative Agent or any Lender, and to discuss the business, operations, properties and financial and other condition of Borrower Parties and the Macerich Core Entities with officers and employees of such Persons, and with their independent certified public accountants (provided that representatives of such Persons may be present at and participate in any such discussion).

**7.5 Notices.** The Borrowers shall promptly, but in any event within five Business Days after obtaining knowledge thereof, give written notice to the Administrative Agent and each Lender directly of:

(1) The occurrence of any Potential Default or Event of Default and what action the Borrowers have taken, are taking, or are proposing to take in response thereto;

(2) The institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration against or affecting the Borrower Parties or the Macerich Core Entities and not previously disclosed, which action, suit, proceeding, governmental investigation or arbitration (i) exposes, or in the case of multiple actions, suits, proceedings, governmental investigations or arbitrations arising out of the same general allegations or circumstances expose, such Persons, in the Borrowers' reasonable judgment, to liability in an amount aggregating \$10,000,000 or more and is or are not covered by insurance, or (ii) seeks injunctive or other relief which, if obtained, may have a Material Adverse Effect providing such other information as may be reasonably available to enable Administrative Agent and its counsel to evaluate such matters. The Borrowers, upon request of the Administrative Agent, shall promptly give written notice of the status of any action, suit, proceeding, governmental investigation or arbitration.

(3) Any labor dispute to which the Borrower Parties or any of the Macerich Core Entities may become a party (including, without limitation, any strikes, lockouts or other disputes relating to any Property of such Persons' and other facilities) which could result in a Material Adverse Effect.

(4) The bankruptcy or cessation of operations of any tenant to which greater than 5% of either the Macerich Partnership's or MAC's share of consolidated minimum rent is attributable.

(5) Any event not disclosed pursuant to paragraphs (1) through (4) above which could reasonably be expected to result in a Material Adverse Effect.

**7.6 Expenses.** The Borrowers shall pay all reasonable out-of-pocket expenses (including reasonable fees and disbursements of outside counsel): (1) of the Administrative Agent and JPMorgan Chase Bank incident to the preparation, negotiation and administration of the Loan Documents, including any proposed Modifications or waivers with respect thereto, the syndication of the Interim Loan (but such expenses shall not include any fees paid to the syndicate members), and the preservation and protection of the rights of the Lenders and the Administrative Agent under the Loan Documents, and (2) of the Administrative Agent and each of the Lenders incident to the enforcement of payment of the Obligations, whether by judicial proceedings or otherwise, including, without limitation, in connection with bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar proceedings involving any Borrower Party or a "workout" of the

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Obligations; provided that only one property inspection or site visit performed pursuant to *Section 7.4* shall be paid for by the Borrowers each year, unless a Potential Default or Event of Default has occurred and is continuing, in which case there shall be no limit to property inspections or site visits performed pursuant to *Section 7.4*, and the Borrowers shall pay the costs associated with each such inspection and visit performed during such periods. The obligations of the Borrowers under this *Section 7.6* shall survive payment of all other Obligations.

**7.7 Payment of Indemnified Taxes and Other Taxes and Charges.** The Borrower Parties shall, and shall cause each of the Macerich Core Entities to, file all tax returns required to be filed in any jurisdiction and, if applicable, and except with respect to taxes subject to any Good Faith Contest, pay and discharge all Indemnified Taxes and Other Taxes imposed upon it or any of its Properties or in respect of any of its franchises, business, income or property before any material penalty shall be incurred with respect to such Indemnified Taxes and Other Taxes.

**7.8 Insurance.** The Borrower Parties shall, and shall cause each of the Macerich Core Entities, to maintain, to the extent commercially available, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks (including, without limitation, fire, extended coverage, vandalism, malicious mischief, flood, earthquake, public liability, product liability, business interruption and terrorism) as is usually

carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower Parties or the Macerich Core Entities engage in business or own properties.

7.9 *Hazardous Materials.* The Borrower Parties shall, and shall cause each of the Macerich Core Entities to, do the following:

(1) Keep and maintain all regional Retail Properties ("*Designated Environmental Properties*") in material compliance with any Hazardous Materials Laws unless the failure to so comply would not be reasonably expected to result in a material adverse effect to such Designated Environmental Property or the owner thereof.

(2) Promptly cause the removal of any Hazardous Materials discharged, disposed of, or otherwise released in, on or under any Designated Environmental Properties that are in violation of any Hazardous Materials Laws and which would be reasonably expected to result in a material adverse effect to such Designated Environmental Property or the owner thereof, and cause any remediation required by any Hazardous Material Laws or Governmental Authority to be performed, though no such action shall be required if any action is subject to a good faith contest. In the course of carrying out such actions, the Borrowers shall provide the Administrative Agent with such periodic information and notices regarding the status of investigation, removal, and remediation, as the Administrative Agent may reasonably require.

(3) Promptly advise the Administrative Agent and each Lender in writing of any of the following: (i) any Hazardous Material Claims known to Borrowers which would be reasonably expected to result in a material adverse effect to an Environmental Property or the owner thereof; (ii) the receipt of any notice of any alleged violation of Hazardous Materials Laws with respect to an Environmental Property (and the Borrowers shall promptly provide the Administrative Agent and Lenders with a copy of such notice of violation), provided that such alleged violation, if true (and if any release of the Hazardous Materials alleged therein were not promptly remediated), would result in a breach of subsections (1) or (2) above; and (iii) the discovery of any occurrence or condition on any Designated Environmental Properties that could cause such Designated Environmental Properties or any part thereof to be in violation of clauses (1) or, if not promptly remediated, (2) above. If the Administrative Agent and/or any Lender shall be joined in any legal proceedings or actions initiated in connection with any Hazardous Materials Claims, each Borrower Party shall indemnify, defend, and hold

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harmless such Person with respect to any liabilities and out-of-pocket expenses arising with respect thereto, including reasonable attorneys' fees and disbursements.

(4) Comply with each of the covenants set forth in subsections (1), (2) and (3) of this *Section 7.9* with respect to all other Properties of the Borrowers and Macerich Core Entities unless the failure to so comply would not reasonably be expected to result in a Material Adverse Effect.

7.10 *Compliance with Laws and Contractual Obligations; Payment of Taxes.* The Borrower Parties shall, and shall cause each of the Macerich Core Entities to: (1) comply, in all material respects, with all material Requirements of Law of any Governmental Authority having jurisdiction over it or its business, and (2) comply, in all material respects, with all material Contractual Obligations.

7.11 *Further Assurances.* The Borrower Parties shall, and shall cause each of their respective Subsidiaries to, promptly upon request by the Administrative Agent or any Lender, do any acts or, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register, any and all such further deeds, conveyances, security agreements, mortgages, assignments, estoppel certificates, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances and other instruments the Administrative Agent or such Lender, as the case may be, may reasonably require from time to time in order (i) to carry out more effectively the purposes of this Agreement or any other Loan Document, and (ii) to assure, convey, grant, assign, transfer, preserve, protect and confirm to the Administrative Agent and Lenders the rights granted or now or hereafter intended to be granted to the Lenders under any Loan Document or under any other document executed in connection therewith.

7.12 *Single Purpose Entities.* The Westcor Borrowers shall maintain themselves as Single Purpose Entities.

7.13 *REIT Status.* MAC shall maintain its status as a REIT and (i) all of the representations and warranties set forth in clauses (1), (2) and (4) of *Section 6.18* shall remain true and correct at all times and (ii) all of the representations and warranties set forth in clause (3) of *Section 6.18* shall remain true and correct in all material respects. MAC will do or cause to be done all things necessary to maintain the listing of its Capital Stock on the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market System (or any successor thereof), and the Macerich Partnership will do or cause to be done all things necessary to cause it to be treated as a partnership for purposes of federal income taxation and the tax laws of any state or locality in which the Macerich Partnership is subject to taxation based on its income.

7.14 *Use of Proceeds.* The proceeds of the Interim Loan shall be used to finance the Westcor Acquisition.

7.15 *Subordination.*

(1) MAC, the Borrowers, and each Guarantor (each a "*Subordinated Creditor*") hereby absolutely and irrevocably subordinates, both in right of payment and in time of payment, (a) in the case of MAC, any and all present or future obligations and liabilities of the Borrowers or any Affiliate Guarantor to MAC, (b) in the case of any Affiliate Guarantor, any and all present or future obligations and liabilities of the Borrowers or any other Affiliate Guarantor to such Affiliate Guarantor and (c) in the case of the Borrowers, any and all present and future obligations and liabilities of MAC or any Affiliate Guarantor to the Borrowers (such obligations and liabilities referred to in clauses (a), (b) or (c) being "*Subordinated Debt*"), to the prior payment in full in cash of the Obligations or the obligations of such Person under the Guaranties, as applicable. Each Subordinated Creditor agrees to make no claim for, or receive payment with respect to, such Subordinated Debt until all

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Obligations and such obligations have been fully discharged in cash. Notwithstanding the foregoing, the Borrowers shall be entitled to declare and pay dividends or make distributions to equity holders with respect to their Capital Stock, as long as no Event of Default then exists, but subject to *Section 8.11*.

(2) All amounts and other assets that may from time to time be paid or distributed to or otherwise received by any Subordinated Creditor in respect of Subordinated Debt in violation of this *Section 7.15* shall be segregated and held in trust by the Subordinated Creditor for the benefit of the Lenders and promptly paid over to the Administrative Agent.

(3) Each Subordinated Creditor further agrees not to assign all or any part of the Subordinated Debt unless the Administrative Agent is given prior notice and such assignment is expressly made subject to the terms of this Agreement. If the Administrative Agent so requests, (a) all instruments evidencing the Subordinated Debt shall be duly endorsed and delivered to the Administrative Agent, (b) all security for the Subordinated Debt shall be duly assigned and delivered to Administrative Agent for the benefit of the Lenders, (c) the Subordinated Debt shall be enforced, collected and held by the relevant Subordinated Creditor as trustee for the Lenders and shall be paid over to the Administrative Agent for the benefit of the Lenders on account of the Obligations, and (d) the Subordinated Creditors shall execute, file and record such documents and instruments and take such other action as the Administrative Agent deems necessary or appropriate to perfect, preserve and enforce the Lenders' rights in and to the Subordinated Debt and any security therefor. If any Subordinated Creditor fails to take any such action, the Administrative Agent, as attorney-in-fact for such Subordinated Creditor, is hereby authorized to do so in the name of the Subordinated Creditor. The foregoing power of attorney is coupled with an interest and cannot be revoked.

(4) In any bankruptcy or other proceeding in which the filing of claims is required by Requirements of Law, each Subordinated Creditor shall file all claims relating to the Subordinated Debt that the Subordinated Creditor may have against the obligor thereunder and shall assign to the Administrative Agent, for the benefit of the Lenders, all rights relating to the Subordinated Debt thereunder. If any Subordinated Creditor does not file any such claim, the Administrative Agent, as attorney-in-fact for the Subordinated Creditor, is hereby authorized to do so in the name of the Subordinated Creditor or, in the Administrative Agent's discretion, to assign the claim to a nominee and to cause proof of claim to be filed in the name of the Administrative Agent or the Administrative Agent's nominee. The foregoing power of attorney is coupled with an interest and cannot be revoked. The Administrative Agent or its nominee shall have the right, in its reasonable discretion, to accept or reject any plan proposed in such proceeding and to take any other action which a party filing a claim is entitled to do. In all such cases, whether in administration, bankruptcy or otherwise, the Person or Persons authorized to pay such claim shall pay to the Administrative Agent for the benefit of the Lenders the amount payable on such claim and, to the full extent necessary for that purpose, each Subordinated Creditor hereby assigns to the Administrative Agent for the benefit of the Lenders all of the Subordinated Creditor's rights to any such payments or distributions; provided, however, the Subordinated Creditor's obligations hereunder shall not be satisfied except to the extent that the Administrative Agent receives cash by reason of any such payment or distribution.

(5) Each of the Subordinated Creditors hereby agrees that the Administrative Agent and the Lenders may at any time in their discretion renew or extend the time of payment of the Obligations or exercise, fail to exercise, waive or amend any other of their rights under this Agreement, any Loan Document or any instrument evidencing or securing or delivered in connection therewith, and in reference thereto may make and enter into such agreements as

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to them may seem proper or desirable, all without notice to or further assent from the Subordinated Creditors (except as otherwise expressly required pursuant to this Agreement), and any such action shall not in any manner impair or affect the subordination set forth in this *Section 7.15* or any of the Administrative Agent's or Lenders' rights hereunder. The Subordinated Creditors each hereby waive and agree not to assert against the Administrative Agent or the Lenders any rights which a guarantor or surety could exercise with respect to any indebtedness of the Borrowers, MAC or an Affiliate Guarantor, but nothing in this *Section 7.15* shall constitute the Subordinated Creditors a guarantor or surety.

*7.16 Management of Projects.* All Wholly-Owned Projects shall be managed by Subsidiaries of MAC pursuant to Master Management Agreements or, with respect to Wholly-Owned Projects of Westcor, pursuant to agreements in place on the date hereof.

**ARTICLE 8. *Negative Covenants.*** As an inducement to the Administrative Agent and each Lender to enter into this Agreement and for the Lenders to advance their respective Percentage Shares of the Interim Loan, each of the Borrower Parties, jointly and severally, hereby covenants and agrees with the Administrative Agent and each Lender that, as long as any Obligations remain unpaid:

**8.1 *Liens.*** The Borrower Parties shall not, and shall not permit any of the Macerich Core Entities to, create, incur, assume or suffer to exist, any Lien upon any of its Property except:

- (1) Liens that secure Secured Indebtedness otherwise permitted under this Agreement;
- (2) Permitted Encumbrances;
- (3) Other Liens which are the subject of a Good Faith Contest; and
- (4) Liens listed on *Schedule 8.1*.

Notwithstanding the foregoing, no Liens shall be permitted on the Capital Stock of any Borrower Party or Westcor Principal Entity, except Liens in favor of the Administrative Agent for the benefit of the Lenders as contemplated hereunder and under the Term Loan Credit Agreement and Revolving Credit Agreement.

**8.2 *Indebtedness.*** The Westcor Borrowers shall not incur any Indebtedness other than the Obligations and the Indebtedness under the Term Loan Facility Credit Agreement and the Revolving Credit Agreement. The other Borrower Parties may only incur, and permit the Macerich Core Entities to incur, (i) Indebtedness to the extent such Borrower Parties maintain compliance with the financial covenants set forth in *Sections 8.12* and *8.13* below; and (ii) Indebtedness under the Term Loan Facility Credit Agreement and the Revolving Credit Agreement.

**8.3 *Fundamental Change.***

(1) None of MAC, the Borrowers, or the Westcor Principal Entities shall do any or all of the following: merge or consolidate with any Person, or sell, assign, lease or otherwise effect a Disposition, whether in one transaction or in a series of transactions, of all or substantially all of its Properties and assets, whether now owned or hereafter acquired, or enter into any agreement to do any of the foregoing.



(2) None of the Borrower Parties shall, nor shall they permit any Macerich Core Entities to, engage to any material extent in any business other than such Person's business as conducted on the date hereof and businesses which are substantially similar, related or incidental thereto or other additional businesses that would not have a Material Adverse Effect.

8.4 *Dispositions.* The Borrower Parties shall not permit any of the following to occur:

(1) Any Disposition by MAC of any of the Capital Stock of Macerich Partnership or any of the Westcor Borrowers; provided that the forgoing shall not prohibit Macerich Partnership from issuing partnership units as consideration for the acquisition of a Project otherwise permitted under this Agreement;

(2) Any Disposition by Macerich Partnership of any of the Capital Stock of any Westcor Borrower or Affiliate Guarantor; provided that a Disposition of an Affiliate Guarantor is permitted so long as the required prepayments are made pursuant to *Section 3.3* of the Term Loan Credit Agreement and *Section 3.3* of this Agreement;

(3) Any Disposition by any Westcor Borrower of any of the Capital Stock of any Westcor Principal Entity; or

(4) Any Disposition by any Borrower Party or its Subsidiary Entities of any of its respective Properties if such Disposition would cause the Borrower Parties to be in violation of any of (a) the covenants set forth in *Section 8.12* or *8.13*; (b) the mandatory prepayment requirements set forth in *Sections 3.3* or *7.16*; or (c) the limitations on Investments set forth in *Section 8.5*.

8.5 *Investments.* The Borrower Parties shall not, and shall not permit any of the Macerich Core Entities to, directly or indirectly make any Investment, except that such Persons may make an Investment in the following, subject to the limitations set forth below:

| Permitted Investment  | Limitations   |
|---|---|
| Wholly-Owned Raw Land   | No Wholly-Owned Raw Land shall be acquired if the Aggregate Investment Value of such Wholly-Owned Raw Land, together with all Wholly-Owned Raw Land then owned by the Borrower Parties and their Subsidiary Entities, exceeds 5% of the Gross Asset Value   |
| Individual Projects   | No individual Project or Capital Stock in a Person owning an Individual Project shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Project exceeds 10% of the Gross Asset Value   |
| Portfolio of Projects   | Multiple Projects or Capital Stock in Persons owning multiple Projects shall not be acquired in a single transaction or series of related transactions without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Projects exceeds 25% of the Gross Asset Value |
| Capital Stock of Joint Ventures in which the Macerich Partnership, MAC or any Wholly-Owned Subsidiary is not a general partner or a managing member | No such Capital Stock shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Capital Stock and all other such Capital Stock then owned by the Borrower Parties and their Subsidiary Entities exceeds 5% of the Gross Asset Value          |
| Capital Stock of Joint Ventures in which the Macerich Partnership, MAC or any Wholly-Owned Subsidiary is a general partner or a managing member     | No such Capital Stock shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Capital Stock and all other such Capital Stock then owned by the Borrower Parties and their Subsidiary Entities exceeds 50% of Gross Asset Value             |
| Real Property Under Construction  | The Aggregate Investment Value of all Real Property Under Construction shall not exceed 15% of the Gross Asset Value  |
| MAC's redemption of partnership units in Macerich Partnership in accordance with its Organizational Documents                                       | Unlimited   |
| First lien priority Mortgage Loans acquired by Macerich Partnership, MAC or any Wholly-Owned Subsidiary   | The Aggregate Investment Value of all such Mortgage Loans shall not exceed 10% of the Gross Asset Value   |
| Capital Stock of Management Companies   | The Aggregate Investment Value of such Capital Stock shall not exceed 5% of Gross Asset Value   |
| Cash and Cash Equivalents   | Unlimited   |
| Other Investments (exclusive of the other Permitted Investment categories set forth in this <i>Section 8.5</i> )                                    | The Aggregate Investment Value of such other Investments shall not exceed 1% of Gross Asset Value   |

8.6 *Transactions with Partners and Affiliates.* The Borrower Parties shall not, and shall not permit any of the Macerich Core Entities to directly or indirectly enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with a holder or holders of more than five percent (5%) of any class of equity Securities of MAC, or with any Affiliate of MAC which is not its Subsidiary (a "*Transactional Affiliate*"), except as set forth on *Schedule 8.6* and except upon fair and reasonable terms no less favorable to the Borrower Parties than would be obtained in a comparable arm's-length transaction with a Person not a Transactional Affiliate; provided that any management agreement substantially in the form of the Master Management Agreements shall be deemed to satisfy the criteria set forth in this *Section 8.6*.

8.7 *Margin Regulations; Securities Laws.* Neither the Borrowers nor any Macerich Core Entities shall use all or any portion of the proceeds of any credit extended under this Agreement to purchase or carry Margin Stock.

8.8 *Organizational Documents.*

(1) Without the prior written consent of Administrative Agent and the Required Lenders, the Borrower Parties shall not, and shall not permit the Westcor Principal Entities to, Modify any of the terms or provisions in the Organizational Documents delivered in connection with Section 5.1(1)(J), except: (a) any Modifications necessary for Macerich Partnership or MAC to issue more Capital Stock (provided such issuance does not otherwise violate the terms of this Agreement); or (b) Modifications necessary to clarify existing provisions of such Organizational Documents; or (c) Modifications which would have no adverse, substantive effect on the rights or interests of the Lenders in conjunction with the Interim Loan or under the Loan Documents.

(2) Without the prior written consent of Administrative Agent, which shall not be unreasonably withheld, MAC and the Borrowers shall not, and shall not permit the Westcor Principal Entities to, Modify any of the terms or provisions in any of their respective

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Organizational Documents as in effect as of the Closing Date which would change in any material manner the rights and obligations of the parties to such Organizational Documents, except (a) any Modifications necessary for Macerich Partnership or MAC to issue more Capital Stock (provided such issuance does not otherwise violate the terms of this Agreement); or (b) any Modifications which would not have an adverse effect on the Borrower Parties or their Subsidiaries.

8.9 *Fiscal Year.* None of the Borrower Parties shall change its Fiscal Year for accounting or tax purposes from a period consisting of the 12-month period ending on December 31 of each calendar year.

8.10 *Senior Management.* The Macerich Partnership and MAC shall cause Art Coppola and either Ed Coppola or Thomas E. O'Hern to remain part of their senior management until the indefeasible payment in full of the Obligations. In the event of death, incapacitation, retirement, or dismissal of any of these individuals, Macerich Partnership and MAC shall have 180 calendar days thereafter in which to retain a senior management replacement reasonably acceptable to the Required Lenders.

8.11 *Distributions.* MAC and Macerich Partnership shall not make (i) Distributions in any fiscal year in excess of the sum of (x) 95% of FFO plus (y) any realized gain resulting from Dispositions in such fiscal year; provided, however, that in no event shall such realized gain exceed \$50 million during the first eighteen (18) Loan Months; (ii) Distributions to acquire the Capital Stock of MAC to the extent such Distributions, individually or in the aggregate, exceed \$75,000,000; (iii) Distributions during any period while an Event of Default under Section 9.1 has occurred and is continuing as a result of Borrowers' failure to pay any principal or interest due under this Agreement; or (iv) Distributions during any period that any other material non-monetary Event of Default, has occurred and is continuing, unless after taking into account all available funds of MAC from all other sources, such Distributions are required in order to enable MAC to continue to qualify as a REIT.

8.12 *Financial Covenants of Borrower Parties.*

(1) **Minimum Tangible Net Worth.** As of the last day of any Fiscal Quarter, Tangible Net Worth shall not be less than the sum of (a) \$575,000,000, minus (b) 100% of the cumulative Depreciation and Amortization Expense deducted in determining Net Income for all fiscal quarters ending after March 31, 2002, plus (c) 90% of the cumulative net cash proceeds received from and the value of assets acquired (net of Indebtedness incurred or assumed in connection therewith) through the issuance of Capital Stock of MAC after March 31, 2002. For purposes of clause (c), "net" means net of underwriters' discounts, commissions and other reasonable out-of-pocket expenses of issuance actually paid to any Person (other than a Borrower Party or any Affiliate of a Borrower Party).

(2) **Maximum Total Liabilities to Gross Asset Value.** The ratio of Total Liabilities to Gross Asset Value (expressed as a percentage) shall not be more than:

|   |       |
|---|-------|
| At any time during the first six Loan Months (the "Six Month Period") | 70.0% |
| At any time after the "Six Month Period"                              | 65.0% |

Notwithstanding the foregoing, if, at the end of the Six Month Period, the Borrowers have delivered evidence reasonably satisfactory to the Administrative Agent demonstrating that the Borrower Parties or their Subsidiary Entities have entered into binding contracts which provide for the Disposition of Projects within three (3) months after the Six Month Period, and the consummation of such Dispositions would result in a 65% (or less) ratio of Total Liabilities to Gross Asset Value (expressed as

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a percentage), the Borrowers shall have until the end of such additional three month period to satisfy such 65% ratio.

(3) **Minimum Interest Coverage Ratio.** As of the last day of any Fiscal Quarter, the Interest Coverage Ratio shall not be less than 1.80.

(4) **Minimum Fixed Charge Coverage Ratio.** As of the last day of any Fiscal Quarter, the Fixed Charge Coverage Ratio shall not be less than 1.50.

(5) **Secured Debt to Gross Asset Value.** At any date, the Secured Indebtedness Ratio shall not exceed 55%; provided, however, if, at any date, the ratio of Total Liabilities to Gross Asset Value is less than 60%, then the Secured Indebtedness Ratio shall not exceed 60%.

(6) **Minimum Debt Yield.** The ratio of EBITDA (notwithstanding the definition of such term, with respect to any Westcor entity that has not achieved Stabilization, EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized) to Total Liabilities shall not be less than the ratios (expressed as a percentage) set forth below for the periods indicated below:

| Period  | Ratio |
|---|-------|
| From the Closing Date through the end of the sixth (6th) Loan Month                                 | 11.0% |
| From the first day of the seventh (7th) Loan Month to the last day of the twelfth (12th) Loan Month | 11.5% |
| From the first day of the thirteenth (13th) Loan Month and thereafter                               | 12.0% |

(7) **Maximum Floating Rate Debt.** The Borrower Parties shall maintain Hedging Obligations on a notional amount of Total Liabilities in respect of borrowed Indebtedness so that such notional amount, when added to the aggregate principal amount of such Total Liabilities which bears interest at a fixed rate, equals or exceeds 75% of the aggregate principal amount of all such Total Liabilities.

#### 8.13 Financial Covenants of Westcor Borrowers.

(1) **Westcor Maximum Total Liabilities to Gross Asset Value.** The ratio of Westcor Total Liabilities to Westcor Gross Asset Value (expressed as a percentage) shall not at any time be more than 65%.

(2) **Westcor Interest Coverage Ratio.** As of the end of any Fiscal Quarter, the Westcor Interest Coverage Ratio shall not be less than 1.80.

(3) **Minimum Net Asset Value.** The Westcor Net Asset Value shall not at any time be less than the sum of (a) \$600,000,000, less (b) 100% of the cumulative mandatory repayments made hereunder (pursuant to Section 3.3) in connection with a Financing or Disposition of a Westcor Asset.

#### ARTICLE 9. Events of Default. Upon the occurrence of any of the following events (an "Event of Default"):

9.1 The Borrowers shall fail to make any payment of principal or interest on the Interim Loan on the date when due or shall fail to pay any other Obligation within three days of the date when due; or

9.2 Any representation or warranty made by the Borrower Parties in any Loan Document or in connection with any Loan Document shall be inaccurate or incomplete in any material respect on or as of the date made or deemed made; or

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9.3 Any of the Borrower Parties shall default in the observance or performance of any covenant or agreement contained in Article 8 above or Sections 7.3(1), 7.5(1), 7.12, 7.13, 7.14, and 7.15; or

9.4 Any of the Borrower Parties shall fail to observe or perform any other term or provision contained in the Loan Documents and such failure shall continue for thirty (30) days following the date a Responsible Officer of such Borrower Party knew of such failure or Borrower Party received notice thereof from Administrative Agent; or

9.5 Any of the Borrower Parties, or any Macerich Core Entities, shall default in any payment of principal of or interest on any recourse Indebtedness (other than, in the case of the Borrowers, the Obligations) in an aggregate unpaid amount for all such Persons in excess of \$15,000,000, and, prior to the election of the Lenders to accelerate the Obligations hereunder, such recourse Indebtedness is not paid or the payment thereof waived or cured in accordance with the terms of the documents, instruments and agreements evidencing the same; or

9.6 Any of the Borrower Parties, or any of the Macerich Core Entities, shall default in any payment of principal of or interest on any non-recourse Indebtedness in an aggregate amount for all such Persons in excess of \$75,000,000, and, prior to the election of the Lenders to accelerate the Obligations hereunder, such non-recourse Indebtedness is not paid or the payment thereof waived or cured in accordance with the terms of the documents, instruments and agreements evidencing the same; or

9.7 (1) Any of the Borrower Parties, or any of the Macerich Core Entities, shall commence any case, proceeding or other action (i) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or making a general assignment for the benefit of its creditors; or (2) there shall be commenced against any of the Borrower Parties or any of the Macerich Core Entities any case, proceeding or other action of a nature referred to in clause (1) above which (i) results in the entry of an order for relief or any such adjudication or appointment, or (ii) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (3) there shall be commenced against any of the Borrower Parties or any of the Macerich Core Entities any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or substantially all of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, satisfied or bonded pending appeal within sixty (60) days from the entry thereof; or (4) any of the Borrower Parties or any of the Macerich Core Entities shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in (other than in connection with a final settlement), any of the acts set forth in clause (1), (2) or (3) above; or (5) any of the Borrower Parties or any of the Macerich Core Entities shall generally not, or shall be unable to, or shall admit in writing its inability to pay its debts as they become due; or

9.8 (1) An ERISA Event shall occur with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any of the Borrower Parties under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of \$20,000,000, (2) the commencement or increase of contributions to, or the adoption of or the amendment of a Pension Plan by any of the Borrower Parties or an ERISA Affiliate which has result or could reasonably be expected to result in an increase in Unfunded Pension Liability among all Pension Plans in an aggregate amount in excess of \$50,000,000 or

(3) any of the Borrower Parties or an ERISA Affiliate shall fail to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan, which has resulted or could reasonably be expected to result in a Material Adverse Effect; or

9.9 One or more judgments or decrees in an aggregate amount in excess of \$10,000,000 (excluding judgments and decrees covered by insurance, without giving effect to self-insurance or deductibles) shall be entered and be outstanding at any date against any of the Borrower Parties or the Macerich Core Entities and all such judgments or decrees shall not have been vacated, discharged, stayed, satisfied or bonded pending appeal (or otherwise secured in a manner satisfactory to Administrative Agent in its reasonable judgment) within sixty (60) days from the entry thereof or in any event later than five days prior to the date of any proposed sale thereunder; or

9.10 Any Guarantor shall attempt to rescind or revoke its Guaranty, with respect to future transactions or otherwise, or shall fail to observe or perform any term or provision of the Guaranties; or

9.11 MAC shall fail to maintain its status as a REIT; or

9.12 There shall occur an Event of Default under either the Term Loan Facility or the Revolving Credit Facility; or

9.13 Any Event of Default shall occur under any of the other Loan Documents; or

9.14 There shall occur a Change in Control;

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automatically upon the occurrence of an Event of Default under *Section 9.7* above, and in all other cases, at the request or with the consent of the Majority Benefited Creditors: (i) the Collateral Agent may (or at the direction of the Majority Benefited Creditors shall) exercise, on behalf of the Benefited Creditors, all rights and remedies under the Guaranties, the Pledge Agreements, and any other collateral documents entered into with respect to the Interim Loan; (ii) the outstanding principal balance of the Interim Loan and interest accrued but unpaid thereon and all other Obligations shall become immediately due and payable, without demand upon or presentment to any of the Borrower Parties, which are expressly waived by the Borrower Parties, and (iii) the Collateral Agent may (or at the direction of the Majority Benefited Creditors, shall), and, to the extent applicable, the Administrative Agent and the Lenders may immediately exercise all rights, powers and remedies available to them at law, in equity or otherwise, including, without limitation, under the other Loan Documents, all of which rights, powers and remedies are cumulative and not exclusive.

#### ARTICLE 10. *The Administrative Agents.*

10.1 *Appointment.* Each Lender hereby irrevocably designates and appoints the Administrative Agent and the Collateral Agent as the agents of such Lender under the Loan Documents and each such Lender hereby irrevocably authorizes the Administrative Agent and the Collateral Agent, as the agents for such Lender, to take such action on its behalf under the provisions of the Loan Documents and to exercise such powers and perform such duties as are expressly delegated to each such Agent by the terms of the Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in the Loan Documents, neither the Administrative Agent nor the Collateral Agent shall have any duties or responsibilities, except those expressly set forth herein or therein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Loan Documents or otherwise exist against any of

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the Agents. The Administrative Agent and each Lender acknowledge and agree that they shall be bound by all terms and conditions of the Pledge Agreements and the Guaranties.

10.2 *Delegation of Duties.* The Administrative Agent and the Collateral Agent may execute any of their respective duties under the Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither the Administrative Agent nor the Collateral Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

10.3 *Exculpatory Provisions.* None of the Administrative Agent, the other Agents, nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (1) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Loan Documents (except for its or such Person's own gross negligence or willful misconduct), or (2) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower Parties or any officer thereof contained in the Loan Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent or the Collateral Agent under or in connection with the Loan Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of the Loan Documents or for any failure of the Borrower Parties to perform their obligations hereunder. The Administrative Agent and the other Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, the Loan Documents or to inspect the properties, books or records of the Borrower Parties.

10.4 *Reliance by the Agents.* Each of the Agents shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certification, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrowers), independent accountants and other experts selected by such Agent. As to the Lenders: (1) the Administrative Agent shall be fully justified in failing or refusing to take any action under the Loan Documents unless it shall first receive such advice or concurrence of one hundred percent (100%) of the Lenders (or, if a provision of this Agreement expressly provides that a lesser number of the Lenders may direct the action of the Administrative Agent, such lesser number of Lenders) or it shall first be indemnified to its satisfaction by the Lenders ratably in accordance with their respective Percentage Shares against any and all liability and expense which may be incurred by it by

reason of taking or continuing to take any action (except for liabilities and expenses resulting from the Administrative Agent's gross negligence or willful misconduct), and (2) the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance with a request of one hundred percent (100%) of the Lenders (or, if a provision of this Agreement expressly provides that the Administrative Agent shall be required to act or refrain from acting at the request of a lesser number of the Lenders, such lesser number of Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders, (3) the Collateral Agent shall be fully justified in failing or refusing to take any action under the Loan Documents unless it shall first receive such advice or concurrence of the Required Benefited Creditors (or, if a provision of this Agreement or the Loan Documents expressly provides that the Collateral Agent shall be required to act or refrain from acting at the request of the Majority Benefited Creditors or a lesser number of the Benefited Creditors, such Majority Benefited Creditors or lesser number of Benefited Creditors) or it shall first be indemnified to its satisfaction by the Benefited Creditors against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any action (except for liabilities and expenses resulting from

the Collateral Agent's gross negligence or willful misconduct), and (4) the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance with a request of the Required Benefited Creditors (or, if a provision of this Agreement or the Loan Documents expressly provides that the Collateral Agent shall be required to act or refrain from acting at the request of the Majority Benefited Creditors or a lesser number of the Benefited Creditors, such Majority Benefited Creditors or lesser number of Benefited Creditors), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

10.5 *Notice of Default.* The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Potential Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender or the Borrowers referring to the Loan Documents, describing such Potential Default or Event of Default and stating that such notice is a "notice of default." In the event that the Administrative Agent receives such a notice and a Potential Default has occurred, the Administrative Agent shall promptly give notice thereof to the Collateral Agent and the Lenders. The Collateral Agent shall take such action with respect to such Potential Default or Event of Default as shall be reasonably directed by the Majority Benefited Creditors; provided that, unless and until the Collateral Agent shall have received such directions, the Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Potential Default or Event of Default as it shall deem advisable in the best interest of the Benefited Creditors (except to the extent that this Agreement, the Pledge Agreements or the Guaranties expressly require that such action be taken or not taken by the Collateral Agent with the consent or upon the authorization of the Required Benefited Creditors or such other group of Lenders or Benefited Creditors, in which case such action will be taken or not taken as directed by the Required Benefited Creditors or such other group of Lenders or Benefited Creditors).

10.6 *Non-Reliance on Agents and Other Lenders.* Each Lender expressly acknowledges that none of the Administrative Agent, the other Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the other Agents hereinafter taken, including any review of the affairs of the Borrowers, shall be deemed to constitute any representation or warranty by the Administrative Agent or the other Agents to any Lender. Each Lender represents to the Administrative Agent and the other Agents that it has, independently and without reliance upon the Administrative Agent, the other Agents or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower Parties and made its own decision to make its loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, the other Agents or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrowers. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent and the other Agents shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrowers or other Borrower Parties which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

10.7 *Indemnification.* The Lenders agree to indemnify the Administrative Agent and the other Agents in their respective capacity as such (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so), ratably according to the respective amounts of their Percentage Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including without limitation at any time following the payment of the Obligations) be imposed on, incurred by or asserted against the Administrative Agent or the other Agents in any way relating to or arising out of the Loan Documents or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Administrative Agent or the other Agents under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or any other Agent's gross negligence or willful misconduct, respectively. The provisions of this Section 10.7 shall survive the payment of the Obligations and the termination of this Agreement.

10.8 *Agents in Their Individual Capacity.* The Administrative Agent, the other Agents and their affiliates may make loans to, accept deposits from and generally engage in any kind of business with any of the Borrower Parties or any of their respective Subsidiaries Entities and Affiliates as though the Administrative Agent and the other Agents were not, respectively, the Administrative Agent, a Co-Syndication Agent, a Collateral Agent or an Agent hereunder. With respect to such loans made or renewed by them and any Note issued to them, the Administrative Agent and the other Agents shall have the same rights and powers under the Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, a Co-Syndication Agent or an Agent, respectively, and the terms "Lender" and "Lenders" shall include the Administrative Agent, each Co-Syndication Agent and each other Agent in its individual capacity.

10.9 *Successor Administrative Agent.* The Administrative Agent may resign as Administrative Agent under the Loan Documents upon thirty (30) days' notice to the Lenders. If the Administrative Agent shall resign, then the Lenders (other than the Lender resigning as Administrative Agent) shall

(with, so long as there shall not exist and be continuing an Event of Default, the consent of the Borrowers, such consent not to be unreasonably withheld or delayed) appoint a successor agent or, if the Lenders are unable to agree on the appointment of a successor agent, the Administrative Agent shall appoint a successor agent for the Lenders whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon its appointment, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any of the Loan Documents or successors thereto. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of the Loan Documents shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under the Loan Documents.

10.10 *Successor Collateral Agent.* The Collateral Agent may resign as Collateral Agent under the Loan Documents upon thirty (30) days' notice to the Lenders. If the Collateral Agent shall resign, then the Required Benefited Creditors (as determined by excluding the Benefited Creditor resigning as Collateral Agent) shall (with, so long as there shall not exist and be continuing an Event of Default, the consent of the Borrowers, such consent not to be unreasonably withheld or delayed) appoint a successor agent or, if such Required Benefited Creditors are unable to agree on the appointment of a successor agent, the Collateral Agent shall appoint a successor agent for the Lenders and the other Benefited Creditors whereupon such successor agent shall

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succeed to the rights, powers and duties of the Collateral Agent, and the term "Collateral Agent" shall mean such successor agent effective upon its appointment, and the former Collateral Agent's rights, powers and duties as Collateral Agent shall be terminated, without any other or further act or deed on the part of such former Collateral Agent or any of the parties to this Agreement or any of the Loan Documents or successors thereto. After any retiring Collateral Agent's resignation hereunder as Collateral Agent, the provisions of the Loan Documents shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under the Loan Documents.

10.11 *Limitations on Agents Liability.* None of the Co-Syndication Agents, the Co-Documentation Agent or the Co-Lead Arrangers, in such capacities, shall have any right, power, obligation, liability, responsibility or duty under this Agreement.

#### ARTICLE 11. *Miscellaneous Provisions.*

11.1 *No Assignment by Borrowers.* None of the Borrower Parties may assign its rights or obligations under this Agreement or the other Loan Documents without the prior written consent of the Administrative Agent and one hundred percent (100%) of the Lenders. Subject to the foregoing, all provisions contained in this Agreement and the other Loan Documents and in any document or agreement referred to herein or therein or relating hereto or thereto shall inure to the benefit of the Administrative Agent and each Lender, their respective successors and assigns, and shall be binding upon each of the Borrower Parties and such Person's successors and assigns.

11.2 *Modification.* Neither this Agreement nor any other Loan Document may be Modified or waived unless such Modification or waiver is in writing and signed by the Administrative Agent, the Guarantors, the Borrowers and, except for the Modifications and waivers referred to in clauses (i) and (ii) below, the Required Lenders. Notwithstanding the foregoing, no such Modification or waiver shall: (i) without the prior written consent of the Required Benefited Creditors: (1) Modify or waive: any mandatory payment requirement of *Section 3.3*; *Section 3.4*; any covenant in *Article 8*; or the last paragraph of *Article 9*; (2) increase the applicable rate of interest payable hereunder; (3) Modify the definition of "Required Benefited Creditors", "Majority Benefited Creditors" or "Benefited Creditors"; or (4) Modify this clause (i) of this *Section 11.2* or *Section 7* of the Pledge Agreements (and any definitions therein related solely to the application of such Section); and (ii) without the prior written consent of one hundred percent (100%) of the Lenders: (1) reduce the principal of, or rate of interest on, the Interim Loan or fees payable hereunder, (2) except as expressly contemplated by *Section 11.8* below, modify the Percentage Share of any Lender, (3) Modify the definition of "Required Lenders", (4) extend or waive any scheduled payment date for any principal, interest or fees, (5) release MAC from its obligations under the REIT Guaranty, release the Macerich Partnership from its obligation to repay the Interim Loan, release any of the pledgors under the Pledge Agreements or release any portion of the collateral pledged under the Pledge Agreements (except for such releases as may be specifically authorized by or otherwise approved in accordance with this Credit Agreement), (6) Modify this *Section 11.2* (except that clause (i) above shall govern Modifications to such clause (i) of this *Section 11.2*), or (7) Modify any provision of the Loan Documents which by its terms requires the consent or approval of one hundred percent (100%) of the Lenders. It is expressly agreed and understood that the failure by the Majority Benefited Creditors or the Required Lenders, as applicable, to elect to accelerate amounts outstanding hereunder and/or to terminate the obligation of the Lenders to make Loans hereunder shall not constitute a Modification or waiver of any term or provision of this Agreement. No Modification of any provision of the Loan Documents relating to the Administrative Agent or the Collateral Agent shall be effective without the written consent, as applicable, of the Administrative Agent or the Collateral Agent.

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11.3 *Cumulative Rights; No Waiver.* The rights, powers and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and in addition to all rights, power and remedies provided under any and all agreements among the Borrower Parties, the Administrative Agent and the Lenders relating hereto, at law, in equity or otherwise. Any delay or failure by Administrative Agent and the Lenders to exercise any right, power or remedy shall not constitute a waiver thereof by the Administrative Agent or the Lenders, and no single or partial exercise by the Administrative Agent or the Lenders of any right, power or remedy shall preclude other or further exercise thereof or any exercise of any other rights, powers or remedies.

11.4 *Entire Agreement.* This Agreement, the other Loan Documents and the schedules, appendices, documents and agreements referred to herein and therein embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof and thereof.

11.5 *Survival.* All representations, warranties, covenants and agreements contained in this Agreement and the other Loan Documents on the part of the Borrower Parties shall survive the termination of this Agreement and shall be effective until the Obligations are paid and performed in full or longer as expressly provided herein.

11.6 *Notices.* All notices given by any party to the others under this Agreement and the other Loan Documents shall be in writing unless otherwise provided for herein, and any such notice shall become effective (i) upon personal delivery thereof, including, but not limited to, delivery by overnight mail and courier service, (ii) four (4) days after it shall have been mailed by United States mail, first class, certified or registered, with postage prepaid, or (iii) in the case of notice by a telecommunications device, when properly transmitted, in each case addressed to the party at the address set forth on *Schedule 11.6* attached hereto. Any party may change the address to which notices are to be sent by notice of such change to each other party given as provided herein. Such notices shall be effective on the date received or, if mailed, on the third Business Day following the date mailed.

11.7 *Governing Law.* This Agreement and the other Loan Documents shall be governed by and construed in accordance with the laws of the State of New York without giving effect to its choice of law rules.

11.8 *Assignments, Participations, Etc.*

(1) With the prior written consent of the Administrative Agent and, but only if there has not occurred and is continuing an Event of Default or Potential Default, MAC, such consents not to be unreasonably withheld or delayed, any Lender may at any time assign and delegate to one or more Eligible Assignees (provided that no written consent of MAC or the Administrative Agent shall be required in connection with any assignment and delegation by a Lender to an Affiliate of such Lender or to another Lender or its Affiliate) (each an "Assignee") all or any part of such Lender's Percentage Share of the Interim Loan and the other Obligations held by such Lender hereunder, in a minimum amount of \$1,000,000, which minimum amount may be an aggregated amount in the event of simultaneous assignments to or by two or more funds under common management (or if such Lender's Percentage Share of the Interim Loan is less than \$1,000,000, one hundred percent (100%) thereof); provided, however, that MAC, the Borrowers and the Administrative Agent may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrowers and the Administrative Agent by such Lender and the Assignee; (ii) such Lender and its Assignee shall have delivered to the Borrowers and the Administrative Agent an Assignment and

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Acceptance Agreement and (iii) the Assignee has paid to the Administrative Agent a processing fee in the amount of \$3500.

(A) From and after the date that the Administrative Agent notifies the assignor Lender and the Borrowers that it has received an executed Assignment and Acceptance Agreement and payment of the above-referenced processing fee: (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned to it pursuant to such Assignment and Acceptance Agreement, shall have the rights and obligations of a Lender under the Loan Documents, (ii) the assignor Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance Agreement, relinquish its rights and be released from its obligations under the Loan Documents (but shall be entitled to indemnification as otherwise provided in this Agreement with respect to any events occurring prior to the assignment) and (iii) this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Percentage Shares resulting therefrom.

(2) Within five Business Days after its receipt of notice by the Administrative Agent that it has received an executed Assignment and Acceptance Agreement and payment of the processing fee (which notice shall also be sent by the Administrative Agent to each Lender), the Borrowers shall, if requested by the Assignee, execute and deliver to the Administrative Agent, a new Note evidencing such Assignee's Percentage Share of the Interim Loan.

(3) Any Lender may at any time sell to one or more commercial banks or other Persons not Affiliates of the Borrowers (a "Participant") participating interests in the Interim Loan and the other interests of that Lender (the "*originating Lender*") hereunder and under the other Loan Documents; provided, however, that (i) the originating Lender's obligations under this Agreement shall remain unchanged, (ii) the originating Lender shall remain solely responsible for the performance of such obligations, and (iii) the Borrowers and the Administrative Agent shall continue to deal solely and directly with the originating Lender in connection with the originating Lender's rights and obligations under this Agreement and the other Loan Documents. In the case of any such participation, the Participant shall be entitled to the benefit of *Sections 2.5, 2.6 and 2.7* (and subject to the burdens of *Sections 2.8 and 11.8* above) as though it were also a Lender thereunder, and if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, and *Section 11.10* of this Agreement shall apply to such Participant as if it were a Lender party hereto.

(4) Notwithstanding any other provision contained in this Agreement or any other Loan Document to the contrary, any Lender may assign all or any portion of its Percentage Share of the Interim Loan held by it to any Federal Reserve Lender or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Lender, provided that any payment in respect of such assigned Percentage Share of the Interim Loan made by the Borrowers to or for the account of the assigning and/or pledging Lender in accordance with the terms of this Agreement shall satisfy the Borrowers' obligations hereunder in respect to such assigned Percentage Share of the Interim Loan to the extent of such payment. No such assignment shall release the assigning Lender from its obligations hereunder.

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11.9 *Counterparts.* p]This Agreement and the other Loan Documents may be executed in any number of counterparts, all of which together shall constitute one agreement.

11.10 *Sharing of Payments.* If any Lender shall receive and retain any payment, whether by setoff, application of deposit balance or security, or otherwise, in respect of the Obligations in excess of such Lender's Percentage Share thereof, then such Lender shall purchase from the other Lenders for cash and at face value and without recourse, such participation in the Obligations held by them as shall be necessary to cause such excess payment to be shared ratably as aforesaid with each of them; provided, that if such excess payment or part thereof is thereafter recovered from such purchasing Lender,



the related purchases from the other Lenders shall be rescinded ratably and the purchase price restored as to the portion of such excess payment so recovered, but without interest. Each Lender is hereby authorized by the Borrower Parties to exercise any and all rights of setoff, counterclaim or bankers' lien against the full amount of the Obligations, whether or not held by such Lender. Each Lender hereby agrees to exercise any such rights first against the Obligations and only then to any other Indebtedness of the Borrowers to such Lender.

11.11 *Confidentiality.* Each Lender agrees to take normal and reasonable precautions and exercise due care to maintain the confidentiality of all information provided to it by any of the Borrower Parties or by the Administrative Agent on the Borrower Parties' behalf, in connection with this Agreement or any other Loan Document, and neither it nor any of its Affiliates shall use any such information for any purpose or in any manner other than pursuant to the terms contemplated by this Agreement, except to the extent such information: (1) was or becomes generally available to the public other than as a result of a disclosure by any Lender or any prospective Lender, or (2) was or becomes available from a source other than the Borrower Parties not known to the Lenders to be in breach of an obligation of confidentiality to the Borrower Parties in the disclosure of such information. Nothing contained herein shall restrict any Lender from disclosing such information (i) at the request or pursuant to any requirement of any Governmental Authority; (ii) pursuant to subpoena or other court process; (iii) when required to do so in accordance with the provisions of any applicable Requirement of Law; (iv) to the extent reasonably required in connection with any litigation or proceeding to which the Administrative Agent, any Lender or their respective Affiliates may be party; (v) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Loan Document; (vi) to such Lender's independent auditors and other professional advisors; and (vii) to any Participant or Assignee and to any prospective Participant or Assignee, provided that each Participant and Assignee or prospective Participant or Assignee first agrees to be bound by the provisions of this Section 11.11.

11.12 *Consent to Jurisdiction.* ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS CREDIT AGREEMENT, EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT

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OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

11.13 *Waiver of Jury Trial.* EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH OF SUCH PARTIES FURTHER AGREES THAT ITS RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

11.14 *Indemnity.* Whether or not the transactions contemplated hereby are consummated, each of the Borrower Parties shall indemnify and hold the Administrative Agent, the Arrangers, the other Agents and each Lender and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "*Indemnified Person*") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including reasonable attorney's fees and expenses) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Interim Loan and the termination, resignation or replacement of the Administrative Agent or replacement of any Lender) be imposed on, incurred by or asserted against any such Person in any way relating to or arising out of this Agreement or any document contemplated by or referred to herein, or the transactions contemplated hereby, or any action taken or omitted by any such Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any insolvency proceeding or appellate proceeding) related to or arising out of this Agreement or the Interim Loan or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "*Indemnified Liabilities*"); provided, however, that the Borrower Parties shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities resulting solely from the gross negligence or willful misconduct of such Indemnified Person. The agreements in this Section 11.14 shall survive payment of all other Obligations.

11.15 *Telephonic Instruction.* Any agreement of the Administrative Agent and the Lenders herein to receive certain notices by telephone is solely for the convenience and at the request of the Borrowers. The Administrative Agent and the Lenders shall be entitled to rely on the authority of any Person purporting to be a Person authorized by the Borrowers to give such notice and the Administrative Agent and the Lenders shall not have any liability to the Borrowers or other Person on account of any action taken or not taken by the Administrative Agent or the Lenders in reliance upon such telephonic notice. The obligation of the Borrowers to repay the Loans shall not be affected in any way or to any extent by any failure by the Administrative Agent and the Lenders to receive written confirmation of any telephonic notice or the receipt by the

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Administrative Agent and the Lenders of a confirmation which is at variance with the terms understood by the Administrative Agent and the Lenders to be contained in the telephonic notice.

11.16 *Marshalling; Payments Set Aside.* Neither the Administrative Agent nor the Lenders shall be under any obligation to marshal any assets in favor of any of the Borrower Parties or any other Person or against or in payment of any or all of the Obligations. To the extent that any of the Borrower Parties makes a payment or payments to the Administrative Agent or the Lenders, or the Administrative Agent or the Lenders enforce their Liens or exercise their rights of set-off, and such payment or payments or the proceeds of such enforcement or set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent in its discretion) to be repaid to a trustee, receiver or any other party in connection with any insolvency proceeding, or otherwise, then (1) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or set-off had not occurred, and (2) each Lender severally agrees to pay to the Administrative Agent upon demand its ratable share of the total amount so recovered from or repaid by the Administrative Agent.

11.17 *Set-off.* In addition to any rights and remedies of the Lenders provided by law, if an Event of Default exists, each Lender is authorized at any time and from time to time, without prior notice to the Borrower Parties, any such notice being waived by the Borrower Parties to the fullest extent permitted by law, to set off and apply in favor of the Benefited Creditors any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing to, such Lender to or for the credit or the account of the Borrower Parties against any and all Aggregate Obligations owing to the Benefited Creditors, now or hereafter existing, irrespective of whether or not the Administrative Agent, the Collateral Agent or such Lender shall have made demand under this Agreement or any Loan Document and although such Aggregate Obligations may be contingent or unmatured. Each Lender agrees promptly to (i) notify the Borrower Parties, the Administrative Agent and the Collateral Agent after any such set-off and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application and (ii) pay such amounts that are set-off to the Collateral Agent for the ratable benefit of the Benefited Creditors.

11.18 *Severability.* The illegality or unenforceability of any provision of this Agreement or any other Loan Document or any instrument or agreement required hereunder or thereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions hereof or thereof.

11.19 *No Third Parties Benefited.* This Agreement and the other Loan Documents are made and entered into for the sole protection and legal benefit of the Borrower Parties, the Lenders and the Administrative Agent, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents.

11.20 *Time.* Time is of the essence as to each term or provision of this Agreement and each of the other Loan Documents.

[Signature Pages Following]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

BORROWERS:

THE MACERICH PARTNERSHIP, L.P.,  
a Delaware limited partnership

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH GALAHAD GP CORP.,  
a Delaware corporation

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH GALAHAD LP,  
a Delaware limited partnership

By: Macerich Galahad GP Corp.,  
a Delaware corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and  
General Counsel

MACERICH WRLP CORP.,  
a Delaware corporation

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

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MACERICH WRLP LLC,  
a Delaware limited liability company

By: The Macerich Partnership, L.P.,  
a Delaware limited partnership,  
Its sole member

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and  
General Counsel

MACERICH TWC II CORP.,  
a Delaware corporation

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH TWC II LLC,  
a Delaware limited liability company

By: The Macerich Partnership, L.P.,  
a Delaware limited partnership,  
Its sole member

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and  
General Counsel

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GUARANTORS:

THE MACERICH COMPANY,  
a Maryland corporation

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH BRISTOL ASSOCIATES,  
a California general partnership

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By:

Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH GREAT FALLS LIMITED PARTNERSHIP,  
a California limited partnership

By: Macerich Great Falls GP Corp.,  
a Delaware corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH OKLAHOMA LIMITED PARTNERSHIP,  
a California limited partnership

By: Macerich Oklahoma GP Corp.,  
a Delaware corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

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MACERICH WESTSIDE ADJACENT LIMITED  
PARTNERSHIP, a California limited partnership

By: Macerich Westside Adjacent GP Corp.,  
a Delaware corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

MACERICH SASSAFRAS LIMITED PARTNERSHIP,  
a California limited partnership

By: Macerich Sassafras GP Corp.,  
a Delaware corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

NORTHGATE MALL ASSOCIATES,  
a California general partnership

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General Counsel

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LENDERS AND AGENTS:

DEUTSCHE BANK TRUST COMPANY AMERICAS,  
as Administrative Agent, Collateral Agent and a Lender

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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JP MORGAN CHASE BANK

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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DRESDNER BANK AG, NEW YORK and  
GRAND CAYMAN BRANCHES

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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WELLS FARGO BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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FLEET NATIONAL BANK,  
a national banking association

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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COMMERZBANK AG, NEW YORK and  
GRAND CAYMAN BRANCHES

By:

Name:

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Title:

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By:

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Name:

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Title:

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BANK ONE, NA

By:

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Name:

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Title:

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CREDIT LYONNAIS NEW YORK BRANCH

By:

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Name:

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Title:

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U.S. BANK NATIONAL ASSOCIATION,  
a national banking association, as Co-Agent

By:

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Name:

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Title:

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THE BANK OF NOVA SCOTIA,  
acting through its San Francisco Agency

By:

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Name:

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Title:

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S-14

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PACIFIC LIFE INSURANCE CO.

By:

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Name:

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Title: \_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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STANWICH LOAN FUNDING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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**ANNEX I: GLOSSARY**

THIS GLOSSARY is attached to and made a part of that certain Credit Agreement (the "*Credit Agreement*") dated as of July 26, 2002 by and among THE MACERICH PARTNERSHIP, L.P., a limited partnership organized under the laws of the state of Delaware ("*Macerich Partnership*"); MACERICH GALAHAD GP CORP., a Delaware corporation ("*Galahad GP*"); MACERICH GALAHAD LP, a Delaware limited partnership ("*Galahad LP*"); MACERICH WRLP CORP., a Delaware corporation ("*Macerich WRLP Corp.*"); MACERICH WRLP LLC, a Delaware limited liability company ("*Macerich WRLP LLC*"); MACERICH TWC II CORP., a Delaware corporation ("*Macerich TWC Corp.*"); MACERICH TWC II LLC, a Delaware limited liability company ("*Macerich TWC LLC*") (Galahad GP, Galahad LP, Macerich WRLP Corp., Macerich WRLP LLC, Macerich TWC Corp. and Macerich TWC LLC being referred to herein, jointly and severally, as "*Westcor Borrowers*") (Macerich Partnership and Westcor Borrowers being referred to herein, jointly and severally, as the "*Borrowers*"); THE MACERICH COMPANY, a Maryland corporation ("*MAC*"); THE ENTITIES FROM TIME TO TIME PARTY HERETO AS GUARANTORS; THE LENDERS FROM TIME TO TIME PARTY HERETO (collectively and severally, the "*Lenders*"); and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "*Administrative Agent*") and as Collateral Agent for the Benefited Creditors. For purposes of the Credit Agreement and the other Loan Documents, the terms set forth below shall have the following meanings:

"*Act*" shall have the meaning given such term in *Section 6.13* of the Credit Agreement.

"*Administrative Agent*" shall have the meaning given such term in the introductory paragraph of the Credit Agreement and shall include any successor to DBTCA as the initial "Administrative Agent" thereunder.

"*Affiliate*" shall mean, as to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with, such Person. "Control" as used herein means the power to direct the management and policies of such Person. In the case of a Lender which is a fund that invests in loans, any other fund that invests in loans which is managed by the same investment advisor as such Lender, or by another Affiliate of such Lender or such investment advisor, shall be deemed an Affiliate of such Lender.

"*Affiliate Guaranties*" shall mean each of the credit guaranties executed by each of the Affiliate Guarantors in favor of DBTCA (or a successor Collateral Agent), in its capacity as Collateral Agent for the benefit of the Benefited Creditors, as the same may be Modified from time to time.

"*Affiliate Guarantors*" shall mean, jointly and severally, MACERICH BRISTOL ASSOCIATES, a California general partnership, and its successors, MACERICH GREAT FALLS LIMITED PARTNERSHIP, a California limited partnership, and its successors, MACERICH OKLAHOMA LIMITED PARTNERSHIP, a California limited partnership, and its successors, MACERICH WESTSIDE ADJACENT LIMITED PARTNERSHIP, a California limited partnership, and its successors, MACERICH SASSAFRAS LIMITED PARTNERSHIP, a California limited partnership, and its successors, NORTHGATE MALL ASSOCIATES, a California general partnership, and its successors, and any other guarantors executing Supplemental Guaranties in accordance with *Section 4.1* of the Credit Agreement.

"*Agents*" shall mean the Administrative Agent, the Co-Syndication Agents, the Co-Lead Arrangers, the Co-Documentation Agents, the Collateral Agent and any other Persons acting in the capacity of an agent for the Lenders under the Credit Agreement, together with their permitted successors and assigns.

"*Aggregate Investment Value*" shall mean for each permitted Investment identified in *Section 8.5* of the Credit Agreement (and any related Property referred to in such Section), the greater of (i) the

purchase price of such Investment (and related Property); or (ii) that portion of the Gross Asset Value represented by the relevant Investment (and related Property) as calculated in the most recent Measuring Period; provided, however, that all Real Property Under Construction shall be valued at the out-of-pocket costs incurred by the applicable Borrower Parties or their Subsidiary Entities in respect of such Real Property Under Construction.

"Aggregate Obligations" shall mean, collectively, the "Obligations" under, and as such term is defined in, each of the Credit Agreement, the Revolving Credit Agreement and the Term Loan Credit Agreement.

"Applicable Base Rate" shall mean the floating rate per annum equal to the daily average Base Rate in effect during the applicable calculation period plus one percent (1.00%).

"Applicable LIBO Rate" shall mean, with respect to any LIBO Rate Loan for the Interest Period applicable to such LIBO Rate Loan, the per annum rate equal to the Reserve Adjusted LIBO Rate plus the percentage (per annum) set forth below which corresponds to the then-current applicable Loan Month:

| Loan Month  | LIBO Spread |
|---|-------------|
| first Loan Month through (and including) the sixth Loan Month           | 2.75%       |
| seventh Loan Month through (and including) the twelfth Loan Month       | 3.25%       |
| thirteenth Loan Month through (and including) the eighteenth Loan Month | 3.75%       |

"Arrowhead Property" shall mean Real Property and improvements located at 7700 W. Arrowhead Towne Center, Glendale, AZ 85308, commonly referred to as "Arrowhead Towne Center" and owned by New River Associates, an Arizona general partnership.

"Assignee" shall have the meaning given such term in Section 11.8 of the Credit Agreement.

"Assignment and Acceptance Agreement" shall mean an agreement in the form of that attached to the Credit Agreement as Exhibit B.

"Base Rate" shall mean on any day the higher of: (a) the Prime Rate in effect on such day, and (b) the sum of the Federal Funds Rate in effect on such day plus one half of one percent (0.50%).

"Base Rate Loan" shall have the meaning given such term in Section 2.1 of the Credit Agreement.

"Benefited Creditors" shall mean, collectively, each of the "Lenders" from time to time under, and as such term is defined in each of, the Revolving Credit Agreement, the Term Loan Credit Agreement and the Credit Agreement, and the "Issuing Lender" (as such term is defined in the Revolving Credit Agreement).

"Book Value" shall mean the book value of such asset or property, including related Indebtedness.

"Borrower Parties" shall mean, jointly and severally, each of the Borrowers and the Guarantors.

"Borrowers" shall mean, jointly and severally, the Macerich Partnership and the Westcor Borrowers.

"Bristol Shopping Center Asset" shall mean Real Property and improvements located at 3601-3925 Bristol Street, Santa Ana, CA 92704 and 1200 MacArthur Blvd., Santa Ana, CA 92704, commonly referred to as "Bristol Shopping Center" and owned by Macerich Bristol Associates, a California general partnership.

"Broadway Plaza Property" shall mean Real Property and improvements located at 1275 Broadway Plaza, Walnut Creek, CA 94596, commonly referred to as "Broadway Plaza" and owned by Macerich Northwestern Associates, a California general partnership.

"Bullet Payment" shall mean any payment of the entire unpaid balance of any Indebtedness at its final maturity other than the final payment with respect to a loan that is fully amortized over its term.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banks in Los Angeles, California or New York, New York are authorized or obligated to close their regular banking business.

"Capitalized Lease" of a Person means any lease of property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Loan Fees" shall mean, with respect to the Macerich Entities, and with respect to any period, any upfront, closing or similar fees paid by such Person in connection with the incurrence or refinancing of Indebtedness during such period that are capitalized on the balance sheet of such Person.

"Capital Stock" means (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including, without limitation, each class or series of common stock and preferred stock of such Person and (ii) with respect to any Person that is not a corporation, any and all investment units, partnership, membership or other equity interests of such Person.

"Cash Equivalents" shall mean, with respect to any Person: (a) securities issued, guaranteed or insured by the United States of America or any of its agencies with maturities of not more than one year from the date acquired; (b) certificates of deposit with maturities of not more than one year from the date acquired by a United States federal or state chartered commercial bank of recognized standing, which has capital and unimpaired surplus in excess of \$500,000,000 and which bank or its holding company has a short-term commercial paper rating of at least A-2 or the equivalent by S&P or at least P-2 or equivalent by Moody's; (c) reverse repurchase agreements with terms of not more than seven days from the date acquired, for securities of the type described in clause (a) above and entered into only with commercial banks having the qualifications described in clause (b) above; (d) commercial paper issued by any Person incorporated under the laws of the United States of America or any State thereof and rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof of Moody's, in each case with maturities of not more than one year from the date acquired; and (e) investments in money market funds registered under the

Investment Company Act of 1940, which have net assets of at least \$500,000,000 and at least 85% of whose assets consist of securities and other obligations of the type described in clauses (a) through (d) above.

"*Change in Law*" shall mean (a) the adoption of any law, rule or regulation after the date of the Credit Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of the Credit Agreement or (c) compliance by any Lender (or by any lending office of such Lender or by such Lender's holding company, if any) with any guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of the Credit Agreement.

"*Change in Control*" shall mean, with respect to MAC, the occurrence of either of the following: (i) a change in the beneficial ownership within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 of more than twenty-five percent

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(25%) of the Capital Stock of MAC having general voting rights so that such Capital Stock is held by a Person, or two (2) or more Persons acting in concert, unless the Administrative Agent and the Required Lenders have approved in advance in writing the identity of such Person or Persons or (ii) the resignation or removal from the Board of Directors of fifty percent (50%) or more of the members of MAC's Board of Directors during any twelve (12) month period for any reason other than death, disability or voluntary retirement or personal reasons, unless otherwise approved in advance in writing by the Required Lenders.

"*Closing Certificate*" shall mean a certificate in the form of that attached to the Credit Agreement as *Exhibit C*.

"*Closing Date*" shall mean the date as of which all conditions set forth in *Section 5.1* of the Credit Agreement shall have been satisfied or waived and the Interim Loan shall have been funded.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, as from time to time in effect.

"*Co-Documentation Agents*" shall mean Wells Fargo Bank, National Association and Commerzbank AG, in their respective capacities as co-documentation agents for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

"*Co-Lead Arrangers*" shall mean Deutsche Bank Securities, Inc. and J.P. Morgan Securities Inc., in their respective capacities as co-lead arrangers and joint book runners for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

"*Collateral Agent*" shall mean DBTCA in its capacity as collateral agent for the benefit of the Benefited Creditors, together with its permitted successors and assigns.

"*Commencement of Construction*" shall mean with respect to any Real Property or Westcor Real Property, the commencement of material on-site work (including grading) or the commencement of a work of improvement of such property.

"*Compliance Certificate*" shall mean a certificate in the form of that attached to the Credit Agreement as *Exhibit D*.

"*Construction in Process*" means, with respect to any Real Property Under Construction or Westcor Real Property Under Construction, the aggregate amount of expenditures classified as "construction-in-process" on the balance sheet of the Consolidated Entities or Westcor, respectively, with respect thereto.

"*Consolidated Entities*" means, collectively, (i) the Borrower Parties, (ii) MAC's Subsidiaries; and (iii) any other Person the accounts of which are consolidated with those of MAC in the consolidated financial statements of MAC in accordance with GAAP.

"*Contact Office*" shall mean the office of DBTCA located at Deutsche Bank Trust Company Americas, 90 Hudson Street Mail Stop: JCY05-0511 Jersey City, NJ 07302 Attn: Joseph Adamo, or such other offices in New York, New York as the Administrative Agent may notify the Borrowers and the Lenders from time to time in writing.

"*Contingent Obligation*" as to any Person shall mean, without duplication, (i) any contingent obligation of such Person required to be shown on such Person's balance sheet in accordance with GAAP, and (ii) any obligation required to be disclosed in the footnotes to such Person's financial statements in accordance with GAAP, guaranteeing partially or in whole any non-recourse Indebtedness, lease, dividend or other obligation, exclusive of contractual indemnities (including, without limitation, any indemnity or price-adjustment provision relating to the purchase or sale of securities or other assets), of such Person or of any other Person. The amount of any Contingent Obligation described in clause (ii) shall be deemed to be (a) with respect to a guaranty of interest or

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interest and principal, or operating income guaranty, the sum of all payments required to be made thereunder (which in the case of an operating income guaranty shall be deemed to be equal to the debt service for the note secured thereby), calculated at the interest rate applicable to such Indebtedness, through (1) in the case of an interest or interest and principal guaranty, the stated date of maturity of the obligation (and commencing on the date interest could first be payable thereunder), or (2) in the case of an operating income guaranty, the date through which such guaranty will remain in effect, and (b) with respect to all guarantees not covered by the preceding clause (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as recorded on the balance sheet and on the footnotes to the most recent financial statements of the applicable Person required to be delivered pursuant hereto. Notwithstanding anything contained herein to the contrary, guarantees of completion and non-recourse carve outs in secured loans shall not be deemed to be Contingent Obligations unless and until a claim for payment has been made thereunder, at which time any such guaranty of completion shall be deemed to be a Contingent Obligation in an amount equal to any such claim. Subject to the preceding sentence, (i) in the case of a joint and several guaranty given by such Person and another Person (but only to the extent such guaranty is recourse, directly or indirectly to the applicable Borrower Party or their respective Subsidiaries), the amount of the guaranty shall be deemed to be 100% thereof unless and only to the extent that (X) such other Person has delivered cash or Cash Equivalents to secure all or any part of such Person's guaranteed obligations or (Y) such other Person holds an Investment Grade Credit Rating from either Moody's or S&P, and (ii) in the case of a guaranty (whether or not joint and several) of an obligation otherwise constituting Indebtedness of such Person, the



amount of such guaranty shall be deemed to be only that amount in excess of the amount of the obligation constituting Indebtedness of such Person. Notwithstanding anything contained herein to the contrary, "Contingent Obligations" shall not be deemed to include guarantees of loan commitments or of construction loans to the extent the same have not been drawn.

"*Contractual Obligation*" as to any Person shall mean any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

"*Co-Syndication Agents*" shall mean JPMorgan Chase Bank and Dresdner Bank AG, New York and Grand Cayman Branches, as the syndication agents for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

"*Credit Agreement*" shall mean the Credit Agreement defined in the introductory paragraph of this Glossary, as the same may be Modified, extended or replaced from time to time.

"*DBTCA*" shall mean Deutsche Bank Trust Company Americas.

"*Depreciation and Amortization Expense*" shall mean (without duplication), for any period, the sum for such period of (i) total depreciation and amortization expense, whether paid or accrued, of the Consolidated Entities, plus (ii) any Consolidated Entity's *pro rata* share of depreciation and amortization expenses of Joint Ventures. For purposes of this definition, MAC's *pro rata* share of depreciation and amortization expense of any Joint Venture shall be deemed equal to the product of (i) the depreciation and amortization expense of such Joint Venture, multiplied by (ii) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"*Designated Environmental Properties*" shall have the meaning given such term in Section 7.9 of the Credit Agreement.

"*Disposition*" shall mean the sale, conveyance, pledge, hypothecation, ground lease, encumbrance, creation of a security interest with respect to, or other transfer, whether voluntary or involuntary, direct

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or indirect, of any legal or beneficial interest in a Property, including any sale, conveyance, pledge, hypothecation, ground lease, encumbrance, creation of a security interest with respect to, or other transfer, at any tier, of any ownership interest in any Macerich Entity; provided, however, that Disposition shall not include any Permitted Encumbrances; provided further that such exclusion of Permitted Encumbrances shall not apply to the Dispositions described in Sections 8.4(1), 8.4(2), and 8.4(3) of the Credit Agreement. "Disposition" shall not include the sale or ground lease of any ancillary building pad site within a Project provided that the consideration received for such transaction does not exceed \$250,000 for any Project and \$3,000,000 in the aggregate for all Projects.

"*Disposition Promissory Note*" shall mean any promissory note received as consideration for the Disposition of a Property subject to Section 3.3 of the Credit Agreement.

"*Disqualified Capital Stock*" shall mean with respect to any Person any Capital Stock of such Person (other than preferred stock of MAC issued and outstanding on the Closing Date) that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or otherwise (including upon the occurrence of any event), is required to be redeemed or is redeemable for cash at the option of the holder thereof, in whole or in part (including by operation of a sinking fund), or is exchangeable for Indebtedness (other than at the option of such Person), in whole or in part, at any time.

"*Distribution*" shall mean with respect to MAC and Macerich Partnership: (i) any distribution of cash or Cash Equivalent, directly or indirectly, to the partners or holders of Capital Stock of such Persons, or any other distribution on or in respect of any partnership, company or equity interests of such Persons; and (ii) the declaration or payment of any dividend on or in respect of any shares of any class of Capital Stock of such Persons, other than: (1) dividends payable solely in shares of common stock by MAC; or (2) the purchase, redemption, or other retirement of any shares of any class of Capital Stock of such Persons, directly or indirectly through a Subsidiary of MAC or otherwise; to the extent such purchase, redemption, or other retirement occurs in exchange for the issuance of Capital Stock of MAC or Macerich Partnership.

"*EBITDA*" shall mean, for the twelve months then most recently ended, solely with respect to the Consolidated Entities, (i) Net Income, plus (without duplication) (A) Interest Expense, (B) Tax Expense, and (C) Depreciation and Amortization Expense, in each case for such period.

"*Eligible Assignee*" shall mean any of the following:

- (a) A commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least \$100,000,000;
- (b) A commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having a combined capital and surplus of at least \$100,000,000 (provided that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD);
- (c) A Person that is engaged in the business of commercial banking and that is: (1) an Affiliate of a Lender, (2) an Affiliate of a Person of which a Lender is an Affiliate, or (3) a Person of which a Lender is an Affiliate;
- (d) An insurance company, mutual fund or other financial institution organized under the laws of the United States, any state thereof, any other country which is a member of the OECD or a political subdivision of any such country which invests in bank loans and has a net worth of \$500,000,000; and
- (e) Any fund (other than a mutual fund) which invests in bank loans and whose assets exceed \$100,000,000;

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provided, however, that no Person shall be an "Eligible Assignee" unless at the time of the proposed assignment to such Person: (i) such Person is able to make its portion of the Interim Loan in U.S. dollars, and (ii) such Person is exempt from withholding of tax on interest and is able to deliver the documents related thereto pursuant to Section 2.10(5) of the Credit Agreement.

"*Environmental Properties*" shall have the meaning given such term in Section 6.15 of the Credit Agreement.

"*ERISA*" shall mean the Employee Retirement Income Security Act of 1974, as Modified, and the rules and regulations promulgated thereunder as from time to time in effect.

"*ERISA Affiliate*" shall mean any trade or business (whether or not incorporated) under common control with any Consolidated Entity within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) for purposes of provisions relating to Section 412 of the Code).

"*ERISA Event*" shall mean (a) a Reportable Event with respect to a Pension Plan or a Multiemployer Plan; (b) a withdrawal by any Consolidated Entity or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Consolidated Entity or any ERISA Affiliate from a Multiemployer Plan or notification that a multiemployer is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a plan amendment as a termination under Section 4041 or 4041A of ERISA or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) a failure by any Consolidated Entity to make required contributions to a Pension Plan, Multiemployer Plan or other Plan subject to Section 412 of the Code; (f) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (g) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Consolidated Entity or any ERISA Affiliate; or (h) an application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code with respect to any Plan.

"*Eurodollar Business Day*" shall mean a Business Day on which commercial banks in London, England and Frankfurt, Germany are open for domestic and international business.

"*Event of Default*" shall have the meaning given such term in Section 9 of the Credit Agreement.

"*Evidence of No Withholding*" shall have the meaning given such term in Section 2.10 of the Credit Agreement.

"*Exchange Property*" shall mean real property acquired in connection with a Like Kind Exchange by a Macerich Entity as consideration, in whole or in part, for the sale of Real Property owned by such Macerich Entity.

"*Excluded Taxes*" shall mean, with respect to the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Borrowers hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by any state, locality or foreign jurisdiction under the laws of which such recipient is organized or in which it maintains an office or permanent establishment, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrowers are located and (c) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to the Credit Agreement or is attributable to such Foreign Lender's failure to comply with Section 2.10(5) of the Credit Agreement; provided, however, Excluded Taxes shall not include any withholding tax

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resulting from any inability to comply with Section 2.10(5) of the Credit Agreement solely by reason of there having occurred a Change in Law.

"*Existing Revolving Credit Facility*" shall mean that certain Third Amended and Restated Credit and Guaranty Agreement dated as of July 30, 2001 (as amended and modified from time to time) by and among the Macerich Partnership, MAC, the entities from to time party thereto as guarantors, the banks and other financial institutions party thereto and Wells Fargo Bank, National Association, as the agent.

"*Facility Amount*" shall have the meaning given such term in Section 1.1 of the Credit Agreement.

"*Federal Funds Rate*" shall mean for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 1:00 p.m. (New York time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"*FFO*" shall mean net income (loss) (computed in accordance with GAAP) excluding gains (or losses) from debt restructurings and sales of property, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures, as set forth in more detail under the definitions and interpretations thereof promulgated by the National Association of Real Estate Investment Trusts or its successor as of the Closing Date.

"*Financing*" shall mean any transaction pursuant to which new Indebtedness is incurred and secured by a Property subject to the mandatory payment provisions of Section 3.3 of the Credit Agreement.

"*First Extended Maturity Date*" shall have the meaning given such term in Section 1.4(1) of the Credit Agreement.

"*First Extension Fee*" shall have the meaning given such term in Section 1.4(2) of the Credit Agreement.

"*Fiscal Quarter*" or "*fiscal quarter*" means any three-month period ending on March 31, June 30, September 30 or December 31 of any Fiscal Year.

"Fiscal Year" or "fiscal year" shall mean the 12-month period ending on December 31 in each year or such other period as MAC may designate and the Administrative Agent may approve in writing.

"Fixed Charge Coverage Ratio" shall mean, at any time, the ratio of (i) EBITDA for the twelve months then most recently ended (except that, with respect to any Westcor entity that has not achieved Stabilization, EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized), to (ii) Fixed Charges for such period (except that, with respect to any Westcor entity that has not achieved Stabilization, Fixed Charges for such entity shall be calculated for the most recent fiscal quarter and annualized).

"Fixed Charges" shall mean, for any period, solely with respect to the Consolidated Entities, the sum of the amounts for such period of (i) scheduled payments of principal of Indebtedness of the Consolidated Entities (other than any Bullet Payment, including any Bullet Payment under the Interim Facility, and any scheduled amortization payments under the Interim Facility), (ii) the Consolidated Entities' *pro rata* share of scheduled payments of principal of Indebtedness of Joint Ventures (other than any Bullet Payment) that does not otherwise constitute Indebtedness of and is not otherwise recourse to the Consolidated Entities or their assets, (iii) Interest Expense, (iv) payments of dividends in respect of Disqualified Capital Stock; and (v) to the extent not otherwise included in Interest

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Expense, dividends and other distributions paid during such period by the Borrowers or MAC with respect to preferred stock or preferred operating units. For purposes of clauses (ii) and (v), the Consolidated Entities' *pro rata* share of payments by any Joint Venture shall be deemed equal to the product of (a) the payments made by such Joint Venture, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"Flatiron Crossing Asset" shall mean Real Property and improvements located at One FlatIron Circle, Broomfield, CO 80021, commonly referred to as "Flatiron Crossing" and owned by FlatIron Property Holding, LLC, an Arizona limited liability company.

"Foreign Lender" shall mean any Lender that is organized under the laws of a jurisdiction other than that in which the Borrowers are located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"GAAP" shall mean generally accepted accounting principles in the United States of America in effect from time to time; provided that for purposes of calculating the covenants set forth in Section 8.12 and Section 8.13 of the Credit Agreement, GAAP shall mean generally accepted accounting principles in the United States of America in effect as of the Closing Date.

"GGP Property" shall have the meaning give such term in Section 3.3(2)(C)(ii) of the Credit Agreement.

"Good Faith Contest" means the contest of an item if (1) the item is diligently contested in good faith, and, if appropriate, by proceedings timely instituted, (2) adequate reserves are established if required by, and in accordance with, GAAP with respect to the contested item, (3) during the period of such contest, the enforcement of any contested item is effectively stayed and (4) the failure to pay or comply with the contested item during the period of the contest is not likely to result in a Material Adverse Effect.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any court or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Gross Asset Value" shall mean, at any time, solely with respect to the Consolidated Entities, the sum of (without duplication):

(i) for Retail Properties that are Wholly-Owned the sum of, for each such property, (a) such property's Property NOI for the Measuring Period, *divided by* (b) (1) 8.25% (expressed as a decimal), in the case of regional Retail Properties or (2) 9.50% (expressed as a decimal) in the case of Retail Properties that are not regional Retail Properties; provided, however that for purposes of calculating Gross Asset Value for the Westcor Assets, for the first 12 Loan Months, the Gross Asset Value under this subsection (i) shall equal the Consolidated Entities' allocated acquisition costs with respect to such Westcor Assets; *plus*

(ii) for Retail Properties that are not Wholly-Owned, the sum of, for each such property, (a) the Gross Asset Value of each such Retail Property at such time, as calculated pursuant to the foregoing clause (i), *multiplied by* (b) the percentage of the total outstanding Capital Stock held by Consolidated Entities in the owner of the subject Retail Property, expressed as a decimal; provided, however that for purposes of calculating Gross Asset Value for the Westcor Assets, for the first 12 Loan Months, the Gross Asset Value under this subsection (ii) shall equal the Consolidated Entities' allocated acquisition costs with respect to such Westcor Assets; provided, further, notwithstanding anything to the contrary in this definition, so long as 100% of the Indebtedness and other liabilities of the owner of the Broadway Plaza Property reflected in the

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financial statements of such owner or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) is counted in the calculation of Total Liabilities pursuant to subsection (ii) of the definition of "Total Liabilities", the Broadway Plaza Property, and the cash and Cash Equivalents and "Other GAV Assets" (as defined below) with respect thereto, shall be deemed to be Wholly-Owned and the Gross Asset Value with respect to the Broadway Plaza Property shall be calculated in accordance with clause (i) of this definition; *plus*

(iii) all cash and Cash Equivalents (other than, in either case, Restricted Cash) held by the Consolidated Entity at such time, and, in the case of cash and Cash Equivalents not Wholly-Owned, *multiplied by* a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by the Consolidated Entity holding title to such cash and Cash Equivalents; *plus*

(iv) all Mortgage Loans acquired for the purpose of acquiring the underlying real property, valued by the book value of each such Mortgage Loan when measured; *plus*

(v)(a)100% of the Book Value of Construction-in-Process with respect to Retail Properties that are Wholly-Owned and (b) the product of (1) 100% of the Book Value of Construction-in-Process with respect to Retail Properties Under Construction that are not Wholly-Owned *multiplied by* (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by the Consolidated Entity holding title to such Retail Properties Under Construction; *plus*

(vi) to the extent not otherwise included in the foregoing clauses, (a) the book value of tenant receivables, deferred charges and other assets with respect to Real Properties that are Wholly-Owned and (b) the product of (1) the book value of tenant receivables, deferred charges and other assets with respect to Real Properties that are not Wholly-Owned *multiplied by* (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by a Consolidated Entity holding title to such Retail Property (collectively, "*Other GAV Assets*"), *provided* that the aggregate value of Other GAV Assets shall not exceed five percent (5%) of the aggregate Gross Asset Value of all the assets of the Consolidated Entities; *plus*

(vii) the Book Value of land and other Properties not constituting Retail Properties;

*provided, however*, that the determination of Gross Asset Value for any period shall not include any Retail Property (or any Property NOI relating to any Retail Property) that has been sold or otherwise disposed of at any time prior to or during such period.

"*Gross Leasable Area*" shall mean the total leasable square footage of buildings situated on Real Properties, excluding the square footage of any department stores.

"*Guarantors*" shall mean, jointly and severally (i) any Initial Guarantor and (ii) any Supplemental Guarantor.

"*Guaranty*" shall mean any unconditional guaranty executed by any Person in favor of DBTCA (or a successor) in its capacity as Collateral Agent for the Benefited Creditors pursuant to the terms of the Credit Agreement, in a form approved by the Administrative Agent and the Collateral Agent. "Guaranty" shall include all Affiliate Guaranties and the REIT Guaranty.

"*Hazardous Materials*" shall mean any flammable materials, explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definitions of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal, state, or local laws or regulations.

"*Hazardous Materials Claims*" shall mean any enforcement, cleanup, removal or other governmental or regulatory action or order with respect to the Property, pursuant to any Hazardous

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Materials Laws, and/or any claim asserted in writing by any third party relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials.

"*Hazardous Materials Laws*" shall mean any applicable federal, state or local laws, ordinances or regulations relating to Hazardous Materials.

"*Hedging Obligations*" of a Person means any and all obligations of such Person or any of its Subsidiaries, whether absolute or contingent and howsoever and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, commodity prices, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any of the foregoing.

"*Incremental Payment*" shall have the meaning given such term in *Section 2.9* of the Credit Agreement.

"*Indebtedness*" of any Person shall mean without duplication, (a) all liabilities and obligations of such Person, whether consolidated or representing the proportionate interest in any other Person, (i) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof, and including construction loans), (ii) evidenced by bonds, notes, debentures or similar instruments, (iii) representing the balance deferred and unpaid of the purchase price of any property or services, except those incurred in the ordinary course of its business that would constitute a trade payable to trade creditors (but specifically excluding from such exception the deferred purchase price of real property), (iv) evidenced by bankers' acceptances, (v) consisting of obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from property now or hereafter owned or acquired by such Person (in an amount equal to the *lesser* of the obligation so secured and the fair market value of such property), (vi) consisting of Capitalized Lease Obligations (including any Capitalized Leases entered into as a part of a sale/leaseback transaction), (vii) consisting of liabilities and obligations under any receivable sales transactions, (viii) consisting of a letter of credit or a reimbursement obligation of such Person with respect to any letter of credit; or (ix) consisting of Net Hedging Obligations; or (b) all Contingent Obligations and liabilities and obligations of others of the kind described in the preceding clause (a) that such Person has guaranteed or that is otherwise its legal liability and all obligations to purchase, redeem or acquire for cash or non-cash consideration any Capital Stock or other equity interests and (c) obligations of such Person to purchase for cash or non-cash consideration Securities or other property arising out of or in connection with the sale of the same or substantially similar securities or property. For the avoidance of doubt, Indebtedness of any water, sewer, or other improvement district that is payable from assessments or taxes on property located within such district shall not be deemed to be Indebtedness of any Person owning property located within such district; provided that such Person has not otherwise obligated itself in respect of the repayment of such Indebtedness.

"*Indemnified Liabilities*" shall have the meaning given such term in *Section 11.14* of the Credit Agreement.

"*Indemnified Person*" shall have the meaning given such term in *Section 11.14* of the Credit Agreement.

"*Indemnified Taxes*" means Taxes other than Excluded Taxes.

"*Initial Guarantors*" shall mean, jointly and severally, MAC and the Affiliate Guarantors who enter into Guaranties on or as of the Closing Date.

"Initial Financial Statements" shall have the meaning given such term in Section 6.1 of the Credit Agreement.

"Intangible Assets" shall mean (i) all unamortized debt discount and expense, unamortized deferred charges, goodwill and other intangible assets and (ii) all write-ups (other than write-ups resulting from foreign currency translations and write-ups of assets of a going concern business made within twelve months after the acquisition of such business) subsequent to December 31, 1994, in the book value of any asset owned by the Consolidated Entities.

"Interest Coverage Ratio" shall mean, at any time, the ratio of (i) EBITDA for the twelve months then most recently ended (except that, with respect to any Westcor entity that has not achieved Stabilization, EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized), to (ii) Interest Expense for such period (except that with respect to Interest Expense of any Westcor entity that has not achieved Stabilization, Westcor Interest Expense for such entity shall be calculated for the most recent fiscal quarter and annualized).

"Interest Expense" shall mean, for any period, solely with respect to the Consolidated Entities, the sum (without duplication) for such period of: (i) total interest expense, whether paid or accrued, of the Consolidated Entities, including fees payable in connection with the Credit Agreement, charges in respect of letters of credit and the portion of any Capitalized Lease Obligations allocable to interest expense, including the Consolidated Entities' share of interest expenses in Joint Ventures but excluding amortization or write-off of debt discount and expense (except as provided in clause (ii) below), (ii) amortization of costs related to interest rate protection contracts and rate buydowns (other than the costs associated with the interest rate buydowns completed in connection with the initial public offering of MAC), (iii) capitalized interest, provided that capitalized interest may be excluded from this clause (iii) to the extent (A) such interest is paid or reserved out of any interest reserve established under a loan facility; or (B) consists of interest imputed under GAAP in respect of ongoing construction activities, but only to the extent such interest has not actually been paid, and the amount thereof does not exceed \$10,000,000, (iv) for purposes of determining Interest Expense as used in the Fixed Charge Coverage Ratio (both numerator and denominator) only, amortization of Capitalized Loan Fees, (v) to the extent not included in clauses (i), (ii), (iii) and (iv), any Consolidated Entities' pro rata share of interest expense and other amounts of the type referred to in such clauses of the Joint Ventures, and (vi) interest incurred on any liability or obligation that constitutes a Contingent Obligation of any Consolidated Entity. For purposes of clause (v), any Consolidated Entities' pro rata share of interest expense or other amount of any Joint Venture shall be deemed equal to the product of (a) the interest expense or other relevant amount of such Joint Venture, multiplied by (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"Interest Period" shall mean, with respect to a LIBO Rate Loan, a period of one, two, three or six months commencing on a Eurodollar Business Day selected by the Borrowers pursuant to the Credit Agreement. Such Interest Period shall end on (but exclude) the day which corresponds numerically to such date one, two, three or six months thereafter, provided, however, that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Eurodollar Business Day, such Interest Period shall end on the next succeeding Eurodollar Business Day, provided, however, that if said next succeeding Eurodollar Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Eurodollar Business Day.

"Interim Loan" shall have the meaning given such term in Section 1.1 of the Credit Agreement.

"Investment" shall mean, with respect to any Person, (i) any purchase or other acquisition by that Person of Securities, or of a beneficial interest in Securities, issued by any other Person, (ii) any

purchase by that Person of a Property or the assets of a business conducted by another Person, and (iii) any loan (other than loans to employees), advance (other than deposits with financial institutions available for withdrawal on demand, prepaid expenses, accounts receivable, advances to employees and similar items made or incurred in the ordinary course of business) or capital contribution by that Person to any other Person, including, without limitation, all Indebtedness to such Person arising from a sale of property by such Person other than in the ordinary course of its business. "Investment" shall not include any promissory notes or other consideration paid to or by a tenant in connection with Project leasing activities. The amount of any Investment shall be the original cost of such Investment, plus the cost of all additions thereto less the amount of any return of capital or principal to the extent such return is in cash with respect to such Investment without any adjustments for increases or decreases in value or write-ups, write-downs or write-offs with respect to such Investment. Notwithstanding the foregoing, Investments shall not include any Disposition Promissory Notes.

"IRS" shall mean the Internal Revenue Service or any entity succeeding to any of its principal functions under the Code.

"Joint Venture" shall mean, as to any Person: (i) any corporation fifty percent (50%) or less of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization fifty percent (50%) or less of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Notwithstanding the foregoing, a Joint Venture of MAC shall include each Person, other than a Subsidiary, in which MAC owns a direct or indirect equity interest. Unless otherwise expressly provided, all references in the Loan Documents to a "Joint Venture" shall mean a Joint Venture of MAC.

"La Encantada Property" shall mean unimproved Real Property located at 21905 Skyline Drive, Tucson, AZ 85718, commonly referred to as "La Encantada" and owned by TWC II-Tucson, LLC, an Arizona limited liability company.

"Lenders" shall mean each of the lenders from time to time party to the Credit Agreement, including any Assignee permitted pursuant to Section 11.8 of the Credit Agreement.

"LIBO Rate" shall mean, with respect to any LIBO Rate Loan for the Interest Period applicable to such LIBO Rate Loan, the per annum rate for such Interest Period and for an amount equal to the amount of such LIBO Rate Loan shown on Dow Jones Telerate Page 3750 (or any equivalent successor page) at approximately 11:00 (London time) two Eurodollar Business Days prior to the first day of such Interest Period or if such rate is not quoted, the arithmetic average as determined by the Administrative Agent of the rates at which deposits in immediately available U.S. dollars in an amount equal to the amount of such LIBO

Rate Loan having a maturity approximately equal to such Interest Period are offered to four (4) reference banks to be selected by the Administrative Agent in the London interbank market, at approximately 11:00 a.m. (London time) two Eurodollar Business Days prior to the first day of such Interest Period.

"LIBO Rate Loan" shall have the meaning given such term in Section 2.1 of the Credit Agreement.

"LIBO Reserve Percentage" shall mean with respect to an Interest Period for a LIBO Rate Loan, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves and taking into account any transitional adjustments) which is imposed under Regulation D on eurocurrency liabilities.

"Lien" shall mean any security interest, mortgage, pledge, lien, claim on property, charge or encumbrance (including any conditional sale or other title retention agreement), any lease in the nature thereof, and any agreement to give any security interest.

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"Like-Kind Exchange" shall mean an exchange of real property qualifying for non-recognition of gain pursuant to Section 1031 of the Code.

"Loan Documents" shall mean the Credit Agreement and the Notes and each of the following (but only to the extent evidencing, guaranteeing, supporting or securing the obligations under the foregoing instruments and agreements): the REIT Guaranty, each of the Affiliate Guaranties, any Guaranty executed by any other Guarantor, the Pledge Agreements, and each other instrument, certificate or agreement executed by the Borrowers, MAC or the other Borrower Parties in connection herewith, as any of the same may be Modified from time to time.

"Loan Month" shall mean any full calendar month during the term of the Interim Loan, with the first Loan Month being August, 2002, which first Loan Month shall be deemed to include the partial month commencing on the Closing Date of the Loan.

"MAC" shall have the meaning given such term in the preamble to the Credit Agreement.

"Macerich Core Entities" shall mean collectively, (i) the Consolidated Entities, and (ii) any Joint Venture in which any Consolidated Entity is a general partner or in which any Consolidated Entity owns more than 50% of the Capital Stock.

"Macerich Entities" shall mean the Borrower Parties, and all Subsidiary Entities of the Borrower Parties.

"Macerich Partnership", "Macerich Galahad GP", "Macerich Galahad LP", "Macerich WRLP Corp.", "Macerich WRLP LLC", "Macerich TWC Corp.", and "Macerich TWC LLC" shall each have the meanings given such terms in the preamble to the Credit Agreement.

"Majority Benefited Creditors" shall mean, at any date, Benefited Creditors the sum of whose (i) aggregate outstanding portion of the principal amount of the Interim Loan, (ii) aggregate outstanding portion of the principal amount of the "Term Loan" (as such term is defined in the Term Loan Credit Agreement) and (iii) aggregate "Commitments" (as such term is defined in the Revolving Credit Agreement), represents an amount greater than 50% of the sum of the outstanding principal amount of the Interim Loan, principal amount of the Term Loan, and total Commitments.

"Management Companies" shall mean Macerich Property Management Company, a Delaware limited liability company, Macerich Management Company, a California corporation, Westcor Partners LLC, an Arizona limited liability company, and Westcor Partners of Colorado LLC, a Colorado limited liability company, and includes their respective successors.

"Management Contracts" shall mean any contract between any Management Company, on the one hand, and any other Macerich Entity, on the other hand, relating to the management of any Macerich Entity or any Joint Venture or any of the properties of such Person, as the same may be amended from time to time.

"Margin Stock" shall mean "margin stock" as defined in Regulation U.

"Master Management Agreements" shall mean Management Contracts between a Macerich Entity, as owner of a Project, and a Wholly Owned Subsidiary in the form of Exhibit E attached hereto (or with respect to Westcor Subsidiaries, in the form that exists as of the Closing Date) with such Modifications to such form as may be made by the Macerich Entities in their reasonable judgment so long as such Modifications are fair, reasonable, and no less favorable to the owner than would be obtained in a comparable arm's-length transaction with a Person not a Transactional Affiliate.

"Material Adverse Effect" shall mean with respect to (a) MAC and its Subsidiaries on a consolidated basis taken as a whole, (b) Macerich Partnership and its Subsidiaries on a consolidated basis taken as a whole or (c) the Westcor Borrowers, the Westcor Principal Entities and their respective Subsidiaries taken as a whole, any of the following (1) a material adverse change in, or a material

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adverse effect upon, the operations, business, properties, condition (financial or otherwise) or prospects of any of such Persons from and after the Statement Date, (2) a material impairment of the ability of any of such Persons to otherwise perform under any Loan Document; or (3) a material adverse effect upon the legality, validity, binding effect or enforceability against any of such Persons of any Loan Document.

"Maturity Date" shall initially mean the Original Maturity Date; provided that the "Maturity Date" shall mean (i) the First Extended Maturity Date if the Borrowers extend the Original Maturity Date in accordance with the terms and conditions of Section 1.4 of the Credit Agreement, or (ii) the Second Extended Maturity Date if the Borrowers extend the First Extended Maturity Date in accordance with the terms and conditions of Section 1.4 of the Credit Agreement. The Maturity Date shall be subject to acceleration upon an Event of Default as otherwise provided in the Credit Agreement.

"Measuring Period" shall mean the period of four consecutive fiscal quarters ended on the last day of the Fiscal Quarter most recently ended as to which operating statements with respect to a Real Property have been delivered to the Lenders.

"*Minority Interest*" shall mean all of the partnership units (as defined under the Macerich Partnership's partnership agreement) of the Macerich Partnership held by any Person other than MAC.

"*Modifications*" shall mean any amendments, supplements, modifications, renewals, replacements, consolidations, severances, substitutions and extensions of any document or instrument from time to time; "Modify", "Modified," or related words shall have meanings correlative thereto.

"*Moody's*" shall mean Moody's Investors Service, Inc., or any successor thereto.

"*Mortgage Loans*" shall mean all loans owned or held by any of the Macerich Entities secured by mortgages or deeds of trust on Retail Properties.

"*Multiemployer Plan*" shall mean a "multiemployer plan" (within the meaning of Section 4001(a)(3) of ERISA) and to which any Consolidated Entity or any ERISA Affiliate makes, is making, or is obligated to make contributions or, during the preceding three calendar years, has made, or been obligated to make, contributions.

"*Net Cash Proceeds*" shall mean with respect to any Disposition of any Property, any Financing with respect to any Property, or the issuance of any debt or equity Securities: (a) all cash consideration, as well as the value of all non-cash consideration (other than Disposition Promissory Notes, which shall be subject to the mandatory prepayment provisions set forth in Section 3.3(2)(B) of the Credit Agreement); **less**, but without duplication, (b) any repayment of Secured Indebtedness incurred with respect to the Property subject to a Disposition or Financing, to the extent required or permitted under the terms of the loan documents governing the Secured Indebtedness, and any net payments made to a counterparty under Hedging Obligations incurred with respect to such Secured Indebtedness in connection with the termination of such Hedging Obligations as a result of a subject Disposition, **less** (c) transfer taxes, customary brokerage costs, reasonable legal fees and other customary and reasonable out of pocket costs actually paid to unaffiliated third parties in connection with such Disposition, Financing, or issuance. Notwithstanding the foregoing: (1) to the extent the Property subject to the Disposition or Financing is not Wholly-Owned, Net Cash Proceeds shall equal the sum of (a), (b), and (c) as the same is payable or allocable to the Borrowers, MAC, or their Wholly Owned Subsidiaries, and any sums not so allocable (i.e. portions of the net proceeds allocable to Unaffiliated Partners) shall not be included in Net Cash Proceeds; (2) Net Cash Proceeds shall not include (i) any portion of a construction loan advanced for purposes of improving the subject Real Property, (ii) any taxable gain from a Disposition to the extent that: (A) MAC would be subject to paying corporate tax on such gain as a result of the obligation to make a mandatory repayment to the Lenders pursuant to the Credit Agreement (and the resulting failure to distribute such sums to its shareholders); and (B) the amount of such gain does not, when added to any taxable gain from other Dispositions subject

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to this clause (2)(ii) made on or prior to the date of such Disposition, exceed \$50,000,000 in the aggregate; and (3) Net Cash Proceeds shall not include any proceeds resulting from a Financing of an Unencumbered Property to the extent each of following conditions has been satisfied as determined by Administrative Agent in its good faith judgment: (i) such proceeds are used repay advances made under the Revolving Credit Facility used to purchase the subject Unencumbered Property; and (ii) such Financing occurs within sixty (60) days after the subject Unencumbered Property is acquired.

"*Net Hedging Obligations*" shall mean, as of any date of determination, the excess (if any) of all "unrealized losses" over all "unrealized profits" of such Person arising from Hedging Obligations as substantiated in writing by the Borrowers and approved by the Administrative Agent. "Unrealized losses" means the fair market value of the cost to such Person of replacing such Hedging Obligation as of the date of determination (assuming the Hedging Obligation were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Hedging Obligation as of the date of determination (assuming such Hedging Obligation were to be terminated as of that date).

"*Net Income*" shall mean, for any period, the net income (or loss), after provision for taxes, of the Consolidated Entities determined on a consolidated basis for such period taken as a single accounting period as determined in accordance with GAAP, and including the Consolidated Entities' pro rata share of the net income (or loss) of any Joint Venture for such period, but excluding (i) any recorded losses and gains and other extraordinary items for such period; (ii) other non-cash charges and expenses (including non-cash charges resulting from accounting changes), (iii) any gains or losses arising outside of the ordinary course of business, and (iv) any charges for minority interests in the Macerich Partnership held by Unaffiliated Partners. For purposes hereof the Consolidated Entities' pro rata share of the net income (or loss) of any Joint Venture shall be deemed equal to the product of (i) the income (or loss) of such Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"*Net Worth*" means, at any date, the consolidated stockholders' equity of the Consolidated Entities, excluding any amounts attributable to Disqualified Capital Stock.

"*Note*" shall mean a promissory note in the form of that attached to the Credit Agreement as *Exhibit F* issued by the Borrowers at the request of a Lender pursuant to Section 3.1 of the Credit Agreement.

"*Obligations*" shall mean any and all debts, obligations and liabilities of the Borrowers or the other Borrower Parties to the Administrative Agent, the other Agents and the Lenders (whether now existing or hereafter arising, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred), arising out of or related to the Loan Documents.

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"*Officers' Certificate*" shall mean as to any entity, a certificate executed on behalf of such entity by a Responsible Officer.

"*Organizational Documents*" shall mean: (a) for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation, (b) for any partnership, the partnership agreement, any certificate of formation, and any other instrument or agreement relating to the rights between the partners or pursuant to which such partnership is formed, (c) for any limited liability company, the operating agreement, any articles of organization or formation, and any other instrument or agreement relating to the rights between the members, pertaining to the manager, or pursuant to which such limited liability company is formed, and (d) for any trust, the trust agreement and any other instrument or agreement relating to the rights between the trustors, trustees and beneficiaries, or pursuant to which such trust is formed.

"Original Maturity Date" shall have the meaning given such term in Section 1.3 of the Credit Agreement.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies of a Governmental Authority with respect to any payment made under any Loan Document or from the execution, delivery or enforcement of any Loan Document.

"Participant" shall have the meaning given such term in Section 11.8 of the Credit Agreement.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any of its principal functions under ERISA.

"Pension Plan" shall mean a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA which the Consolidated Entities or any ERISA Affiliate sponsors, maintains, or to which it makes, is making, or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding five (5) plan years, but excluding any Multiemployer Plan.

"Percentage Share" shall mean for any Lender at any date the percentage set forth next to such Lender's name on Schedule G-1 to the Credit Agreement, as the same may be Modified from time to time, including, without limitation, to reflect the addition or withdrawal of a Lender or the assignment of all or a portion of an existing Lender's Percentage Share as permitted pursuant to Section 11.8 of the Credit Agreement.

"Permitted Encumbrances" shall mean any Liens with respect to the assets of the Borrowers consisting of the following:

- (a) Liens (other than environmental Liens and Liens in favor of the PBGC) with respect to the payment of taxes, assessments or governmental charges in all cases which are not yet due or which are being contested in good faith and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;
- (b) Statutory liens of carriers, warehousemen, mechanics, materialmen, landlords, repairmen or other like Liens arising by operation of law in the ordinary course of business for amounts which, if not resolved in favor of the Borrower Parties, could not result in a Material Adverse Effect;
- (c) Liens securing the performance of bids, trade contracts (other than borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

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(d) Other Liens, incidental to the conduct of the business of the Borrower Parties, including Liens arising with respect to zoning restrictions, easements, licenses, reservations, covenants, rights-of-way, easements, encroachments, building restrictions, minor defects, irregularities in title and other similar charges or encumbrances on the use of the assets of the Borrower Parties which do not interfere with the ordinary conduct of the business of the Borrower Parties and that are not incurred (i) in violation of any terms and conditions of the Credit Agreement; (ii) in connection with the borrowing of money or the obtaining of advances or credit, or (iii) in a manner which could result in a Material Adverse Effect;

(e) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance and other types of social security;

(f) Any attachment or judgment Lien not constituting an Event of Default;

(g) Licenses (with respect to intellectual property and other property), leases or subleases granted to third parties;

(h) any (i) interest or title of a lessor or sublessor under any lease not prohibited by the Credit Agreement, (ii) Lien or restriction that the interest or title of such lessor or sublessor may be subject to, or (iii) subordination of the interest of the lessee or sublessee under such lease to any Lien or restriction referred to in the preceding clause (ii), so long as the holder of such Lien or restriction agrees to recognize the rights of such lessee or sublessee under such lease;

(i) Liens arising from filing UCC financing statements relating solely to leases not prohibited by the Credit Agreement;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; and

(k) Liens on personal property.

"Person" shall mean any corporation, natural person, firm, joint venture, partnership, trust, unincorporated organization, government or any department or agency of any government.

"Phoenix Mall Asset" shall have the meaning given such term in Section 3.3(2)(C)(iii) of the Credit Agreement.

"Plan" shall mean an employee benefit plan (as defined in Section 3(3) of ERISA) which the Consolidated Entities or any ERISA Affiliate sponsors or maintains or to which the Consolidated Entities or any ERISA Affiliate makes, is making, or is obligated to make contributions and includes any Pension Plan, other than a Multiemployer Plan.

"Pledge Agreements" shall mean, individually or collectively, each of the Pledge Agreements dated as of even date herewith from the Macerich Partnership, MAC and the Westcor Borrowers (other than Macerich TWC Corp. and Macerich TWC LLC), each in substantially the form attached to the Credit Agreement as Exhibit G, pursuant to which each of the Macerich Partnership, MAC and the Westcor Borrowers (other than Macerich TWC Corp. and Macerich TWC LLC) shall pledge to the Collateral Agent, for the ratable benefit of the Benefited Creditors, all of its direct and indirect ownership interest in the Westcor Borrowers and Westcor Realty Limited Partnership, as applicable.

"Potential Default" shall mean an event which but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.



"Prime Rate" shall mean the fluctuating per annum rate announced from time to time by DBTCA or any successor Administrative Agent at its principal office in New York, New York as its "prime rate". The Prime Rate is a rate set by DBTCA as one of its base rates and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto, and is

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evidenced by the recording thereof after its announcement in such internal publication or publications as DBTCA may designate. The Prime Rate is not tied to any external index and does not necessarily represent the lowest or best rate of interest actually charged to any class or category of customers. Each change in the Prime Rate will be effective on the day the change is announced within DBTCA.

"Proceeds Expenditure Account" shall have the meaning given such term in Section 3.3(3) of the Credit Agreement.

"Proceeds Expenditure Date" shall have the meaning given such term in Section 3.3(3) of the Credit Agreement.

"Pro Forma Statements" shall have the meaning given such term in Section 6.1 of the Credit Agreement.

"Project" shall mean any shopping center, retail property, office building, mixed use property or other income producing project owned or controlled, directly or indirectly by a Macerich Entity. "Project" shall include the redevelopment, or reconstruction of any existing Project.

"Property" shall mean, collectively and severally, any and all Real Property and all personal property owned or occupied by the subject Person. "Property" shall include all Capital Stock owned by the subject Person in a Subsidiary Entity.

"Property Expense" shall mean, for any Retail Property, all operating expenses relating to such Retail Property, including the following items (*provided, however*, that Property Expenses shall not include debt service, tenant improvement costs, leasing commissions, capital improvements, Depreciation and Amortization Expenses and any extraordinary items not considered operating expenses under GAAP): (i) all expenses for the operation of such Retail Property, including any management fees payable under the Management Contracts and all insurance expenses, but not including any expenses incurred in connection with a sale or other capital or interim capital transaction; (ii) water charges, property taxes, sewer rents and other impositions, other than fines, penalties, interest or such impositions (or portions thereof) that are payable by reason of the failure to pay an imposition timely; and (iii) the cost of routine maintenance, repairs and minor alterations, to the extent they can be expensed under GAAP.

"Property Income" shall mean, for any Retail Property, all gross revenue from the ownership and/or operation of such Retail Property (but excluding income from a sale or other capital item transaction), service fees and charges and all tenant expense reimbursement income payable with respect to such Retail Property.

"Property NOI" shall mean, for any Retail Property for any period, (i) all Property Income for such period, *minus* (ii) all Property Expenses for such period.

"Rate Request" shall mean a request for the conversion or continuation of a Base Rate Loan or LIBO Rate Loan in the form of that attached to the Credit Agreement as *Exhibit H*.

"Real Property" means each of those parcels (or portions thereof) of real property, improvements and fixtures thereon and appurtenances thereto now or hereafter owned or leased by the Macerich Entities.

"Real Property Under Construction" shall mean Real Property for which Commencement of Construction has occurred but either: (i) construction of such Real Property is not substantially complete; or (ii) less than 80% of the Gross Leaseable Area of such Real Property is subject to binding leases.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System from time to time in effect and shall include any successor or other regulation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

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"Regulation U" shall mean Regulation U of the Board of Governors of the Federal Reserve System (12 C.F.R. § 221), as the same may from time to time be amended, supplemented or superseded.

"REIT" shall mean a domestic trust or corporation that qualifies as a real estate investment trust under the provisions of Sections 856, et seq. of the Code.

"REIT Guaranty" shall mean the credit guaranty executed by MAC in favor of DBTCA (or a successor Collateral Agent), in its capacity as Collateral Agent for the benefit of the Benefited Creditors, as the same may be Modified from time to time.

"Reportable Event" shall mean any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder, other than any such event for which the thirty (30)-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

"Required Benefited Creditors" shall mean, at any date, Benefited Creditors the sum of whose (i) aggregate outstanding portion of the principal amount of the Interim Loan, (ii) aggregate outstanding portion of the principal amount of the "Term Loan" (as such term is defined in the Term Loan Credit Agreement) and (iii) aggregate "Commitments" (as such term is defined in the Revolving Credit Agreement), represents an amount not less than 66<sup>2</sup>/<sub>3</sub>% of the sum of the outstanding principal amount of the Interim Loan, principal amount of the Term Loan, and total Commitments.

"Required Lenders" shall mean at any date, those Lenders holding not less than 66<sup>2</sup>/<sub>3</sub>% of the outstanding principal portion of the Interim Loan.

"Requirements of Law" shall mean, as to any Person, the Organizational Documents of such Person, and any law, treaty, rule or regulation, or a final and binding determination of an arbitrator or a determination of a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Reserve Adjusted LIBO Rate" shall mean, with respect to any LIBO Rate Loan, the rate per annum (rounded upward, if necessary, to the next higher <sup>1</sup>/<sub>16</sub> of one percent) calculated as of the first day of such Interest Period in accordance with the following formula:

$$\text{Reserve Adjusted LIBO Rate} = \frac{\text{LR}}{1 - \text{LRP}}$$

where  
LR = LIBO Rate  
LRP = LIBO Reserve Percentage

"Responsible Financial Officer" shall mean, with respect to any Person, the chief financial officer or treasurer of such Person or any other officer, partner or member having substantially the same authority and responsibility.

"Responsible Officer" shall mean, with respect to any Person, the president, chief executive officer, vice president, Responsible Financial Officer, general partner, managing member of such Person or any other officer, partner or member having substantially the same authority and responsibility.

"Restricted Cash" shall mean any cash or cash equivalents held by any Person with respect to which such Person does not have unrestricted access and unrestricted right to expend such cash or expend or liquidate such permitted Investments.

"Retail Property" means any Real Property that is a neighborhood, community or regional shopping center or mall.

"Revolving Credit Agreement" shall mean that certain Credit Agreement evidencing the Revolving Credit Facility dated as of the date of the Credit Agreement, by and among the Borrowers, as

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borrowers, MAC and the other guarantors signatory thereto, the lenders signatory thereto and DBTCA, as administrative agent.

"Revolving Credit Facility" shall mean that certain credit facility evidenced by the Revolving Credit Agreement, which provides for the funding of certain revolving loans and the issuance of letters of credit to, and on behalf of, Macerich Partnership in the aggregate commitment amount of \$425 million.

"S&P" shall mean Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., or any successor thereto.

"Second Extended Maturity Date" shall have the meaning given such term in Section 1.4(3) of the Credit Agreement.

"Second Extension Fee" shall have the meaning given such term in Section 1.4(4) of the Credit Agreement

"Secured Indebtedness" shall mean that portion of the Total Liabilities that is, without duplication: (i) secured by a Lien (excluding, however, the Indebtedness under the Credit Agreement, the Interim Facility and the Revolving Credit Facility); or (ii) any unsecured Indebtedness of any Subsidiary of a Borrower Party if such Subsidiary is not a Guarantor.

"Secured Indebtedness Ratio" shall mean, at any time, the ratio of (i) Secured Indebtedness, to (ii) Gross Asset Value for such period.

"Securities" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit sharing agreement or arrangement, bonds, debentures, options, warrants, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"Single Purpose Entity" shall mean shall mean a Person, other than an individual, which (A) is formed or organized solely for the purpose of holding, directly or indirectly, an ownership interest in the Westcor Principal Entities, (B) does not engage in any business unrelated to clause (A) above, (C) has not and will not have any assets other than those related to its activities in accordance with clauses (A) and (B) above, (D) maintains its own separate books and records and its own accounts, in each case which are separate and apart from the books and records and accounts of any other Person, (E) holds itself out as being a Person, separate and apart from any other Person, (F) does not and will not commingle its funds or assets with those of any other Person, (G) conducts its own business in its own name, (H) maintains separate financial statements and files its own tax returns (or if its tax returns are consolidated with those of MAC, such returns shall clearly identify such Person as a separate legal entity), (I) pays its own debts and liabilities when they become due out of its own funds, (J) observes all partnership, corporate, limited liability company or trust formalities, as applicable, and does all things necessary to preserve its existence, (K) except as expressly permitted by the Loan Documents, maintains an arm's-length relationship with its Transactional Affiliates and shall not enter into any Contractual Obligations with any Affiliates except as permitted under the Credit Agreement, (L) pays the salaries of its own employees, if any, and maintains a sufficient number of employees in light of its contemplated business operations, (M) does not guarantee or otherwise obligate itself with respect to the debts of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person, except with respect to the Interim Loan (and the co-Borrower provisions set forth in the Credit Agreement) and as otherwise permitted under the Loan Documents, (N) does not acquire obligations of or securities issued by its partners, members or shareholders, (O) allocates fairly and reasonably shared expenses, including any overhead for shared office space, (P) uses separate stationery, invoices, and checks, (Q) does not and will not pledge its assets for the benefit of any other Person (except as permitted under the Loan Documents) or make any loans or advances to any other

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Person (except with respect to the Term Loan Facility, the Revolving Credit Facility and the Interim Loan and the joint-Borrower provisions set forth in the Credit Agreement), (R) does and will correct any known misunderstanding regarding its separate identity, (S) maintains adequate capital in light of its contemplated

business operations, and (T) has and will have a partnership or operating agreement, certificate of incorporation or other organizational document which complies with the requirements set forth in this definition.

"*Solvent*" shall mean, when used with respect to any Person, that at the time of determination: (i) the fair saleable value of its assets is in excess of the total amount of its liabilities (including, without limitation, contingent liabilities); (ii) the present fair saleable value of its assets is greater than its probable liability on its existing debts as such debts become absolute and matured; (iii) it is then able and expects to be able to pay its debts (including, without limitation, contingent debts and other commitments) as they mature; and (iv) it has capital sufficient to carry on its business as conducted and as proposed to be conducted.

"*Stabilization*" shall mean, with respect to any Real Property, the date on which eighty-five percent (85%) or more of the Gross Leasable Area of such Real Property has been subject to binding leases for a period of one (1) year or longer.

"*Statement Date*" shall mean December 31, 2001.

"*Subordinated Creditor*" shall have the meaning given such term in *Section 7.15(1)* of the Credit Agreement.

"*Subordinated Debt*" shall have the meaning given such term in *Section 7.15(1)* of the Credit Agreement.

"*Subsidiary*" shall mean, with respect to any Person: (a) any corporation more than fifty percent (50%) of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, (b) any partnership, limited liability company, association, joint venture or similar business organization more than fifty percent (50%) of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled, (c) with respect to MAC, any other Person in which MAC owns, directly or indirectly, any Capital Stock and which would be combined with MAC in the consolidated financial statements of MAC in accordance with GAAP; or (d) with respect to the Westcor Borrowers and the Westcor Principal Entities, any other Person in which they own, directly or indirectly, any Capital Stock and which would be combined with them in consolidated financial statements in accordance with GAAP.

"*Subsidiary Entities*" shall mean a Subsidiary or Joint Venture of a Person. Unless otherwise expressly provided, all references in the Loan Documents to a "Subsidiary Entity" shall mean a Subsidiary Entity of MAC.

"*Superstition Property*" shall mean improvements located at 6555 E. Southern Ave., Mesa, AZ 85206, commonly referred to as "Superstition Springs Center" and owned by East Mesa Mall, LLC, a Delaware limited liability company; Ground Lease located at 6555 E. Southern Ave., Mesa, AZ 85206, commonly referred to as "Superstition Springs Ground Lease" and owned by East Mesa Land, LLC, a Delaware limited liability company.

"*Supplemental Guarantor*" shall have the meaning set forth in *Section 4.1* of the Credit Agreement.

"*Supplemental Guaranties*" shall mean a Guaranty executed by a Supplemental Guarantor pursuant to *Section 4.1* of the Credit Agreement.

"*Tangible Net Worth*" shall mean, at any time, (i) Net Worth *minus* (ii) Intangible Assets, *plus* (iii) solely for purposes of *Section 8.12(1)* of the Credit Agreement, any minority interest reflected in

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the balance sheet of MAC, but only to the extent attributable to Minority Interests, in each case at such time.

"*Taxes*" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"*Tax Expense*" shall mean (without duplication), for any period, total tax expense (if any) attributable to income and franchise taxes based on or measured by income, whether paid or accrued, of the Consolidated Entities, including the Consolidated Entity's *pro rata* share of tax expenses in any Joint Venture. For purposes of this definition, the Consolidated Entities' *pro rata* share of any such tax expense of any Joint Venture shall be deemed equal to the product of (i) such tax expense of such Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by the Consolidated Entity, expressed as a decimal.

"*Term Loan Credit Agreement*" shall mean that certain Credit Agreement evidencing the Term Loan Facility dated as of the date of the Credit Agreement, by and among the Borrowers, as borrowers, MAC and the other guarantors signatory thereto, the lenders signatory thereto and DBTCA, as administrative agent.

"*Term Loan Facility*" shall mean that certain credit facility evidenced by the Term Loan Credit Agreement, which provides for the funding of a term loan to the Borrowers in the aggregate commitment amount of \$250 million.

"*Total Liabilities*" shall mean, at any time, without duplication, the aggregate amount of (i) all Indebtedness and other liabilities of the Consolidated Entities reflected in the financial statements of MAC or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation), *plus* (ii) all Indebtedness and other liabilities of all Joint Ventures reflected in the financial statements of such Joint Ventures or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) which are otherwise recourse to any Consolidated Entity or any of its assets or that otherwise constitutes Indebtedness of any Consolidated Entity (including any recourse obligations arising as a result of a Consolidated Entity serving as a general partner, directly or indirectly, in such Joint Ventures, unless such general partner is a corporation whose sole asset is its general partnership interest and who otherwise meets the criteria set forth in clauses (D) through (T) in the definition of Single Purpose Entity), *provided that*, notwithstanding this clause (ii), those certain guarantees described on *Schedule G-2* to the Credit Agreement, which liabilities thereunder are recourse, directly or indirectly, to any of the Westcor Principal Entities or their Subsidiaries, shall be considered an obligation governed by clause (iii) below, *plus* (iii) the Consolidated Entities' *pro rata* share of all Indebtedness and other liabilities reflected in the financial statements of any Joint Venture or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) not otherwise constituting Indebtedness of or recourse to any Consolidated Entity or any of its assets, *plus* (iv) all liabilities of the Consolidated Entities with respect to purchase and repurchase obligations, provided that any obligations to acquire fully-constructed Real Property shall not be included in Total Liabilities prior to the transfer of title of such Real Property. With respect to any Real Property Under Construction as to which any Consolidated Entity has provided an outstanding and undrawn letter of credit relating to the performance and/or completion of construction at such property, the amount of Indebtedness evidenced by such letter of credit shall be included in Total Liabilities if: (a) such Indebtedness does not duplicate Indebtedness incurred in respect of such Real Property Under Construction (including any off-site improvements associated therewith); (b) such Indebtedness is required by GAAP to be reflected on the

liability side of any Consolidated Entities' balance sheet; and (c) to the extent such Indebtedness is not required by GAAP to be reflected on the liability side of any Consolidated Entities' balance sheet, then such Indebtedness shall only be included to the extent the amount of such Indebtedness exceeds \$40,000,000. For purposes of clause (iii), the Consolidated Entities' *pro rata* share of all Indebtedness and other liabilities of any Joint Venture shall be deemed

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equal to the product of (a) such Indebtedness or other liabilities, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"*Transactional Affiliates*" shall have the meaning given such term in *Section 8.6* of the Credit Agreement.

"*UCC*" shall mean the Uniform Commercial Code.

"*Unaffiliated Partner Interests*" shall mean the Capital Stock of Unaffiliated Partners in a Subsidiary Entity of the Borrower Parties.

"*Unaffiliated Partners*" shall mean Persons who own, directly or indirectly at any tier, a beneficial interest in the Capital Stock of a Subsidiary Entity, but such Persons shall exclude: (i) the Macerich Entities; (ii) Affiliates of Macerich Entities; (iii) Persons whose Capital Stock or beneficial interest therein is owned, directly or indirectly at any tier, by the Macerich Entities or their Affiliates.

"*Unencumbered Property*" shall have the meaning set forth in *Section 4.1* of the Credit Agreement.

"*Unfunded Pension Liability*" shall mean the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"*Westcor*" shall mean (i) the Westcor Principal Entities, (ii) the Westcor Borrowers, (iii) the Subsidiaries of the Westcor Borrowers; and (iv) any other Person the accounts of which would be consolidated with those of the Westcor Borrowers in consolidated financial statements in accordance with GAAP. When the context so requires, "*Westcor*" shall mean any of the Persons described above.

"*Westcor Acquisition*" shall mean that certain acquisition by MAC and the Borrowers of the Westcor Principal Entities, to be consummated as of the Closing Date.

"*Westcor Assets*" shall mean all Projects and related Property, directly or indirectly, in whole or in any part, owned or leased by Westcor.

"*Westcor Borrowers*" shall have the meaning given such term in the preamble to the Credit Agreement.

"*Westcor Depreciation and Amortization Expense*" shall mean (without duplication), for any period, the sum for such period of (i) total depreciation and amortization expense, whether paid or accrued, of Westcor, *plus* (ii) Westcor's *pro rata* share of depreciation and amortization expenses of any Westcor Joint Ventures. For purposes of this definition, Westcor's *pro rata* share of depreciation and amortization expense of any Westcor Joint Venture shall be deemed equal to the product of (i) the depreciation and amortization expense of such Westcor Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by Westcor, expressed as a decimal.

"*Westcor EBITDA*" shall mean, for the twelve months then most recently ended, solely with respect to Westcor and the Westcor Assets, Westcor Net Income, *plus* (without duplication) (A) Westcor Interest Expense, (B) Westcor Tax Expense, and (C) Westcor Depreciation and Amortization Expense, in each case for such period.

"*Westcor Gross Asset Value*" shall mean, at any time, solely with respect to Westcor and the Westcor Assets, the sum of (without duplication):

(i) for Westcor Retail Properties that are Wholly-Owned the sum of, for each such property, (a) such property's Westcor Property NOI for the Measuring Period, *divided by* (b) (1) 8.25% (expressed as a decimal), in the case of regional Westcor Retail Properties or (2) 9.50% (expressed as a decimal) in the case of Westcor Retail Properties that are not regional; provided, however

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that for purposes of calculating Westcor Gross Asset Value for the Westcor Assets, for the first 12 Loan Months, the Westcor Gross Asset Value under this subsection (i) shall equal Westcor's allocated acquisition costs with respect to such Westcor Assets, *plus*

(ii) for Westcor Retail Properties that are not Wholly-Owned, the sum of, for each such property, (a) the Westcor Gross Asset Value of each such Westcor Retail Property at such time, as calculated pursuant to the foregoing clause (i), *multiplied by* (b) the percentage of the total outstanding Capital Stock held by Westcor in the owner of the subject Retail Property, expressed as a decimal; provided, however that for purposes of calculating Westcor Gross Asset Value for the Westcor Assets, for the first 12 Loan Months, the Westcor Gross Asset Value under this subsection (ii) shall equal Westcor's allocated acquisition costs with respect to such Westcor Assets, *plus*

(iii) all cash and Cash Equivalents (other than, in either case, Restricted Cash) held by Westcor at such time, and, in the case of cash and Cash Equivalents not Wholly-Owned, *multiplied by* a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by Westcor in the Person holding title to such cash and Cash Equivalents, *plus*

(iv) all Mortgage Loans acquired for the purpose of acquiring the underlying real property, valued by the book value of each such Mortgage Loan at the time it is initially acquired; *plus*

(v)(a)100% of the Book Value of Construction-in-Process with respect to Westcor Real Properties Under Construction that are Wholly-Owned and (b) the product of (1) 100% of the Book Value of Construction-in-Process with respect to Westcor Real Properties Under Construction that are not Wholly-Owned *multiplied by* (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by Westcor in the Person holding title to such Real Properties Under Construction; *plus*

(vi) to the extent not otherwise included in the foregoing clauses, (a) the book value of tenant receivables, deferred charges and other assets with respect to Westcor Real Properties that are Wholly-Owned and (b) the product of (1) the book value of tenant receivables, deferred charges and other assets with respect to Westcor Real Properties that are not Wholly-Owned *multiplied by* (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by Westcor in the Person holding title to such Westcor Real Property (collectively, "*Westcor Other GAV Assets*"), *provided* that the aggregate value of Westcor Other GAV Assets shall not exceed five percent (5%) of the aggregate Westcor Gross Asset Value of all the assets of Westcor; *plus*

(vii) the Book Value of land and other Properties not constituting Westcor Real Properties;

*provided, however*, that the determination of Westcor Gross Asset Value for any period shall not include any Westcor Real Property (or any Westcor Property NOI relating to any Westcor Real Property) that has been sold or otherwise disposed of at any time prior to or during such period.

"*Westcor Interest Coverage Ratio*" shall mean, at any time, the ratio of (i) Westcor EBITDA for the twelve months then most recently ended (except that with respect to any Westcor entity that has not achieved Stabilization, Westcor EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized), to (ii) Westcor Interest Expense for such period (except that with respect to Interest Expense of any Westcor entity that has not achieved Stabilization, Westcor Interest Expense for such entity shall be calculated for the most recent fiscal quarter and annualized).

"*Westcor Interest Expense*" shall mean, for any period, solely with respect to Westcor and the Westcor Assets, the sum (without duplication) for such period of: (i) total interest expense (excluding interest expense incurred under the Credit Agreement, the Term Loan Facility and the Revolving Credit Facility), whether paid or accrued, of Westcor, including fees payable in connection with the Credit Agreement, charges in respect of letters of credit and the portion of any Capitalized Lease

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Obligations allocable to interest expense, including Westcor's share of interest expenses in Westcor Joint Ventures but excluding amortization or write-off of debt discount and expense (except as provided in clause (ii) below), (ii) amortization of costs related to interest rate protection contracts and rate buydowns, (iii) capitalized interest, *provided* that capitalized interest may be excluded from this clause (iii) to the extent (A) such interest is paid or reserved out of any interest reserve established under a loan facility or (B) consists of interest imputed under GAAP in respect of ongoing construction activities, but only to the extent such interest has not actually been paid, and the amount thereof, when taken together with such like amounts attributable to the Consolidated Entities, does not in the aggregate exceed \$10,000,000, (iv) to the extent not included in clauses (i), (ii) and (iii), Westcor's *pro rata* share of interest expense and other amounts of the type referred to in such clauses of the Westcor Joint Ventures, and (v) interest incurred on any liability or obligation that constitutes a Contingent Obligation of Westcor. For purposes of clause (iv), Westcor's *pro rata* share of interest expense or other amount of any Westcor Joint Venture shall be deemed equal to the product of (a) the interest expense or other relevant amount of such Joint Venture, *multiplied by* (b) the percentage of the total outstanding Capital Stock held by Westcor in such Person, expressed as a decimal.

"*Westcor Net Asset Value*" shall mean: (i) Westcor Gross Asset Value; less (ii) Westcor Total Liabilities.

"*Westcor Net Income*" shall mean, for any period, the net income (or loss), after provision for taxes, of Westcor determined on a consolidated basis for such period taken as a single accounting period as determined in accordance with GAAP, and including Westcor's *pro rata* share of the net income (or loss) of any Westcor Joint Venture for such period, but excluding (i) any unrealized losses and gains for such period; (ii) other non-cash charges and expenses (including non-cash charges resulting from accounting changes); (iii) any gains or losses arising outside of the ordinary course of business; and (iv) any charges for minority interests in Westcor held by Unaffiliated Partners. For purposes hereof Westcor's *pro rata* share of the net income (or loss) of any Westcor Joint Venture shall be deemed equal to the product of (i) the income (or loss) of such Westcor Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by Westcor in such Person, expressed as a decimal.

"*Westcor Principal Entities*" shall mean, jointly and severally, Westcor Realty Limited Partnership and The Westcor Company II Limited Partnership.

"*Westcor Property Income*" shall mean, for any Westcor Real Property, all gross revenue from the ownership and/or operation of such Westcor Real Property (but excluding income from a sale or other capital item transaction), service fees and charges and all tenant expense reimbursement income payable with respect to such Westcor Real Property.

"*Westcor Property Expense*" shall mean, for any Westcor Real Property, all operating expenses relating to such Westcor Real Property, including the following items (*provided, however*, that Westcor Property Expenses shall not include debt service, tenant improvement costs, leasing commissions, capital improvements, Westcor Depreciation and Amortization Expenses and any extraordinary items not considered operating expenses under GAAP): (i) all expenses for the operation of such Westcor Real Property, including any management fees payable under the Management Contracts and all insurance expenses, but not including any expenses incurred in connection with a sale or other capital or interim capital transaction; (ii) water charges, property taxes, sewer rents and other impositions, other than fines, penalties, interest or such impositions (or portions thereof) that are payable by reason of the failure to pay an imposition timely; and (iii) the cost of routine maintenance, repairs and minor alterations, to the extent they can be expensed under GAAP.

"*Westcor Property NOI*" shall mean, for any Westcor Real Property for any period, (i) all Westcor Property Income for such period, *minus* (ii) all Westcor Property Expenses for such period.

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"*Westcor Real Property Under Construction*" shall mean Westcor Real Property for which Commencement of Construction has occurred but either: (i) construction of such Westcor Real Property is not substantially complete; or (ii) less than 80% of the Gross Leaseable Area of such Westcor Real Property is subject to binding leases containing then applicable market terms.

"*Westcor Tax Expense*" shall mean (without duplication), for any period, total tax expense (if any) attributable to income and franchise taxes based on or measured by income, whether paid or accrued, of Westcor, including Westcor's *pro rata* share of tax expenses in any Joint Venture. For purposes of this definition,

Westcor's *pro rata* share of any such tax expense of any Westcor Joint Venture shall be deemed equal to the product of (i) such tax expense of such Westcor Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by Westcor, expressed as a decimal.

"*Westcor Total Liabilities*" shall mean, at any time, without duplication, the aggregate amount of (i) all Indebtedness and other liabilities of Westcor (excluding the Indebtedness and liabilities incurred under the Credit Agreement and the other Loan Documents, the Term Loan Facility and the Revolving Credit Facility) reflected in their respective financial statements or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation), *plus* (ii) all Indebtedness and other liabilities of all Joint Ventures reflected in the financial statements of such Joint Ventures or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) which are otherwise recourse to Westcor or any of its assets or that otherwise constitutes Indebtedness of Westcor (including any recourse obligations arising as a result of a Westcor serving as a general partner, directly or indirectly, in such Joint Ventures, unless such general partner is a corporation whose sole asset is its general partnership interest and who otherwise meets the criteria set forth in clauses (D) through (T) in the definition of Single Purpose Entity), *provided that*, notwithstanding this clause (ii), those certain guarantees described on *Schedule G-2* to the Credit Agreement, which liabilities thereunder are recourse, directly or indirectly, to any of the Westcor Principal Entities or their Subsidiaries, shall be considered an obligation governed by clause (iii) below, *plus* (iii) Westcor's *pro rata* share of all Indebtedness and other liabilities reflected in the financial statements of any Joint Venture or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) not otherwise constituting Indebtedness of or recourse to Westcor or any of its assets, *plus* (iv) all liabilities of Westcor with respect to purchase and repurchase obligations, provided that any obligations to acquire fully-constructed Real Property shall not be included in Total Liabilities prior to the transfer of title of such Real Property. With respect to any Westcor Real Property Under Construction as to which Westcor has provided an outstanding and undrawn letter of credit relating to the performance and/or completion of construction at such property, the amount of Indebtedness evidenced by such letter of credit shall only be included in Westcor Total Liabilities if: (a) such Indebtedness does not duplicate Indebtedness incurred in respect of such Westcor Real Property Under Construction (including any off-site improvements associated therewith); (b) such Indebtedness is required by GAAP to be reflected on the liability side of any Westcor Principal Entities' balance sheet; and (c) to the extent such Indebtedness is not required by GAAP to be reflected on the liability side of any Westcor Principal Entities' balance sheet, then such Indebtedness shall only be included to the extent the amount of such Indebtedness exceeds \$40,000,000. For purposes of clause (iii), Westcor's *pro rata* share of all Indebtedness and other liabilities of any Joint Venture shall be deemed equal to the product of (a) such Indebtedness or other liabilities, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by Westcor, expressed as a decimal.

"*Wholly-Owned*" shall mean, with respect to any Real Property, Capital Stock, or other Property owned or leased, that (i) title to such Property is held directly by, or such Property is leased by, the Macerich Partnership, or (ii) in the case of Real Property or Capital Stock, title to such property is held by, or (in the case of Real Property) such Property is leased by, a Consolidated Entity at least 99% of the Capital Stock of which is held of record and beneficially by the Macerich Partnership (or a

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Person whose Capital Stock is owned 100% by Macerich Partnership) and the balance of the Capital Stock of which (if any) is held of record and beneficially by MAC (or a Person whose Capital Stock is owned 100% by MAC). References to Property Wholly-Owned by Westcor or a Macerich Entity shall mean property 100% owned by such Person.

"*Wholly-Owned Raw Land*" shall mean Wholly-Owned land that is not under development and for which no development is planned to commence within twelve (12) months after the date on which it was acquired.

*Other Interpretive Provisions.*

(1) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. Terms (including uncapped terms) not otherwise defined herein and that are defined in the UCC shall have the meanings therein described.

(2) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(3) (i) The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced;

(ii) The term "including" is not limiting and means "including without limitation;"

(iii) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding," and the word "through" means "to and including;"

(iv) The term "property" includes any kind of property or asset, real, personal or mixed, tangible or intangible; and

(v) The verb "exists" and its correlative noun forms, with reference to a Potential Default or an Event of Default, means that such Potential Default or Event of Default has occurred and continues uncured and unwaived.

(4) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent Modifications thereto, but only to the extent such Modifications are not prohibited by the terms of any Loan Document, (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation, and (iii) references to any Person include its permitted successors and assigns.

(5) This Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

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**\$425,000,000 REVOLVING LOAN FACILITY**

**CREDIT AGREEMENT**

by and among

**THE MACERICH PARTNERSHIP, L.P.,  
MACERICH GALAHAD GP CORP.,  
MACERICH GALAHAD LP,  
MACERICH WRLP CORP.,  
MACERICH WRLP LLC,  
MACERICH TWC II CORP.,  
and  
MACERICH TWC II LLC,  
as the Borrowers**

**THE MACERICH COMPANY  
and  
THE ENTITIES FROM TIME TO TIME PARTY HERETO  
as Guarantors**

**DEUTSCHE BANK TRUST COMPANY AMERICAS,  
JPMORGAN CHASE BANK,  
and  
THE INSTITUTIONS FROM TIME TO TIME PARTY HERETO  
as Lenders**

**DEUTSCHE BANK TRUST COMPANY AMERICAS,  
as the Administrative Agent and the Collateral Agent for the Lenders**

**DEUTSCHE BANK SECURITIES INC.  
and  
J.P. MORGAN SECURITIES INC.,  
as the Co-Lead Arrangers**

**JPMORGAN CHASE BANK  
and  
WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as the Co-Syndication Agents**

**DRESDNER BANK AG, NEW YORK and GRAND CAYMAN BRANCHES  
and  
BANK ONE, N.A.,  
as the Co-Documentation Agents**

**FLEET NATIONAL BANK,  
ING CAPITAL LLC,  
and  
COMMERZBANK AG,  
as the Senior Managing Agents**

**Dated as of July 26, 2002**

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## SCHEDULE OF ANNEXES, SCHEDULES AND EXHIBITS

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## CREDIT AGREEMENT

THIS CREDIT AGREEMENT (the "*Agreement*") is made and dated as of the 26th day of July, 2002, by and among THE MACERICH PARTNERSHIP, L.P., a limited partnership organized under the laws of the state of Delaware ("*Macerich Partnership*"); MACERICH GALAHAD GP CORP., a Delaware corporation ("*Galahad GP*"); MACERICH GALAHAD LP, a Delaware limited partnership ("*Galahad LP*"); MACERICH WRLP CORP., a Delaware corporation ("*Macerich WRLP Corp.*"); MACERICH WRLP LLC, a Delaware limited liability company ("*Macerich WRLP LLC*"); MACERICH TWC II CORP., a Delaware corporation ("*Macerich TWC Corp.*"); MACERICH TWC II LLC, a Delaware limited liability company ("*Macerich TWC LLC*") (Galahad GP, Galahad LP, Macerich WRLP Corp., Macerich WRLP LLC, Macerich TWC Corp. and Macerich TWC LLC being referred to herein, jointly and severally, as "*Westcor Borrowers*") (Macerich Partnership and Westcor Borrowers being referred to herein, jointly and severally, as the "*Borrowers*"); THE MACERICH COMPANY, a Maryland corporation ("*MAC*"); THE ENTITIES FROM TIME TO TIME PARTY HERETO AS AFFILIATE GUARANTORS; THE LENDERS FROM TIME TO TIME PARTY HERETO (collectively and severally, the "*Lenders*"); and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "*Administrative Agent*") and as Collateral Agent for the Benefited Creditors.

## RECITALS

A. The Borrowers have requested that (i) the Lenders extend credit to the Borrowers in an aggregate principal or face amount not exceeding \$425,000,000 at any one time outstanding and (ii) DBTCA agree to act as administrative agent for the benefit of the Lenders with respect to such credit extension.

B. The Lenders party hereto have agreed to extend such credit facility and DBTCA has agreed to act as administrative agent on behalf of the Lenders on the terms and subject to the conditions set forth herein and in the other Loan Documents (as that term and capitalized terms are defined in, or the location of the definitions thereof referenced in, the Glossary attached hereto as *Annex I* and by this reference incorporated herein).

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

## AGREEMENT

### ARTICLE 1. *The Credits.*

1.1 *The Commitments.* Subject to the terms and conditions set forth herein, each Lender agrees to make one or more Loans to the Borrowers during the Availability Period in an aggregate principal amount that will not result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Commitment or (b) the sum of the total Revolving Credit Exposures exceeding the total Commitments *minus* the Reserve Amount.

Notwithstanding anything to the contrary contained in this Agreement, in no event shall the aggregate amount of all of the Lenders' Unused Commitments ever be less than the Reserve Amount. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Loans.

## 1.2 Loans and Borrowings.

(1) *Obligations of Lenders.* Each Loan shall be made as part of a Borrowing consisting of Loans of the same Type made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall

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not relieve any other Lender of its obligations hereunder; *provided* that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(2) *Types of Loans.* Subject to *Section 2.4*, each Borrowing shall be constituted entirely of Base Rate Loans or LIBO Rate Loans as the Borrowers may request in accordance herewith.

(3) *Minimum Amounts; Limitation on Number of Borrowings.* At the commencement of each Interest Period for any LIBO Rate Borrowing, such Borrowing shall be in an aggregate amount of \$1,000,000 or a larger multiple of \$1,000,000. At the time that each Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount equal to \$1,000,000 or a larger multiple of \$1,000,000; *provided* that a Base Rate Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments minus the Reserve Amount or in an amount that is required to finance the reimbursement of an LC Disbursement as contemplated by *Section 1.4(6)*. Borrowings of more than one Type may be outstanding at the same time; *provided* that there shall not at any time be LIBO Rate Loans outstanding having more than eight (8) different Interest Periods.

(4) *Limitations on Lengths of Interest Periods.* Notwithstanding any other provision of this Agreement, the Borrowers shall not be entitled to request, or to elect to convert to or continue as a LIBO Rate Borrowing, any Borrowing if the Interest Period requested therefor would end after the Commitment Termination Date.

1.3 *Requests for Borrowings.* To request a Borrowing, the Borrowers shall notify the Administrative Agent in writing (which notice may be by facsimile) (a) in the case of a LIBO Rate Borrowing, not later than 1:00 p.m. (New York time), three Business Days before the date of the proposed Borrowing or (b) in the case of a Base Rate Borrowing, not later than 1:00 p.m. (New York time) one Business Day before the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable, shall be signed by a Responsible Officer and shall be in the form of *Exhibit A* hereto. Each such Borrowing Request shall specify the following information in compliance with *Section 1.2*:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be a Base Rate Borrowing or a LIBO Rate Borrowing;

(iv) in the case of a LIBO Rate Borrowing, the Interest Period therefor, which shall be a period contemplated by the definition of the term "Interest Period" as it relates to LIBO Rate Loans;

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of *Section 1.5*; and

(vi) the outstanding principal amount under the Convertible Debentures.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Base Rate Borrowing. If no Interest Period is specified with respect to any requested LIBO Rate Borrowing, then the Borrowers shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

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## 1.4 Letters of Credit.

(1) *General.* Subject to the terms and conditions set forth herein, in addition to the Loans provided for in *Section 1.1*, the Macerich Partnership may request the Issuing Lender to issue Letters of Credit for its own account or the account of any Macerich Entity in such form as is acceptable to the Issuing Lender in its reasonable determination at any time prior to the earlier of (i) the date that is thirty (30) days prior to the Commitment Termination Date and (ii) the date of termination of the Commitments. Letters of Credit issued hereunder shall constitute utilization of the Commitments. All Letters of Credit issued pursuant to this Agreement must be denominated in U.S. Dollars and must be standby letters of credit. The only drawings permitted on the Letters of Credit issued pursuant to this Agreement shall be sight drawings.

(2) *Notice of Issuance, Amendment, Renewal or Extension.* Whenever it requires that a Letter of Credit be issued, the Macerich Partnership shall give the Administrative Agent and the Issuing Lender written notice thereof at least three (3) Business Days (or such shorter period acceptable to the Issuing Lender) in advance of the proposed date of issuance (which shall be a Business Day), which notice shall be in the form of *Exhibit B* (each such notice being a "Letter of Credit Request"). Whenever the Macerich Partnership requires an amendment, renewal or extension of any outstanding Letter of Credit, the Macerich Partnership shall, on its letter head, give the Administrative Agent and the Issuing Lender written notice thereof at least three (3) Business Days (or such shorter period acceptable to the Issuing Lender) in advance of the proposed date of the amendment (which shall be a Business Day). Letter of Credit Requests and amendment requests may be delivered by facsimile. Promptly after the issuance or amendment (including a renewal or extension) of a Letter of Credit, the Issuing Lender shall notify the Borrowers and the Administrative Agent, in writing, of such issuance or amendment and such notice will be accompanied by a copy of such issuance or

amendment. Upon receipt of such notice, the Administrative Agent shall promptly notify each Lender of such issuance or amendment and if requested to do so by any Lender, the Administrative Agent shall provide such Lender with a copy of such issuance or amendment.

(3) *Limitations on Amounts.* A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the aggregate LC Exposure of the Issuing Lender (determined for these purposes without giving effect to the participations therein of the Lenders pursuant to *Section 1.4(5)* below) shall not exceed \$30,000,000 and (ii) the sum of the total Revolving Credit Exposures shall not exceed the total Commitments *minus* the Reserve Amount. Each Letter of Credit shall be in an amount of \$200,000 or larger.

(4) *Expiration Date.* Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date twelve months after the date of the issuance of such Letter of Credit or, in the case of any renewal or extension thereof (which renewals or extensions, subject to clause (ii) hereof, may be automatic pursuant to the terms of such Letter of Credit), twelve months after the then-current expiration date of such Letter of Credit and (ii) the date that is thirty days prior to the Commitment Termination Date.

(5) *Participations.* By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) by the Issuing Lender, and without any further action on the part of the Issuing Lender or the Lenders, the Issuing Lender hereby grants to each Lender, and each Lender hereby acquires from the Issuing Lender, an undivided interest and participation in such Letter of Credit equal to such Lender's Applicable Percentage of the

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aggregate amount available to be drawn under such Letter of Credit. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this section in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Potential Default or Event of Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for account of the Issuing Lender, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Lender promptly upon the request of the Issuing Lender at any time from the time of such LC Disbursement until such LC Disbursement is reimbursed by the Borrowers or at any time after any reimbursement payment is required to be refunded to the Borrowers for any reason. Each such payment shall be made in the same manner as provided in *Section 1.5* with respect to Loans made by such Lender (and *Section 1.5* shall apply, *mutatis mutandis*, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Lender the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrowers pursuant to the next following paragraph, the Administrative Agent shall distribute such payment to the Issuing Lender or, to the extent that the Lenders have made payments pursuant to this paragraph to reimburse the Issuing Lender, then to such Lenders and the Issuing Lender as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Lender for any LC Disbursement shall not constitute a Loan and shall not relieve the Borrowers of their obligation to reimburse such LC Disbursement.

(6) *Reimbursement.* If the Issuing Lender shall make any LC Disbursement in respect of a Letter of Credit, the Borrowers shall reimburse the Issuing Lender in respect of such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 1:00 p.m. (New York time) on (i) the Business Day that the Borrowers receive notice of such LC Disbursement, if such notice is received prior to 11:00 a.m. (New York time) or (ii) the Business Day immediately following the day that the Borrowers receive such notice, if such notice is not received prior to such time; provided that, anything contained in this Agreement to the contrary notwithstanding, (A) unless the Borrowers shall have notified Administrative Agent and such Issuing Lender prior to 1:00 P.M. (New York City time) on the date of such LC Disbursement that the Borrowers intend to reimburse such Issuing Lender for the amount of such payment with funds other than the proceeds of a Base Rate Borrowing, the Borrowers shall be deemed to have delivered an irrevocable Request for Borrowing to Administrative Agent containing all of the representations set forth in *Exhibit A* (provided that the principal amount of the Convertible Debentures shall be deemed equal to the then existing Reserve Amount) requesting Lenders to make Base Rate Loans on the Business Day following such LC Disbursement in an amount equal to the amount of such payment and (B) subject to satisfaction or written waiver of the conditions specified in *Section 1.1* and *5.3* in accordance with the terms thereof, Lenders shall, on such date, make Base Rate Loans in the amount of such payment, the proceeds of which shall be applied directly by Administrative Agent to reimburse such Issuing Lender for the amount of such payment; provided, further, that no Potential Default or Event of Default shall be deemed to exist by reason of a failure of the Borrowers to reimburse such Issuing Lender pending the making of such Loans in accordance with the terms hereof, including the prior satisfaction or written waiver of the conditions specified in *Section 1.1* and *5.3* in accordance with the terms thereof; and provided, further that, if for any reason proceeds of Loans are not received by such Issuing Lender on such date in an amount equal to the

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amount of such payment, Borrowers shall immediately reimburse such Issuing Lender, on demand, in an amount in same day funds equal to the excess of the amount of such payment over the aggregate amount of such Loans, if any, which are so received. If the Borrowers fail to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrowers in respect thereof and such Lender's Applicable Percentage thereof. The Issuing Lender shall promptly notify the Administrative Agent upon the making of each LC Disbursement.

(7) *Obligations Absolute.* The Borrowers' obligation to reimburse LC Disbursements as provided in *Section 1.4(6)* shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Lender under a Letter of Credit against presentation of a draft or other document that

does not comply strictly with the terms of such Letter of Credit, and (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of the Borrowers' obligations hereunder.

Neither the Administrative Agent, the Lenders nor the Issuing Lender, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or amendment of any Letter of Credit by the Issuing Lender or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Lender; *provided* that the foregoing shall not be construed to excuse the Issuing Lender from liability to the Borrowers to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by the Borrowers that are caused by the Issuing Lender's gross negligence or willful misconduct (as determined by a final and non-appealable judgment of a court of competent jurisdiction) when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that: (i) the Issuing Lender may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit; (ii) the Issuing Lender shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and (iii) this sentence shall establish the standard of care to be exercised by the Issuing Lender when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable law, any standard of care inconsistent with the foregoing).

(8) *Disbursement Procedures.* The Issuing Lender shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Lender shall promptly after such examination notify the Administrative Agent and the Borrowers by telephone (confirmed by facsimile) of

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such demand for payment and whether the Issuing Lender has made or will make an LC Disbursement thereunder; *provided* that any failure to give or delay in giving such notice shall not relieve the Borrowers of their obligation to reimburse the Issuing Lender and the Lenders with respect to any such LC Disbursement.

(9) *Interim Interest.* If the Issuing Lender shall make any LC Disbursement, then, unless the Borrowers shall reimburse such LC Disbursement in full on the date Borrowers receive notice that such LC Disbursement was made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrowers reimburse such LC Disbursement, at the rate per annum then applicable to Base Rate Loans; *provided* that, if the Borrowers fail to reimburse such LC Disbursement within three (3) days when due pursuant to *Section 1.4(6)*, then *Section 9.1* shall apply. Interest accrued pursuant to this section shall be for account of the Issuing Lender, except that a pro rata portion of the interest accrued on and after the date of payment by any Lender pursuant to *Section 1.4(5)* of this Section to reimburse the Issuing Lender shall be for account of such Lender to the extent of such payment.

(10) *Replacement of the Issuing Lender.* The Issuing Lender may be replaced at any time by written agreement between the Borrowers, the Administrative Agent, the replaced Issuing Lender and the successor Issuing Lender. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Lender. From and after the effective date of any such replacement, (i) the successor Issuing Lender shall have all the rights and obligations of the replaced Issuing Lender under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the replacement of an Issuing Lender hereunder, the replaced Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(11) *Cash Collateralization.*

(A) If an Event of Default shall occur and be continuing and the Borrowers receive notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing more than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrowers shall immediately deposit into an account (the "*LC Collateral Account*") established by the Administrative Agent an amount in cash equal to the LC Exposure with respect to such Borrowers as of such date *plus* any accrued and unpaid interest thereon; *provided* that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrowers or the Macerich Core Entities described in *Section 9.7*. Such deposit shall be held by the Administrative Agent in the LC Collateral Account as collateral in the first instance for the LC Exposure with respect to the Borrowers under this Agreement and thereafter for the payment of the other Obligations of the Borrowers.

(B) The LC Collateral Account shall be maintained in the name of the Administrative Agent (on behalf of the Lenders) and under its sole dominion and control at such place as shall be designated by the Administrative Agent. Interest shall accrue on the LC Collateral Account at a rate equal to the rate on overnight funds.

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(C) The Borrowers hereby pledge, assign and grant to the Administrative Agent, as administrative agent for its benefit and the ratable benefit of the Lenders a lien on and a security interest in, the following collateral (the "*Letter of Credit Collateral*"):

(i) the LC Collateral Account, all cash deposited therein and all certificates and instruments, if any, from time to time representing or evidencing the LC Collateral Account;

(ii) all notes, certificates of deposit and other cash-equivalent instruments from time to time hereafter delivered to or otherwise possessed by the Administrative Agent for or on behalf of the Borrowers in substitution for or in respect of any or all of the then existing Letter of Credit Collateral;

(iii) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the then existing Letter of Credit Collateral; and

(iv) to the extent not covered by the above clauses, all proceeds of any or all of the foregoing Letter of Credit Collateral.

The lien and security interest granted hereby secures the payment of all obligations of the Borrowers now or hereafter existing hereunder and under any other Loan Document.

(D) Neither the Borrowers nor any Person claiming or acting on behalf of or through the Borrowers shall have any right to withdraw any of the funds held in the LC Collateral Account, except as provided in *Section 1.4(11)(G)*.

(E) The Borrowers agree that they will not (i) sell or otherwise dispose of any interest in the Letter of Credit Collateral or (ii) create or permit to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Letter of Credit Collateral, except for the security interest created by this *Section 1.4(11)*.

(F) At any time an Event of Default shall be continuing:

(i) The Administrative Agent may, in its sole discretion, without notice to the Borrowers except as required by law and at any time from time to time, charge, set off or otherwise apply all or any part of the LC Collateral Account to *first*, the aggregate amount of LC Disbursements that have not been reimbursed by the Borrowers and *second*, any other unpaid Obligations then due and payable, in such order as the Administrative Agent shall elect. The rights of the Administrative Agent under this *Section 1.4(11)* are in addition to any rights and remedies which any Lender may have.

(ii) The Administrative Agent may also exercise, in its sole discretion, in respect of the LC Collateral Account, in addition to the other rights and remedies provided herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC in effect in the State of New York at that time.

(G) At such time as all Events of Default have been cured or waived in writing and there are no unreimbursed LC Disbursements outstanding, all amounts remaining in the Letter of Credit Collateral Account shall be promptly returned to the Borrowers. Any surplus of the funds held in the Letter of Credit Collateral Account remaining after payment in full of all of the Obligations, the termination of the Commitments and the return of all outstanding Letters of Credit shall be paid to the Borrowers or to whomsoever may be lawfully entitled to receive such surplus.

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## 1.5 Funding of Borrowings.

(1) *Funding by Lenders.* Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Administrative Agent at the Contact Office, ABA 021-001-033 for the Administrative Agent's Account No. 99-401-268, Ref: Macerich Partnership, no later than 12:00 p.m. (New York time). The Administrative Agent will make such Loans available to the Borrowers pursuant to the terms and conditions hereof by promptly crediting the amounts so received, in like funds, to an account of the Borrowers maintained with the Administrative Agent in New York City and designated by the Borrowers in the applicable Borrowing Request; provided that Base Rate Borrowings made to finance the reimbursement of an LC Disbursement as provided in *Section 1.4(6)* shall be remitted by the Administrative Agent to the Issuing Lender.

(2) *Presumption by the Administrative Agent.* Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with *Section 1.5(1)* and may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrowers severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrowers to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the Federal Funds Rate or (ii) in the case of the Borrowers, the interest rate applicable to Base Rate Loans (it being intended that such interest payment shall be the only interest payment payable by the Borrowers with respect to any amount repaid by the Borrowers to the Administrative Agent in accordance with this paragraph, except that *Section 2.12* shall apply if the Borrowers fail to make such repayment within three (3) days after the date of such payment as required hereunder). If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

## 1.6 Interest Elections.

(1) *Elections by the Borrowers for Borrowings.* Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a LIBO Rate Borrowing, shall have an initial Interest Period as specified in such Borrowing Request (which shall be a period contemplated by the definition of the term "Interest Period"). Thereafter, the Borrowers may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a LIBO Rate Borrowing, may elect Interest Periods therefor, all as provided in this Section; provided, however, any conversion or continuation of LIBO Rate Loans shall be subject to the provisions of *Sections 1.2(3)* and *(4)*. The Borrowers may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(2) *Notice of Elections.* To make an election pursuant to this Section, the Borrowers shall notify the Administrative Agent in writing of such election (which notice may be by facsimile) by the time that a Borrowing Request would be required under *Section 1.3* if the Borrowers were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Rate Request shall be irrevocable, shall be signed by a Responsible Officer and shall be in the form of *Exhibit C* hereto.

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(3) *Information in Interest Election Requests.* Each Rate Request shall specify the following information in compliance with *Section 1.2*:

- (i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to *clauses (iii) and (iv)* of this section shall be specified for each resulting Borrowing);
- (ii) the effective date of the election made pursuant to such Rate Request, which shall be a Business Day;
- (iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a LIBO Rate Borrowing; and
- (iv) if the resulting Borrowing is a LIBO Rate Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Rate Request requests a LIBO Rate Borrowing but does not specify an Interest Period, then the Borrowers shall be deemed to have selected an Interest Period of one month's duration

(4) *Notice by the Administrative Agent to Lenders.* Promptly following receipt of a Rate Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(5) *Failure to Elect; Potential Default and Events of Default.* If the Borrowers fail to deliver a timely Rate Request with respect to a LIBO Rate Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Base Rate Borrowing. Notwithstanding any contrary provision hereof, if a Potential Default or an Event of Default has occurred and is continuing on the day occurring three Eurodollar Business Days prior to the date of, or on the date of, the requested funding, continuation or conversion, then, so long as a Potential Default or an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a LIBO Rate Borrowing and (ii) unless repaid, each LIBO Rate Borrowing shall be converted to a Base Rate Borrowing at the end of the Interest Period applicable thereto.

#### 1.7 *Termination; Reduction and Extension of the Commitments.*

(1) *Scheduled Termination.* Unless previously terminated, or extended pursuant to *Section 1.7(5)* below, the Commitments shall terminate at 5:00 p.m., New York City time, on the Commitment Termination Date.

(2) *Voluntary Termination or Reduction.* The Borrowers may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is \$5,000,000 or a larger multiple of \$1,000,000 and (ii) the Borrowers shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with *Section 1.9*, the total Revolving Credit Exposures would exceed the total Commitments minus the Reserve Amount.

(3) *Notice of Voluntary Termination or Reduction.* The Borrowers shall notify the Administrative Agent of any election to terminate or reduce the Commitments under *Section 1.7(2)* above at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly

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following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrowers pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrowers may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrowers (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(4) *Effect of Termination or Reduction.* Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

(5) *Extension of Commitment Termination Date.*

(A) Provided that no Potential Default or Event of Default shall have occurred and be continuing, the Borrowers shall have the option, to be exercised by giving written notice to the Administrative Agent at least thirty (30) days prior to the Original Commitment Termination Date, subject to the terms and conditions set forth in this Agreement, to extend the Original Commitment Termination Date by twelve (12) months to July 26, 2006 (the "*Extended Commitment Termination Date*"). The request by the Borrowers for the extension of the Original Commitment Termination Date shall constitute a representation and warranty by the Borrower Parties that no Potential Default or Event of Default then exists and that all of the conditions set forth in *Section 1.7(5)(B)* below shall have been satisfied on the Original Commitment Termination Date.

(B) The obligations of the Administrative Agent and the Lenders to extend the Original Commitment Termination Date as provided in *Section 1.7(5)(A)* shall be subject to the prior satisfaction of each of the following conditions precedent as determined by the



Administrative Agent in its good faith judgment: (A) on the Original Commitment Termination Date there shall exist no Potential Default or Event of Default; (B) the Borrowers shall have paid to the Administrative Agent for the ratable benefit of the Lenders an extension fee (the "Extension Fee") equal to one-quarter of one percent (0.25%) of the total Commitments then outstanding (which fee Borrowers hereby agree shall be fully earned and nonrefundable under any circumstances when paid); (C) the representations and warranties made by the Borrower Parties in the Loan Documents shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the Original Commitment Termination Date (provided, however, that any factual matters disclosed in the Schedules referenced in *Article 6* shall be subject to update in accordance with clause (D) below); (D) the Borrower Parties shall have delivered updates to the Administrative Agent of all the Schedules set forth in *Article 6* hereof and such updated Schedules shall be acceptable to Administrative Agent in its reasonable judgment; (E) the Borrowers shall have delivered to the Administrative Agent a Compliance Certificate demonstrating that MAC and the Borrowers are in compliance with the covenants set forth in *Article 8*; (F) the Borrowers shall have paid all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent and all reasonable fees and expenses paid to third party consultants (including reasonable attorneys' fees and expenses) by Administrative Agent in connection with such extension; and (G) the Guarantors shall have acknowledged and ratified that their obligations under the Guaranties remain in full force and effect, and continue to guaranty the Obligations under the Loan Documents, as extended.

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(C) The Administrative Agent shall notify each of the Lenders in the event that the Borrowers request that the Original Commitment Termination Date be extended as provided in this *Section 1.7(5)* and upon any such extension.

#### 1.8 *Manner of Payment of Loans; Evidence of Debt.*

(1) *Repayment.* Subject to any earlier acceleration of the Loans following an Event of Default, the Borrowers hereby unconditionally promise to pay to the Administrative Agent for account of the Lenders the outstanding principal amount of the Loans on the Commitment Termination Date.

(2) *Manner of Payment.* The Borrower shall notify the Administrative Agent in writing (which notice may be by facsimile) of any repayment or prepayment hereunder (i) in the case of repayment or prepayment of a LIBO Rate Borrowing with an Interest Period not expiring on the date of payment, not later than 1:00 p.m. (New York time) three Business Days before the date of repayment or prepayment, or (ii) in the case of repayment or prepayment of a LIBO Rate Borrowing with Interest Periods expiring on the date of repayment or prepayment or a Base Rate Borrowing, not later than 1:00 p.m. (New York time) one Business Day before the date of repayment or prepayment. Each such notice shall be irrevocable and shall specify the repayment or prepayment date and the principal amount of each Borrowing or portion thereof to be repaid or prepaid; provided that, if a notice of repayment or prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by *Section 1.7*, then such notice of repayment or prepayment may be revoked if such notice of termination is revoked in accordance with *Section 1.7*. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each repayment or prepayment of a Borrowing shall be applied ratably to the Loans included in the repaid or prepaid Borrowing. Repayments and prepayments shall be accompanied by (A) accrued interest to the extent required by *Section 1.10* and (B) any payments due pursuant to *Section 2.9*. If the Borrowers fail to make a timely selection of the Borrowing or Borrowings to be repaid or prepaid, such payment shall be applied, first, to pay any outstanding Base Rate Borrowings and, second, to other Borrowings in the order of the remaining duration of their respective Interest Periods (the Borrowing with the shortest remaining Interest Period to be repaid first).

(3) *Maintenance of Loan Accounts by Lenders.* Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(4) *Maintenance of Loan Accounts by the Administrative Agent.* The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(5) *Effect of Entries.* The entries made in the accounts maintained pursuant to *Sections 1.8 (3) and (4)* above shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

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(6) *Promissory Notes.* Upon the request of a Lender, the Borrowers shall promptly execute and deliver to such Lender a Note evidencing such Lender's Commitment.

1.9 *Optional Prepayment of Loans.* The Borrowers shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to the requirements of this Section; provided, however, that voluntary prepayments shall be in the minimum amount of \$1,000,000 and integral multiples of \$100,000 in excess thereof.

#### 1.10 *Interest.*

(1) *Base Rate Loans.* The Loans comprising each Base Rate Borrowing shall bear interest at a rate per annum equal to the Applicable Base Rate.

(2) *LIBO Rate Loans.* The Loans constituting each LIBO Rate Borrowing shall bear interest at a rate per annum equal to the Applicable LIBO Rate for the Interest Period for such Borrowing.

(3) *Payment of Interest.*

(A) The Borrowers shall pay interest on Base Rate Borrowings monthly, in arrears, on the last Business Day of each calendar month, as set forth on an interest billing delivered by the Administrative Agent to the Borrowers (which delivery may be by facsimile transmission) no later than 1:00 p.m. (New York time) on a date at least one Business Day prior to the date such interest is due.

(B) The Borrowers shall pay interest on the LIBO Rate Borrowings on the last day of the applicable Interest Period or, in the case of LIBO Rate Borrowings with an Interest Period ending later than three months after the date funded, converted or continued, at the end of each three month period from the date funded, converted or continued and on the last day of the applicable Interest Period, as set forth on an interest billing delivered by the Administrative Agent to the Borrowers (which delivery may be by facsimile transmission) no later than 1:00 p.m. (New York time) on a date at least one Business Day prior to the date such interest is due.

1.11 *Presumptions of Payment.* Unless the Administrative Agent shall have received notice from the Borrowers prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lender hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Lender, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the Issuing Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Federal Funds Rate.

ARTICLE 2. *General Provisions Regarding Payments.*

2.1 *Payments by the Borrowers.* The Borrowers shall make each payment required to be made by them hereunder (whether of principal, interest or fees or reimbursement of LC Disbursements, or under *Section 2.7, 2.9 or 2.10*, or otherwise) or under any other Loan Document (except to the extent otherwise provided therein) prior to 1:00 p.m. (New York time) (unless otherwise specified in this Agreement), on the date when due, in immediately available funds, without set-off or counterclaim; *provided* that if a new Loan is to be made by any Lender on a date the Borrowers are to repay any principal of an outstanding Loan of such Lender, such Lender shall apply the proceeds of such new Loan to the payment of the principal to be repaid and only

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an amount equal to the difference between the principal to be borrowed and the principal to be repaid shall be made available by such Lender to the Administrative Agent as provided in *Section 1.5* or paid by the Borrowers to the Administrative Agent pursuant to this paragraph, as the case may be. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be wired to the Administrative Agent at the Contact Office, ABA 021-001-033 for the Administrative Agent's Account No. 99-401-268, Ref: Macerich Partnership, except as otherwise expressly provided in the relevant Loan Document, and except payments to be made directly to the Issuing Lender as expressly provided herein and except that payments pursuant to *Sections 2.7, 2.9, 2.10 and 11.14* shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder or under any other Loan Document (except to the extent otherwise provided therein) shall be made in Dollars.

2.2 *Pro Rata Treatment.* Except to the extent otherwise provided herein: (i) each Borrowing shall be made from the Lenders, each payment of the Unused Line Fee under *Section 2.11* shall be made for account of the Lenders, and each termination or reduction of the amount of the Commitments under *Section 1.7* shall be applied to the respective Commitments of the Lenders, pro rata according to the amounts of their respective Commitments; (ii) each Borrowing shall be allocated pro rata among the Lenders according to the amounts of their respective Commitments (in the case of the making of Loans) or their respective Loans (in the case of conversions and continuations of Loans); (iii) each payment or prepayment of principal of Loans by the Borrowers shall be made for account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans held by them; and (iv) each payment of interest on Loans by the Borrowers shall be made for account of the Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders.

2.3 *RESERVED*

2.4 *Inability to Determine Rates.* In the event that the Administrative Agent shall have reasonably determined (which determination shall be conclusive and binding upon the Borrowers) that by reason of circumstances affecting the interbank market adequate and reasonable means do not exist for ascertaining the LIBO Rate for any Interest Period, the Administrative Agent shall forthwith give telephonic notice of such determination to each Lender and to the Borrowers. If such notice is given: (1) no portion of the Loans may be funded as a LIBO Rate Borrowing, (2) any Base Rate Borrowing that was to have been converted to a LIBO Rate Borrowing shall, subject to the provisions hereof, be continued as a Base Rate Borrowing, and (3) any outstanding LIBO Rate Borrowing shall be converted, on the last day of the Interest Period applicable thereto, to a Base Rate Borrowing. Until such notice has been withdrawn by the Administrative Agent, the Borrowers shall not have the right to convert any Base Rate Borrowing to a LIBO Rate Borrowing or to continue a LIBO Rate Borrowing as such. The Administrative Agent shall withdraw such notice in the event that the circumstances giving rise thereto no longer pertain and that adequate and reasonable means exist for ascertaining the LIBO Rate for the Interest Period requested by the Borrowers, and, following withdrawal of such notice by the Administrative Agent, the Borrowers shall have the right to convert any Base Rate Borrowing to a LIBO Rate Borrowing and to continue any LIBO Rate Borrowing as such in accordance with the terms and conditions of this Agreement.

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2.5 *Illegality.* Notwithstanding any other provisions herein, if any law, regulation, treaty or directive issued by any Governmental Authority or any change therein or in the interpretation or application thereof, shall make it unlawful for any Lender to maintain LIBO Rate Loans as contemplated by this Agreement: (1) the commitment of such Lender hereunder to continue LIBO Rate Loans or to convert Base Rate Loans to LIBO Rate Loans shall forthwith be cancelled, and (2) LIBO Rate Loans held by such Lender then outstanding, if any, shall be converted automatically to Base Rate Loans at the end of their respective Interest Periods or within such earlier period as may be required by law. In the event of a conversion of any LIBO Rate Loan prior to the end of its applicable Interest Period, the Borrowers hereby agree promptly to pay any Lender affected thereby, upon demand, the amounts required pursuant to *Section 2.9* below, it being agreed and understood that such conversion shall constitute a prepayment for all purposes of this *Section 2.5*. The provisions hereof shall survive the termination of this Agreement and payment of all other Obligations.

2.6 *Funding.* Each Lender shall be entitled to fund all or any portion of its Commitment to make Loans in any manner it may determine in its sole discretion, including, without limitation, in the Grand Cayman inter-bank market, the London inter-bank market and within the United States, but all calculations and transactions hereunder shall be conducted as though all Lenders actually fund all LIBO Rate Loans through the purchase of offshore dollar deposits in the amount of such Lender's Commitment of the relevant LIBO Rate Loan with a maturity corresponding to the applicable Interest Period.

#### 2.7 *Increased Costs.*

(1) In the event that any applicable law, order, regulation, treaty or directive issued by any central bank or other governmental authority, agency or instrumentality or in the governmental or judicial interpretation or application thereof, or compliance by any Lender or the Issuing Lender with any request or directive (whether or not having the force of law) issued by any central bank or other governmental authority, agency or instrumentality:

(A) Does or shall subject any Lender or the Issuing Lender to any Taxes of any kind whatsoever with respect to this Agreement or any Loan, or change the basis of determining the Taxes imposed on payments to such Lender or the Issuing Lender of principal, fee, interest or any other amount payable hereunder (except for change in the rate of tax on the overall net income of such Lender or Issuing Lender);

(B) Does or shall impose, modify or hold applicable any reserve, capital requirement, special deposit, compulsory loan or similar requirements against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender or the Issuing Lender which are not otherwise included in the determination of interest payable on the Obligations; or

(C) Does or shall impose on such Lender or Issuing Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender or Issuing Lender of making, renewing or maintaining its Commitment or its Revolving Credit Exposure or to increase the cost of such Lender or the Issuing Lender of participating in, issuing or maintaining any Letter of Credit or to reduce any amount receivable in respect thereof or the rate of return on the capital of such Lender or the Issuing Lender or any corporation controlling such Lender or the Issuing Lender, then, in any such case, the Borrowers shall, without duplication of amounts payable pursuant to *Section 2.10*, promptly pay to such Lender or Issuing Lender, upon its written demand made through the Administrative Agent, any additional amounts necessary to compensate such Lender or the Issuing Lender for such

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additional cost or reduced amounts receivable or rate of return as determined by such Lender or Issuing Lender with respect to this Agreement or such Lender's or Issuing Lender's Commitment, its Revolving Credit Exposure or Letter of Credit obligations, so long as such Lender or Issuing Lender require substantially all obligors under other commitments of this type made available by such Lender or Issuing Lender to similarly so compensate such Lender or Issuing Lender.

(2) If a Lender or the Issuing Lender become entitled to claim any additional amounts pursuant to this *Section 2.7*, it shall promptly notify the Borrowers of the event by reason of which it has become so entitled. A certificate as to any additional amounts so claimed payable containing the calculation thereof in reasonable detail submitted by a Lender or the Issuing Lender to the Borrowers, accompanied by a certification that such Lender or Issuing Lender has required substantially all obligors under other commitments of this type made available by such Lender or Issuing Lender to similarly so compensate such Lender or Issuing Lender, shall constitute prima facie evidence thereof.

(3) Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this *Section 2.7* shall not constitute a waiver of such Lender's or Issuing Lender's right to demand such compensation. The provisions of this *Section 2.7* shall survive the termination of this Agreement and payment of the Loans and all other Obligations.

#### 2.8 *Obligation of Lenders to Mitigate; Replacement of Lenders.* Each Lender agrees that:

(1) As promptly as reasonably practicable after the officer of such Lender responsible for administering such Lender's Commitment becomes aware of any event or condition that would entitle such Lender to receive payments under *Section 2.7* above or *Section 2.10* below or to cease maintaining LIBO Rate Loans under *Section 2.5* above, such Lender will use reasonable efforts: (i) to maintain its Commitment and Revolving Credit Exposure through another lending office of such Lender or (ii) take such other measures as such Lender may deem reasonable, if as a result thereof the additional amounts which would otherwise be required to be paid to such Lender pursuant to *Section 2.7* above or pursuant to *Section 2.10* below would be materially reduced or eliminated or the conditions rendering such Lender incapable of maintaining LIBO Rate Loans under *Section 2.5* above no longer would be applicable, and if, as determined by such Lender in its sole discretion, the maintaining of such LIBO Rate Loans through such other lending office or in accordance with such other measures, as the case may be, would not otherwise materially adversely affect such LIBO Rate Loans or the interests of such Lender.

(2) If the Borrowers receive a notice pursuant to *Section 2.7* above or pursuant to *Section 2.10* below or a notice pursuant to *Section 2.5* above stating that a Lender is unable to maintain LIBO Rate Loans (for reasons not generally applicable to the Required Lenders), so long as (i) no Potential Default or Event of Default shall have occurred and be continuing, (ii) the Borrowers have obtained a commitment from another Lender or an Eligible Assignee to purchase at par such Lender's Commitment, its Revolving Loan Exposure at such time and accrued interest and fees and to assume all obligations of the Lender to be replaced under the Loan Documents and (iii) such Lender to be replaced is unwilling to withdraw the

notice delivered to the Borrowers, upon thirty (30) days' prior written notice to such Lender and the Administrative Agent, the Borrowers may require, at the Borrowers' expense, the Lender giving such notice to assign, without recourse, all of its Commitment, Revolving Loan Exposure and accrued interest and fees to such other Lender or Eligible Assignee pursuant to the provisions of *Section 11.8* below.

**2.9 Funding Indemnification.** In the event of (a) the payment of any principal of any LIBO Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any LIBO Rate Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable under *Section 1.8(2)* and is revoked in accordance herewith), or (d) the assignment of any LIBO Rate Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrowers pursuant to *Section 2.8(2)*, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a LIBO Rate Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount determined by such Lender to be equal to the excess, if any, of (i) the amount of interest that such Lender would have accrued on the principal amount of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the Reserve Adjusted LIBO Rate for such Interest Period, *over* (ii) the amount of interest that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for Dollar deposits from other banks in the eurodollar market at the commencement of such period. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrowers and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

**2.10 Taxes.**

(1) Any and all payments by or on account of any obligation of the Borrowers hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; *provided* that if the Borrowers shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this *Section 2.10*) the Administrative Agent, Lender or Issuing Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrowers shall make such deductions and (iii) the Borrowers shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(2) In addition, the Borrowers shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(3) The Borrowers shall indemnify the Administrative Agent, each Lender and the Issuing Lender, within ten (10) Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this *Section 2.10*) paid by the Administrative Agent, such Lender or such Issuing Lender, as the case may be, and any penalties, interest (except to the extent such penalties and/or interest arise as a result of a Lender's or Issuing Lender's delay in dealing with any such Indemnified Tax) and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Lender, the Issuing Lender or by the Administrative Agent on its own behalf or on behalf of a Lender or Issuing Lender, shall be conclusive absent manifest error.

(4) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrowers to a Governmental Authority, the Borrowers shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(5) Each Foreign Lender shall deliver to the Borrowers (with copies to the Administrative Agent) on or before the date hereof (or in the case of a Foreign Lender who became a Lender by way of an assignment, on or before the date of the assignment) or at least five (5) Business Days prior to the first date for any payment herewith to such Lender, and from time to time as required for renewal under applicable law, such certificates, documents or other evidence, as required by the Code or Treasury Regulations issued pursuant thereto, including, without limitation, Internal Revenue Service Form W-8BEN or W-ECI, as appropriate, and any other certificate or statement of exemption required by Section 871(h) or Section 881(c) of the Code or any subsequent version thereof, properly completed and duly executed by such Lender establishing that payments to such Lender hereunder are not subject to withholding under the Code ("*Evidence of No Withholding*"). Each Foreign Lender shall promptly notify the Borrowers and the Administrative Agent of any change in its applicable lending office and upon written request of the Borrowers or the Administrative Agent shall, prior to the immediately following due date of any payment by the Borrowers hereunder or under any other Loan Document, deliver Evidence of No Withholding to the Borrowers and the Administrative Agent. The Borrowers shall be entitled to rely on such forms in their possession until receipt of any revised or successor form pursuant to this *Section 2.10(5)*. If a Lender fails to provide Evidence of No Withholding as required pursuant to this *Section 2.10(5)*, then (i) the Borrowers (or the Administrative Agent) shall be entitled to deduct or withhold from payments to Administrative Agent or such Lender as a result of such failure, as required by law, and (ii) the Borrowers shall not be required to make payments of additional amounts with respect to such withheld Taxes pursuant to *Section 2.10(1)* to the extent such withholding is required solely by reason of the failure of such Lender to provide the necessary Evidence of No Withholding.

**2.11 Fees.**

(1) *Unused Line Fee.* Until the Obligations have been paid in full and the Agreement terminated, the Borrowers agree to pay, on the first day of each month and on the Commitment Termination Date, to the Administrative Agent, for the ratable account of the Lenders, an unused line

fee equal to the Applicable Unused Line Fee Percentage per annum on the average daily amount by which, during the immediately preceding month or shorter period if calculated on the Commitment Termination Date, the aggregate amount of the Lenders' Commitments during such period exceeded the sum of (i) the average daily outstanding amount of Loans and (ii) the undrawn face amount of all outstanding Letters of Credit. The unused line fee shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(2) *Letter of Credit Fees and Costs.*

(A) The Borrowers agree to pay to the Administrative Agent for distribution to each Non-Defaulting Lender (based on their respective Applicable Percentage) in U.S. Dollars, a fee in respect of each Letter of Credit issued for the account of any Macerich Entity (the "*Letter of Credit Fee*"), in each case for the period from and including the date of issuance of the respective Letter of Credit to and including the date of termination of such Letter of Credit, computed at a rate per annum equal to the applicable "LIBO Spread" as listed in the definition of Applicable LIBO Rate on the daily Stated Amount

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of such Letter of Credit. Accrued Letter of Credit Fees shall be due and payable on the first Business Day of each August, November, February and May commencing with November of 2002, and on the Commitment Termination Date or such earlier date upon which the Commitments are terminated.

(B) The Borrowers agree to pay the Issuing Lender, for its own account, in U.S. Dollars, a facing fee in respect of each Letter of Credit issued for the account of any Macerich Entity by such Issuing Bank (the "*Facing Fee*"), for the period from and including the date of issuance of such Letter of Credit to and including the date of the termination of such Letter of Credit, computed at a rate equal to one-eighth of one percent (.125%) per annum of the daily Stated Amount of such Letter of Credit; provided that in no event shall the annual Facing Fee with respect to any Letter of Credit be less than \$500. Accrued Facing Fees shall be due and payable in arrears on the first Business Day of each August, November, February and May commencing with November of 2002, and on the Commitment Termination Date or such earlier date upon which the Commitments are terminated.

(C) The Borrowers shall pay, upon each payment under, issuance of, or amendment to, any Letter of Credit, such amount as shall at the time of such event be the administrative charge and the reasonable expenses which the applicable Issuing Lender is generally imposing for payment under, issuance of, or amendment to, Letters of Credit issued by it, not to exceed \$500 per issuance or amendment.

(3) *Administrative Agent Fee.* The Borrowers agree to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrowers and the Administrative Agent in that certain Fee Letter dated as of the date hereof.

(4) *Payment of Fees.* All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (except the Facing Fee which shall be paid to the Issuing Lender) for distribution, in the case of the Unused Line Fee and the Letter of Credit Fee, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

2.12 *Default Interest.* During such time as there shall have occurred and be continuing an Event of Default, all Obligations outstanding, shall, at the election of the Administrative Agent, bear interest at a per annum rate equal to one and one-half percent (1.5%) above the Applicable Base Rate in effect during the applicable calculation period (whether or not such Applicable Base Rate shall otherwise have been elected by Borrowers in accordance with this Agreement).

2.13 *Computation.* All computations of interest and fees payable hereunder shall be based upon a year of 360 days for the actual number of days elapsed (which results in more interest being paid than if computed on the basis of a 365-day year).

2.14 *Application of Insufficient Payments.* If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

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ARTICLE 3. *Joint Borrower Provisions.*

3.1 Each Borrower hereby irrevocably designates, appoints and authorizes the other Borrowers as its agent and attorney-in-fact to take actions under this Agreement and any other Loan Document, together with such powers as are reasonably incidental thereto. The Administrative Agent and the Lenders shall be entitled to rely, and shall be fully protected in relying, upon any communication from or to any of the Borrowers (including, without limitation, any notice, consent or other instructions from any of the Borrowers) without any confirming communication from or to the other Borrowers; provided, however, that upon notice to any Borrower (which notice shall be given at the sole and absolute discretion of the Administrative Agent), the Administrative Agent shall be entitled to fail or refuse to take any action under this Agreement or any other Loan Document (to the extent such action requires communication, including, without limitation, any notice, consent, or other instructions, from any of the Borrowers), unless the Administrative Agent has received confirming communications from all Borrowers. Any action taken by one Borrower under this Agreement and any other Loan Document shall be conclusively binding upon the other Borrowers.

3.2 Each Borrower agrees that it is jointly and severally liable to the Administrative Agent and the Lenders for the payment of all Obligations and that such liability is independent of the liability and obligation of the other Borrowers with respect thereto, whether such Obligations are due or not due, absolute or contingent, liquidated or unliquidated or whether such Obligations otherwise become unenforceable against the other Borrowers. Any payment by a Borrower of an Obligation shall not reduce its liability and obligation with respect to all other Obligations hereunder. A separate action or actions may be brought and prosecuted against one of the Borrowers whether the action is brought against the other Borrowers or whether the other Borrowers are joined in such action or actions. Each Borrower authorizes the Administrative Agent, on behalf of the Lenders, without notice or demand and without affecting its liability and obligations hereunder, from time to time, to (i) receive and hold security for the payment of the Obligations and exchange, enforce, waive, release, fail to perfect, sell or otherwise dispose of any such security, (ii) apply such security and direct the order or manner of

sale thereof as the Administrative Agent in its discretion may determine, and (iii) release or substitute any one or more of endorser, guarantor or co-obligors of the Obligations.

3.3 Each Borrower waives any right to require the Administrative Agent or the Lenders to (i) proceed against the other Borrowers, (ii) proceed against or exhaust any security, or (iii) pursue any other remedy in the Administrative Agent's or the Lenders' power whatsoever. Each Borrower waives any defense arising by reason of any disability or other defense of the other Borrowers, or the cessation from any cause whatsoever of the liability of the other Borrowers, or any claim that such Borrower's Obligations exceed or are more burdensome than those of the other Borrowers. Until the Obligations shall have been finally, irrevocably, indefeasibly paid in full, each Borrower waives any right of subrogation, reimbursement, indemnification or contribution (contractual, statutory, or otherwise) including, without limitation, any claim or right of subrogation under the Bankruptcy Code (Title 11, United States Code) or any successor statute, arising from the existence or performance of this Agreement, and each Borrower waives any right to enforce any remedy which the Administrative Agent and/or the Lenders now have or may hereafter have against the other Borrowers and waives any benefit of, and any right to participate in, any security hereafter held by the Administrative Agent, on behalf of the Lenders for the Obligations. Each Borrower waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Agreement and of the existence, creation or incurring of new or additional Obligations by the other Borrowers.

3.4 Each Borrower acknowledges and agrees that it will have the sole responsibility for obtaining from the other Borrowers such information concerning the other Borrowers' financial

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conditions or business operations as such Borrower may require, and that the Administrative Agent and the Lenders have no duty at any time to disclose to any Borrower any information relating to the other Borrowers, including, without limitation, information regarding its business, operations or financial condition.

3.5 Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, if any amount paid on account of the Obligations is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by any Lender or the Administrative Agent or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise (such payment, a "*Preferential Payment*"), then, to the extent of such Preferential Payment, the Obligations or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made.

#### ARTICLE 4. *Credit Support.*

4.1 *Guaranties.* As credit support for the Aggregate Obligations, on or before the Closing Date (1) MAC shall execute and deliver to the Collateral Agent, for the benefit of the Benefited Creditors, the REIT Guaranty, and (2) the Affiliate Guarantors shall each execute and deliver to the Collateral Agent, for the benefit of the Benefited Creditors, an Affiliate Guaranty. Upon the acquisition of any Project after the Closing Date by any Borrower Party or Wholly-Owned Subsidiary thereof, in the event at the time of acquisition the principal Property comprising such Project is unencumbered by any Lien in respect of borrowed indebtedness (an "*Unencumbered Property*"), and there is no Financing with respect to such Unencumbered Property within sixty (60) days of its acquisition, if the Interim Facility has not been paid in full, or within ninety (90) days of its acquisition, if the Interim Facility has been repaid in full, such Person (each a "*Supplemental Guarantor*") shall: (a) execute and deliver to the Collateral Agent, for the benefit of the Benefited Creditors a Guaranty in the form of *Exhibit D* hereto pursuant to which such Supplemental Guarantor will unconditionally guarantee the Aggregate Obligations from time to time owing to the Benefited Creditors, (b) execute and deliver, or cause to be executed and delivered, to the Collateral Agent such other documents or legal opinions required by the Collateral Agent confirming the authorization, execution and delivery and enforceability (subject to customary exceptions) of the Guaranty by such Supplemental Guarantor, and (c) deliver copies of its Organizational Documents, certified by the Secretary or an Assistant Secretary of such Supplemental Guarantor (or if such Person is a limited partnership or limited liability company, an authorized representative of its general partner or manager) as of the date delivered as being accurate and complete. Upon the Disposition or Financing of any Unencumbered Property by any Affiliate Guarantor or Supplemental Guarantor and the corresponding payment of all sums due pursuant to *Section 3.3* of the Term Loan Credit Agreement and *Section 3.3* of the Interim Facility Credit Agreement in connection with such Disposition, the Collateral Agent shall release the guaranty executed by such Person pursuant to this *Section 4.1*.

4.2 *Pledge Agreements.* As credit support for the Aggregate Obligations, on or before the Closing Date, Macerich Partnership, MAC, and the Westcor Borrowers (other than Macerich TWC Corp. and Macerich TWC LLC) shall each execute and deliver to the Collateral Agent, a Pledge Agreement, pursuant to which each of them shall pledge to the Collateral Agent, for the ratable benefit of the Benefited Creditors, all of its direct and indirect ownership interest in the Westcor Borrowers and Westcor Realty Limited Partnership

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#### ARTICLE 5. *Conditions Precedent.*

5.1 *Conditions to Initial Funding of Loans.* The obligations of the Lenders to make Loans and of the Issuing Lender to issue Letters of Credit hereunder shall not become effective until:

(1) The Borrowers and MAC shall have delivered or shall have caused to be delivered to the Administrative Agent, in form and substance satisfactory to the Lenders and their counsel and duly executed by the appropriate Persons (with sufficient copies for each of the Lenders), each of the following:

- (A) This Agreement;
- (B) To the extent requested by any Lender pursuant to *Section 1.8(6)* above, a Note payable to such Lender;
- (C) The REIT Guaranty and the Affiliate Guaranties;

(D) The Pledge Agreements;

(E) The Fee Letter;

(F) A certificate of the Secretary or Assistant Secretary of the general partner or managing member of those Borrower Parties which are partnerships or limited liability companies attaching copies of resolutions duly adopted by the Board of Directors of such general partner or managing member approving the execution, delivery and performance of the Loan Documents on behalf of such Borrower Parties and certifying the names and true signatures of the officers of such general partner or managing member authorized to sign the Loan Documents to which such Borrower Parties are party;

(G) A certificate or certificates of the Secretary or an Assistant Secretary of those Borrower Parties which are corporations attaching copies of resolutions duly adopted by the Board of Directors of such Borrower Parties approving the execution, delivery and performance of the Loan Documents to which such Borrower Parties are party and certifying the names and true signatures of the officers of each of such Borrower Parties authorized to sign the Loan Documents on behalf of such Borrower Parties;

(H) An opinion of counsel for the Borrowers, MAC and the other Persons who will be Guarantors as of the Closing Date, in form and substance reasonably acceptable to the Administrative Agent and the Lenders;

(I) Copies of the Certificate of Incorporation, Certificate of Formation, or Certificate of Limited Partnership of each of the Borrower Parties, certified by the Secretary of State of the state of formation of such Person as of a recent date;

(J) Copies of the Organizational Documents of each of the Borrower Parties (unless delivered pursuant to clause (I) above), the Westcor Principal Entities, and the Persons identified in *Schedule 5.1(1)(J)* attached hereto, certified by the Secretary or an Assistant Secretary of such Person (or if such Person is a limited partnership or limited liability company, an authorized representative of its general partner or manager) as of the date of this Agreement as being accurate and complete;

(K) A certificate of authority and good standing or analogous documentation as of a recent date for each of the Borrower Parties for the State of California and each state in which such Person is organized, formed or incorporated, as applicable;

(L) From a Responsible Officer of each of the Borrowers and MAC, a Closing Certificate dated as of the Closing Date;

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(M) Confirmation from the Administrative Agent and the other Agents (which may be oral) that all fees required to be paid by the Borrowers on or before the Closing Date have been, or will upon the initial funding of the Loans be, paid in full;

(N) Evidence satisfactory to the Administrative Agent that all reasonable costs and expenses of the Administrative Agent and the other Agents, including, without limitation, fees of outside counsel and fees of third party consultants and appraisers, required to be paid by the Borrowers on or prior to the Closing Date have been, or will upon the initial funding of the Loans be, paid in full;

(O) From a Responsible Financial Officer of MAC, a Compliance Certificate in form and substance satisfactory to the Administrative Agent and the Lenders, evidencing, as applicable, MAC's compliance with the financial covenants set forth under *Section 8.12* below at and as of March 31, 2002 and the Westcor Borrowers' compliance with the financial covenants set forth under *Section 8.13* below at and as of March 31, 2002.

(2) Each of the requirements set forth on *Schedule 5.1(2)* attached hereto shall have been met to the satisfaction of the Administrative Agent and the Lenders.

(3) All representations and warranties of the Borrower Parties set forth herein and in the other Loan Documents shall be accurate and complete in all material respects as if made on and as of the Closing Date (unless any such representation and warranty speaks as of a particular date, in which case it shall be accurate and complete in all material respects as of such date).

(4) There shall not have occurred and be continuing as of the Closing Date any Event of Default or Potential Default.

(5) All acts and conditions (including, without limitation, the obtaining of any third party consents and necessary regulatory approvals and the making of any required filings, recordings or registrations) required to be done and performed and to have happened precedent to the execution, delivery and performance of the Loan Documents by each of the Borrower Parties, the consummation of the Westcor Acquisition, and the closing of the Interim Facility and the Term Loan Facility, shall have been done and performed.

(6) There shall not have occurred any change, occurrence or development that could, in the good faith opinion of the Lenders, have a Material Adverse Effect.

(7) All documentation, including, without limitation, documentation for corporate and legal proceedings in connection with the transactions contemplated by the Loan Documents shall be satisfactory in form and substance to the Administrative Agent, the Lenders and their counsel.

5.2 *Outside Closing Date.* If all conditions precedent set forth in *Section 5.1* above shall not have been met to the satisfaction of the Administrative Agent and the Lenders on or before August 15, 2002, then the agreement of the Lenders to fund their Applicable Percentage of the Commitments (and the agreement of the Issuing Lender to issue Letters of Credit) shall terminate and this Agreement shall automatically be deemed of no further force or effect (except to the extent terms and provisions of this Agreement specifically provide that they shall survive termination hereof).

5.3 *Each Credit Event.* The obligation of each Lender to make a Loan on the occasion of any New Borrowing (and with respect to subsection (2) below, any LIBO Rate Borrowing), and of

the Issuing Lender to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

- (1) The representations and warranties of the Borrowers set forth in this Agreement and in the other Loan Documents shall be true and correct in all material respects (subject to updates as approved by the Administrative Agent) on and as of the date of such New Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);
- (2) At the time of and immediately after giving effect to a New Borrowing or any LIBO Rate Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Potential Default or Event of Default shall have occurred and be continuing; and
- (3) At the time of each New Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, a Responsible Officer shall certify that (i) no Potential Default or Event of Default shall have occurred and be continuing and (ii) after giving effect to such New Borrowing or issuance, amendment, renewal or extension of such Letter of Credit, as applicable, the Borrower Parties remain in compliance with the covenants set forth in *Article 8* after giving effect to such New Borrowing or issuance, amendment, renewal or extension of such Letter of Credit, as applicable, including supporting documentation reasonably satisfactory to the Administrative Agent.
- (4) Each New Borrowing and each issuance, amendment, renewal or extension of such Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in the preceding sentence.

**ARTICLE 6. Representations and Warranties.** As an inducement to the Administrative Agent, the Issuing Lender and each Lender to enter into this Agreement, each of the Borrower Parties, collectively and severally, represent and warrant as follows to the Administrative Agent, the Issuing Lender and each Lender (provided that any representations as of the Closing Date as to Westcor or the Westcor Assets are to the Borrower Parties' best knowledge):

**6.1 Financial Condition.** Complete and accurate copies of the following financial statements and materials have been delivered to the Administrative Agent: (i) audited financial statements of MAC for 2000 and 2001; (ii) unaudited financial statements of MAC for the calendar quarter ending March 31, 2002 (the materials described in clauses (i) and (ii) are referred to as the "*Initial Financial Statements*"); and (iii) a pro forma balance sheet and income statement ("*Pro Forma Statement*") dated March 31, 2002 reflecting the pro forma combined performance of the Consolidated Entities and Westcor.

All financial statements included in the Initial Financial Statements were prepared in all material respects in conformity with GAAP, except as otherwise noted therein, and fairly present in all material respects the respective consolidated financial positions, and the consolidated results of operations and cash flows for each of the periods covered thereby of MAC and its consolidated Subsidiaries as at the respective dates thereof. None of the Borrower Parties or any of their Subsidiaries has any Contingent Obligation, contingent liability or liability for any taxes, long-term leases or commitments, not reflected in its audited financial statements delivered to the Administrative Agent on or prior to the Closing Date or otherwise disclosed to the Administrative Agent and the Lenders in writing, which will have or is reasonably likely to have a Material Adverse Effect. The Pro Forma Statement has been prepared in good faith based upon reasonable assumptions.

**6.2 No Material Adverse Effect.** Since the Statement Date no event has occurred which has resulted in, or, as of the Closing Date, is reasonably likely to have, a Material Adverse Effect.

**6.3 Compliance with Laws and Agreements.** Each of the Borrower Parties and the Macerich Core Entities is in compliance with all Requirements of Law and Contractual Obligations, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

**6.4 Organization, Powers; Authorization; Enforceability.**

(1) Macerich Partnership (A) is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware, (B) is duly qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably likely to have a Material Adverse Effect, (C) has all requisite power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted in connection with and following the consummation of the transactions contemplated by this Agreement and (D) is a partnership for purposes of federal income taxation and for purposes of the tax laws of any state or locality in which Macerich Partnership is subject to taxation based on its income.

(2) MAC (A) is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland, (B) is duly authorized and qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably likely to have a Material Adverse Effect, and (C) has all requisite corporate power and authority to own, operate and encumber its Property and to conduct its business as presently conducted.

(3) Each Westcor Borrower and each Affiliate Guarantor (A) is either a corporation, a limited partnership or a limited liability company duly incorporated, formed or organized, validly existing, and in good standing under the laws of the State of its incorporation, organization and/or formation, (B) is duly qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably expected to have a Material Adverse Effect, and (C) has all requisite corporate, partnership or limited liability company power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted in connection with and following the consummation of the transactions contemplated by this Agreement.

(4) True, correct and complete copies of the Organizational Documents described in *Section 5.1(1)(J)* have been delivered to the Administrative Agent, each of which is in full force and effect, has not been Modified except to the extent indicated therein and, to the best of each



of the Borrower Parties' knowledge, there are no defaults under such Organizational Documents and no events which, with the passage of time or giving of notice or both, would constitute a default under such Organizational Documents.

(5) The Borrower Parties have the requisite power and authority to execute, deliver and perform this Agreement and each of the other Loan Documents which are required to be executed on their behalf. The execution, delivery and performance of each of the Loan Documents which must be executed in connection with this Agreement by the Borrower Parties and to which the Borrower Parties are a party and the consummation of the transactions contemplated thereby are within their partnership, company, or corporate powers, have been duly authorized by all necessary partnership, company, or corporate action and such authorization has not been rescinded. No other partnership, company, or corporate action or proceedings on the part of the Borrower Parties is necessary to consummate such transactions.

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(6) Each of the Loan Documents to which each Borrower Party is a party has been duly executed and delivered on behalf of such Borrower Party and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (subject to bankruptcy, insolvency, reorganization, or other laws affecting creditors' rights generally and to principles of equity, regardless of whether considered in a proceeding in equity or at law), is in full force and effect and all the terms, provisions, agreements and conditions set forth therein and required to be performed or complied with by such Borrower Party on or before the Closing Date have been performed or complied with, and no Potential Default or Event of Default exists thereunder.

6.5 *No Conflict.* The execution, delivery and performance of the Loan Documents, the borrowing hereunder and the use of the proceeds thereof, will not violate any material Requirement of Law or any Organizational Document or any material Contractual Obligation of any of the Borrower Parties or the Macerich Core Entities; or create or result in the creation of any Lien on any material assets of any of the Borrower Parties.

6.6 *No Material Litigation.* Except as disclosed on *Schedule 6.6* hereto, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower Parties, threatened by or against the Borrower Parties or the Macerich Core Entities or against any of such Persons' Properties or revenues which is likely to be adversely determined and which, if adversely determined, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

6.7 *Taxes.* All tax returns, reports and similar statements or filings of the Borrower Parties and the Macerich Core Entities have been timely filed. Except for Permitted Encumbrances, all taxes, assessments, fees and other charges of Governmental Authorities upon such Persons and upon or relating to their respective Properties, assets, receipts, sales, use, payroll, employment, income, licenses and franchises which are shown in such returns or reports to be due and payable have been paid, except to the extent (i) such taxes, assessments, fees and other charges of Governmental Authorities are subject to a Good Faith Contest; or (ii) the non-payment of such taxes, assessments, fees and other charges of Governmental Authorities would not, individually or in the aggregate, result in a Material Adverse Effect. The Borrower Parties have no knowledge of any proposed tax assessment against the Borrower Parties or the Macerich Core Entities that will have or is reasonably likely to have a Material Adverse Effect.

6.8 *Investment Company Act.* None of the Borrowers nor MAC, nor any Person controlling such entities is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940 (as amended from time to time).

6.9 *Subsidiary Entities.* *Schedule 6.9 (A)* contains charts and diagrams reflecting the corporate structure of the Borrower Parties and their respective Subsidiary Entities indicating the nature of the corporate, partnership, limited liability company or other equity interest in each Person included in such chart or diagram; and (B) accurately sets forth (1) the correct legal name of such Person, the type of organization, and the jurisdiction of its incorporation or organization, and (2) each class of outstanding Capital Stock of such Persons along with the percentage thereof owned by the Borrower Parties and their Subsidiaries. None of such issued and outstanding Capital Stock or Securities is subject to any vesting, redemption, or repurchase agreement, and there are no warrants or options outstanding with respect to such Securities, except as noted on *Schedule 6.9*. The outstanding Capital Stock of each Subsidiary Entity shown on *Schedule 6.9* as being owned by a Borrower Party or its Subsidiary is duly authorized, validly issued, fully paid and nonassessable. Except where failure may not have a Material Adverse Effect, each Subsidiary Entity of Borrower Parties: (A) is a corporation, limited liability company, or partnership, as indicated on *Schedule 6.9*, duly organized, validly existing and, if applicable, in good standing under

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the laws of the jurisdiction of its organization, (B) is duly qualified to do business and, if applicable, is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing would limit its ability to use the courts of such jurisdiction to enforce Contractual Obligations to which it is a party, and (C) has all requisite power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted hereafter.

6.10 *Federal Reserve Board Regulations.* None of the Borrowers nor MAC is engaged or will engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "Margin Stock" within the respective meanings of such terms under Regulations U, T and X. No part of the proceeds of the Loans will be used for "purchasing" or "carrying" "Margin Stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of, the Regulations of the Board of Governors of the Federal Reserve System.

6.11 *ERISA Compliance.* Except as disclosed on *Schedule 6.11*:

(1) Each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state law failure to comply with which would reasonably be likely to result in a Material Adverse Effect. Each Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS and to the best knowledge of the Borrower Parties, nothing has occurred which would cause the loss of such qualification.

(2) There are no pending or, to the best knowledge of Borrower Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(3) No ERISA Event has occurred or is reasonably expected to occur with respect to any Pension Plan or, to the best knowledge of the Borrower Parties, any Multiemployer Plan, which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(4) No Pension Plan has any Unfunded Pension Liability, which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(5) None of the Borrower Parties or their respective Subsidiaries, nor any ERISA Affiliate has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA), which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(6) None of the Borrower Parties or their respective Subsidiaries, nor any ERISA Affiliate has incurred nor reasonably expects to incur any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan, which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(7) None of the Borrower Parties or their respective Subsidiaries, nor any ERISA Affiliate has transferred any Unfunded Pension Liability to any person or otherwise engaged in a transaction that is subject to Section 4069 or 4212(c) of ERISA, which has resulted or could reasonably be expected to result in a Material Adverse Effect.

6.12 *Assets and Liens.* Each of the Borrower Parties and their respective Subsidiary Entities has good and marketable title to all Property and assets reflected in the financial statements

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referred to in *Section 6.1* above, except Property and assets sold or otherwise disposed of in the ordinary course of business subsequent to the respective dates thereof. None of the Borrower Parties, nor their respective Subsidiary Entities, has outstanding Liens on any of its Properties or assets nor are there any security agreements to which it is a party, except for Liens permitted in accordance with *Section 8.1*.

6.13 *Securities Acts.* None of the Borrower Parties or their respective Subsidiary Entities have issued any unregistered securities in violation of the registration requirements of Section 5 of the Securities Act of 1933, (as amended from time to time, the "*Act*") or any other law, nor are they in violation of any rule, regulation or requirement under the Act, or the Securities Exchange Act of 1934, (as amended from time to time) other than violations which could not reasonably be expected to have a Material Adverse Effect. None of the Borrower Parties or the Macerich Core Entities is required to qualify an indenture under the Trust Indenture Act of 1939, (as amended from time to time) in connection with its execution and delivery of this Agreement or the incurrence of Indebtedness hereunder.

6.14 *Consents, Etc.* Except as disclosed in *Schedule 6.14*, no consent, approval or authorization of, or registration, declaration or filing with any Governmental Authority or any other Person is required on the part of the Borrower Parties or the Macerich Core Entities in connection with the Westcor Acquisition, the execution and delivery of the Loan Documents by the Borrower Parties, or the performance of or compliance with the terms, provisions and conditions thereof by such Persons, other than those that have been obtained or will be obtained by the legally required time.

6.15 *Hazardous Materials.* The Borrower Parties and the Macerich Core Entities have caused Phase I and the other environmental assessments as set forth in *Schedule 6.15* to be conducted or have taken other steps to investigate the past and present environmental condition and use of their regional Retail Properties (as used in this *Section 6.15* and *Section 7.9*, the "*Designated Environmental Properties*"). Based on such investigation, except as otherwise disclosed on *Schedule 6.15*, to the best knowledge of the Borrower Parties: (1) no Hazardous Materials have been discharged, disposed of, or otherwise released on, under, or from the Designated Environmental Properties so as to be reasonably expected to result in a violation of Hazardous Materials Laws and a material adverse effect to such Designated Environmental Property or the owner thereof; (2) the owners of the Designated Environmental Properties have obtained all material environmental, health and safety permits and licenses necessary for their respective operations, and all such permits are in good standing and the holder of each such permit is currently in compliance with all terms and conditions of such permits, except to the extent the failure to obtain such permits or comply therewith is not reasonably expected to result in a Material Adverse Effect or any material violation of Hazardous Materials Laws or in a material adverse effect to such Designated Environmental Property or the owner thereof; (3) none of the Designated Environmental Properties is listed or proposed for listing on the National Priorities List ("*NPL*") pursuant to CERCLA or on the Comprehensive Environmental Response Compensation Liability Information System List ("*CERCLIS*") or any similar applicable state list of sites requiring remedial action under any Hazardous Materials Laws; (4) none of the owners of the Designated Environmental Properties has sent or directly arranged for the transport of any hazardous waste to any site listed or proposed for listing on the NPL, CERCLIS or any similar state list; (5) there is not now on or in any Designated Environmental Property: (a) any landfill or surface impoundment; (b) any underground storage tanks; (c) any asbestos-containing material; or (d) any polychlorinated biphenyls (PCB), which in the case of any of clauses (a) through (d) could reasonably result in a violation of any Hazardous Materials Laws and a material adverse effect to such Designated Environmental Property or the owner thereof; (6) no environmental Lien has attached to any Designated Environmental Properties; and (7) no other event has occurred with

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respect to the presence of Hazardous Materials on or under any of the Properties of the Borrower Parties or the Macerich Core Entities, which would reasonably be expected to result in a Material Adverse Effect. Notwithstanding the foregoing, on the Closing Date all of the representations set forth above shall be true and correct with respect to all Properties of the Borrower Parties and the Macerich Core Entities (and not only the Designated Environmental Properties).

6.16 *Regulated Entities.* None of the Borrower Parties or the Macerich Core Entities: (1) is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur Indebtedness, or (2) is a "foreign person" within the meaning of Section 1445 of the Code.

6.17 *Copyrights, Patents, Trademarks and Licenses, etc.* To the best knowledge of the Borrower Parties, the Borrower Parties and the Macerich Core Entities own or are licensed or otherwise have the right to use all of the patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other rights that are necessary for the operation of their respective businesses, without conflict with the rights of any other Person. To the best knowledge of the Borrower Parties, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Borrower Parties or the Macerich Core Entities infringes upon any rights held by any other Person, except for any infringements, individually or in the aggregate, which would not result, or be expected to result, in a Material Adverse Effect.

6.18 *REIT Status.* MAC: (1) is a REIT, (2) has not revoked its election to be a REIT, (3) has not engaged in any "prohibited transactions" as defined in Section 856(b)(6)(iii) of the Code (or any successor provision thereto), and (4) for its current "tax year" as defined in the Code is and for all prior tax years subsequent to its election to be a REIT has been entitled to a dividends paid deduction which meets the requirements of Section 857 of the Code.

6.19 *Insurance.* *Schedule 6.19* accurately sets forth as of the Closing Date all insurance policies currently in effect with respect to the respective Property and assets and business of the Borrower Parties and the Macerich Core Entities, specifying for each such policy, (i) the amount thereof, (ii) the general risks insured against thereby, (iii) the name of the insurer and each insured party thereunder, (iv) the policy or other identification number thereof, and (v) the expiration date thereof. Such insurance policies are currently in full force and effect, in compliance with the requirements of *Section 7.8* hereof.

6.20 *Full Disclosure.* None of the representations or warranties made by the Borrower Parties in the Loan Documents as of the date such representations and warranties are made or deemed made contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading.

6.21 *Indebtedness.* *Schedule 6.21* sets forth, as of June 30, 2002, all Indebtedness for borrowed money of each of the Borrower Parties and the Macerich Core Entities, and, except as set forth on such *Schedule 6.21*, there are no defaults in the payment of principal or interest on any such Indebtedness, and no payments thereunder have been deferred or extended beyond their stated maturity, and there has been no material change in the type or amount of such Indebtedness since June 30, 2002.

6.22 *Real Property.* Set forth on *Schedule 6.22* is a list, as of the date of this Agreement, of all of the Projects of the Borrower Parties and the Macerich Entities, indicating in each case whether the respective property is owned or ground leased by such Persons, the identity of the owner or lessee and the location of the respective property.

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6.23 *Brokers.* The Borrowers and MAC have not dealt with any broker or finder with respect to the transactions embodied in this Agreement and the other Loan Documents.

6.24 *No Default.* No Default or Potential Default has occurred and is continuing.

6.25 *Solvency.* On the Closing Date and after giving effect to each Borrowing and each issuance, amendment, renewal or extension of any Letter of Credit, each Borrower Party is and shall be Solvent.

ARTICLE 7. *Affirmative Covenants.* As an inducement to the Administrative Agent, the Issuing Lender and each Lender to enter into this Agreement, each of the Borrower Parties, collectively and severally, hereby covenants and agrees with the Administrative Agent, the Issuing Lender and each Lender that, as long as any Obligations remain unpaid:

7.1 *Financial Statements.* The Borrower Parties shall maintain, for themselves, and shall cause each of the Macerich Core Entities to maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of consolidated financial statements in conformity with GAAP. Each of the financial statements and reports described below shall be prepared from such system and records and in form reasonably satisfactory to the Administrative Agent, and shall be provided to Administrative Agent:

(1) As soon as practicable, and in any event within ninety (90) days after the close of each fiscal year of MAC, the consolidated balance sheet of MAC and its Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, stockholders' equity and cash flow of MAC and its Subsidiaries for such fiscal year, setting forth in each case in comparative form the consolidated or combined figures, as the case may be, for the previous fiscal year, all in reasonable detail and accompanied by a report thereon of PricewaterhouseCoopers or other independent certified public accountants of recognized national standing selected by the Borrowers and reasonably satisfactory to the Administrative Agent, which report shall be unqualified (except for qualifications that the Required Lenders do not, in their discretion, consider material) and shall state that such consolidated financial statements fairly present the financial position of MAC and its Subsidiaries as at the date indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP (except as otherwise stated therein) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(2) As soon as practicable, and in any event within fifty (50) days after the close of each of the first three fiscal quarters of each fiscal year of MAC, for MAC and its Subsidiaries, unaudited balance sheets as at the close of each such period and the related combined statements of income and cash flow of MAC and its Subsidiaries for such quarter and the portion of the fiscal year ended at the end of such quarter, setting forth in each case in comparative form the consolidated or combined figures, as the case may be, for the corresponding periods of the prior fiscal year, all in reasonable detail and in conformity with GAAP (except as otherwise stated therein), together with a representation by a Responsible Financial Officer, as of the date of such financial statements, that such financial statements have been prepared in accordance with GAAP (provided, however, that such financial statements may not include all of the information and footnotes required by GAAP for complete financial

information) and reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the financial information contained therein;

(3) Together with each delivery of any quarterly or annual report pursuant to paragraphs (1) through (2) of this *Section 7.1*, MAC shall deliver a Compliance Certificate signed by MAC's Responsible Financial Officer representing and certifying (1) that the Responsible

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Financial Officer signatory thereto has reviewed the terms of the Loan Documents, and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and consolidated financial condition of MAC and its Subsidiaries, during the fiscal quarter covered by such reports, that such review has not disclosed the existence during or at the end of such fiscal quarter, and that such officer does not have knowledge of the existence as at the date of such Compliance Certificate, of any condition or event which constitutes an Event of Default or Potential Default or mandatory prepayment event, or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Borrowers, MAC or their Subsidiaries has taken, is taking and proposes to take with respect thereto, (2) the calculations (with such specificity as the Administrative Agent may reasonably request) for the period then ended which demonstrate compliance with the covenants and financial ratios set forth in *Article 8*, (3) a schedule of Total Liabilities in respect of borrowed money in the level of detail disclosed in MAC's Form 10-Q filings with the Securities and Exchange Commission, as well as such other information regarding such Indebtedness as may be reasonably requested by the Administrative Agent, and (4) a schedule of EBITDA.

(4) To the extent not otherwise delivered pursuant to this *Section 7.1*, copies of all financial statements and financial information delivered by the Borrowers, MAC and the Westcor Principal Entities (or, upon Administrative Agent's request, any Subsidiaries of such Persons) from time to time to the holders of any Indebtedness for borrowed money of such Persons; and

(5) Copies of all proxy statements, financial statements, and reports which the Borrowers or MAC send to their respective stockholders or limited partners, and copies of all regular, periodic and special reports, and all registration statements under the Act which the Borrowers or MAC file with the Securities and Exchange Commission or any Governmental Authority which may be substituted therefor, or with any national securities exchange; provided, however, that there shall not be required to be delivered hereunder such copies for any Lender of prospectuses relating to future series of offerings under registration statements filed under Rule 415 under the Act or other items which such Lender has indicated in writing to the Borrowers or MAC from time to time need not be delivered to such Lender.

(6) Notwithstanding the foregoing, it is understood and agreed that to the extent MAC files documents with the Securities and Exchange Commission and such documents contain the same information as required by subsections (1), (2), (3) (only with respect to subclause (3)), (4) and (5) above, MAC may deliver copies, which copies may be delivered electronically, of such forms with respect to the relevant time periods in lieu of the deliveries specified in such clauses.

*7.2 Certificates; Reports; Other Information.* The Borrower Parties shall furnish or cause to be furnished to the Administrative Agent, the Issuing Lender and each of the Lenders directly:

(1) From time to time upon reasonable request by the Administrative Agent, a rent roll, tenant sales report and income statement with respect to any Project;

(2) As soon as practicable and in any event by January 1st of each calendar year, the Borrower Parties shall deliver to the Administrative Agent (i) a report in form and substance reasonably satisfactory to the Administrative Agent outlining all insurance coverage maintained as of the date of such report by the Borrower Parties and the Macerich Core Entities and the duration of such coverage and (ii) evidence that all premiums with respect to such coverage have been paid when due.

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(3) Promptly, such additional financial and other information, including, without limitation, information regarding the Borrower Parties, the Macerich Core Entities, any of such entities' assets and Properties and the Westcor Acquisition as Administrative Agent or any Lender may from time to time reasonably request, including, without limitation, such information as is necessary for any Lender to participate out any of its interests in the Obligations.

*7.3 Maintenance of Existence and Properties.* The Borrower Parties shall, and shall cause each of the Macerich Core Entities to, at all times: (1) maintain its corporate existence or existence as a limited partnership or limited liability company, as applicable; provided that a Macerich Core Entity (other than the Borrowers, MAC, or the Westcor Principal Entities) (A) may change its form of organization from one type of legal entity to another to the extent otherwise permitted in this Agreement; (B) may effect a dissolution if such actions are taken subsequent to a Disposition of substantially all of its assets as otherwise permitted under this Agreement (including *Section 8.4*); and (C) may merge or consolidate with any Person as otherwise not prohibited by this Agreement (including *Section 8.3*); (2) maintain in full force and effect all rights, privileges, licenses, approvals, franchises, Properties and assets material to the conduct of its business; (3) remain qualified to do business and maintain its good standing in each jurisdiction in which failure to be so qualified and in good standing will have a Material Adverse Effect; and (4) not permit, commit or suffer any waste or abandonment of any Project that will have a Material Adverse Effect.

*7.4 Inspection of Property; Books and Records; Discussions.* The Borrower Parties shall, and shall cause each of the Macerich Core Entities, to keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all material Requirements of Law shall be made of all dealings and transactions in relation to its business and activities, and shall permit representatives of the Administrative Agent, the Issuing Lender or any Lender to visit and inspect any of its properties and examine and make copies or abstracts from any of its books and records at any reasonable time during normal business hours and as often as may reasonably be desired by the Administrative Agent, the Issuing Lender or any Lender, and to discuss the business, operations, properties and financial and other condition of Borrower Parties and the Macerich Core Entities with officers and

employees of such Persons, and with their independent certified public accountants (provided that representatives of such Persons may be present at and participate in any such discussion).

7.5 *Notices.* The Borrowers shall promptly, but in any event within five Business Days after obtaining knowledge thereof, give written notice to the Administrative Agent, the Issuing Lender and each Lender directly of:

- (1) The occurrence of any Potential Default or Event of Default and what action the Borrowers have taken, are taking, or are proposing to take in response thereto;
- (2) The institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration against or affecting the Borrower Parties or the Macerich Core Entities and not previously disclosed, which action, suit, proceeding, governmental investigation or arbitration (i) exposes, or in the case of multiple actions, suits, proceedings, governmental investigations or arbitrations arising out of the same general allegations or circumstances expose, such Persons, in the Borrowers' reasonable judgment, to liability in an amount aggregating \$10,000,000 or more and is or are not covered by insurance, or (ii) seeks injunctive or other relief which, if obtained, may have a Material Adverse Effect providing such other information as may be reasonably available to enable Administrative Agent and its counsel to evaluate such matters. The Borrowers, upon request of the Administrative Agent,

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shall promptly give written notice of the status of any action, suit, proceeding, governmental investigation or arbitration.

- (3) Any labor dispute to which the Borrower Parties or any of the Macerich Core Entities may become a party (including, without limitation, any strikes, lockouts or other disputes relating to any Property of such Persons' and other facilities) which could result in a Material Adverse Effect.
- (4) The bankruptcy or cessation of operations of any tenant to which greater than 5% of either the Macerich Partnership's or MAC's share of consolidated minimum rent is attributable.
- (5) Any event not disclosed pursuant to *paragraphs (1) through (4)* above which could reasonably be expected to result in a Material Adverse Effect.

7.6 *Expenses.* The Borrowers shall pay all reasonable out-of-pocket expenses (including reasonable fees and disbursements of outside counsel): (1) of the Administrative Agent and JPMorgan Chase Bank incident to the preparation, negotiation and administration of the Loan Documents, including any proposed Modifications or waivers with respect thereto, the syndication of the Commitments (but such expenses shall not include any fees paid to the syndicate members), and the preservation and protection of the rights of the Lenders, the Issuing Lender and the Administrative Agent under the Loan Documents, and (2) of the Administrative Agent, the Issuing Lender and each of the Lenders incident to the enforcement of payment of the Obligations, whether by judicial proceedings or otherwise, including, without limitation, in connection with bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar proceedings involving any Borrower Party or a "workout" of the Obligations; provided that only one property inspection or site visit performed pursuant to *Section 7.4* shall be paid for by the Borrowers each year, unless a Potential Default or Event of Default has occurred and is continuing, in which case there shall be no limit to property inspections or site visits performed pursuant to *Section 7.4*, and the Borrowers shall pay the costs associated with each such inspection and visit performed during such periods. The obligations of the Borrowers under this *Section 7.6* shall survive payment of all other Obligations.

7.7 *Payment of Indemnified Taxes and Other Taxes and Charges.* The Borrower Parties shall, and shall cause each of the Macerich Core Entities to, file all tax returns required to be filed in any jurisdiction and, if applicable, and except with respect to taxes subject to any Good Faith Contest, pay and discharge all Indemnified Taxes and Other Taxes imposed upon it or any of its Properties or in respect of any of its franchises, business, income or property before any material penalty shall be incurred with respect to such Indemnified Taxes and Other Taxes.

7.8 *Insurance.* The Borrower Parties shall, and shall cause each of the Macerich Core Entities, to maintain, to the extent commercially available, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks (including, without limitation, fire, extended coverage, vandalism, malicious mischief, flood, earthquake, public liability, product liability, business interruption and terrorism) as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower Parties or the Macerich Core Entities engage in business or own properties.

7.9 *Hazardous Materials.* The Borrower Parties shall, and shall cause each of the Macerich Core Entities to, do the following:

- (1) Keep and maintain all Designated Environmental Properties in material compliance with any Hazardous Materials Laws unless the failure to so comply would not be reasonably expected to result in a material adverse effect to such Designated Environmental Property or the owner thereof.

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(2) Promptly cause the removal of any Hazardous Materials discharged, disposed of, or otherwise released in, on or under any Designated Environmental Properties that are in violation of any Hazardous Materials Laws and which would be reasonably expected to result in a material adverse effect to such Designated Environmental Property or the owner thereof, and cause any remediation required by any Hazardous Material Laws or Governmental Authority to be performed, though no such action shall be required if any action is subject to a good faith contest. In the course of carrying out such actions, the Borrowers shall provide the Administrative Agent with such periodic information and notices regarding the status of investigation, removal, and remediation, as the Administrative Agent may reasonably require.

(3) Promptly advise the Administrative Agent, the Issuing Lender and each Lender in writing of any of the following: (i) any Hazardous Material Claims known to Borrowers which would be reasonably expected to result in a material adverse effect to an Environmental Property or the owner thereof; (ii) the receipt of any notice of any alleged violation of Hazardous Materials Laws with respect to an Environmental Property

(and the Borrowers shall promptly provide the Administrative Agent, the Issuing Lender and Lenders with a copy of such notice of violation), provided that such alleged violation, if true (and if any release of the Hazardous Materials alleged therein were not promptly remediated), would result in a breach of subsections (1) or (2) above; and (iii) the discovery of any occurrence or condition on any Designated Environmental Properties that could cause such Designated Environmental Properties or any part thereof to be in violation of clauses (1) or, if not promptly remediated, (2) above. If the Administrative Agent, the Issuing Lender and/or any Lender shall be joined in any legal proceedings or actions initiated in connection with any Hazardous Materials Claims, each Borrower Party shall indemnify, defend, and hold harmless such Person with respect to any liabilities and out-of-pocket expenses arising with respect thereto, including reasonable attorneys' fees and disbursements.

(4) Comply with each of the covenants set forth in subsections (1), (2) and (3) of this *Section 7.9* with respect to all other Properties of the Borrowers and Macerich Core Entities unless the failure to so comply would not reasonably be expected to result in a Material Adverse Effect.

7.10 *Compliance with Laws and Contractual Obligations; Payment of Taxes.* The Borrower Parties shall, and shall cause each of the Macerich Core Entities to: (1) comply, in all material respects, with all material Requirements of Law of any Governmental Authority having jurisdiction over it or its business, and (2) comply, in all material respects, with all material Contractual Obligations.

7.11 *Further Assurances.* The Borrower Parties shall, and shall cause each of their respective Subsidiaries to, promptly upon request by the Administrative Agent, the Issuing Lender or any Lender, do any acts or, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register, any and all such further deeds, conveyances, security agreements, mortgages, assignments, estoppel certificates, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances and other instruments the Administrative Agent, the Issuing Lender or such Lender, as the case may be, may reasonably require from time to time in order (i) to carry out more effectively the purposes of this Agreement or any other Loan Document, and (ii) to assure, convey, grant, assign, transfer, preserve, protect and confirm to the Administrative Agent, the Issuing Lender and Lenders the rights granted or now or hereafter intended to be granted to the Issuing Lender or Lenders under any Loan Document or under any other document executed in connection therewith.

7.12 *Single Purpose Entities.* The Westcor Borrowers shall maintain themselves as Single Purpose Entities.

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7.13 *REIT Status.* MAC shall maintain its status as a REIT and (i) all of the representations and warranties set forth in clauses (1), (2) and (4) of *Section 6.18* shall remain true and correct at all times and (ii) all of the representations and warranties set forth in clause (3) of *Section 6.18* shall remain true and correct in all material respects. MAC will do or cause to be done all things necessary to maintain the listing of its Capital Stock on the New York Stock Exchange, the American Stock Exchange or the Nasdaq National Market System (or any successor thereof), and the Macerich Partnership will do or cause to be done all things necessary to cause it to be treated as a partnership for purposes of federal income taxation and the tax laws of any state or locality in which the Macerich Partnership is subject to taxation based on its income.

7.14 *Use of Proceeds.* The proceeds of the Loans will be used (i) to re-finance the Existing Revolving Credit Facility, (ii) to be available for general corporate purposes, (iii) to remain available to refinance the Convertible Debentures, and (iv) to finance working capital needs.

7.15 *Subordination.*

(1) MAC, the Borrowers, and each Guarantor (each a "*Subordinated Creditor*") hereby absolutely and irrevocably subordinates, both in right of payment and in time of payment, (a) in the case of MAC, any and all present or future obligations and liabilities of the Borrowers or any Affiliate Guarantor to MAC, (b) in the case of any Affiliate Guarantor, any and all present or future obligations and liabilities of the Borrowers or any other Affiliate Guarantor to such Affiliate Guarantor and (c) in the case of the Borrowers, any and all present and future obligations and liabilities of MAC or any Affiliate Guarantor to the Borrowers (such obligations and liabilities referred to in clauses (a), (b) or (c) being "*Subordinated Debt*"), to the prior payment in full in cash of the Obligations or the obligations of such Person under the Guaranties, as applicable. Each Subordinated Creditor agrees to make no claim for, or receive payment with respect to, such Subordinated Debt until all Obligations and such obligations have been fully discharged in cash. Notwithstanding the foregoing, the Borrowers shall be entitled to declare and pay dividends or make distributions to equity holders with respect to their Capital Stock, as long as no Event of Default then exists, but subject to *Section 8.11*.

(2) All amounts and other assets that may from time to time be paid or distributed to or otherwise received by any Subordinated Creditor in respect of Subordinated Debt in violation of this *Section 7.15* shall be segregated and held in trust by the Subordinated Creditor for the benefit of the Lenders and Issuing Lender and promptly paid over to the Administrative Agent.

(3) Each Subordinated Creditor further agrees not to assign all or any part of the Subordinated Debt unless the Administrative Agent is given prior notice and such assignment is expressly made subject to the terms of this Agreement. If the Administrative Agent so requests, (a) all instruments evidencing the Subordinated Debt shall be duly endorsed and delivered to the Administrative Agent, (b) all security for the Subordinated Debt shall be duly assigned and delivered to Administrative Agent for the benefit of the Lenders and the Issuing Lender, (c) the Subordinated Debt shall be enforced, collected and held by the relevant Subordinated Creditor as trustee for the Lenders and the Issuing Lender and shall be paid over to the Administrative Agent for the benefit of the Lenders and the Issuing Lender on account of the Obligations, and (d) the Subordinated Creditors shall execute, file and record such documents and instruments and take such other action as the Administrative Agent deems necessary or appropriate to perfect, preserve and enforce the Lenders' and the Issuing Lender's rights in and to the Subordinated Debt and any security therefor. If any Subordinated Creditor fails to take any such action, the Administrative Agent, as attorney-in-fact for such Subordinated Creditor, is hereby authorized to do so in the name of

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the Subordinated Creditor. The foregoing power of attorney is coupled with an interest and cannot be revoked.

(4) In any bankruptcy or other proceeding in which the filing of claims is required by Requirements of Law, each Subordinated Creditor shall file all claims relating to the Subordinated Debt that the Subordinated Creditor may have against the obligor thereunder and shall assign to the Administrative Agent, for the benefit of the Lenders and the Issuing Lender, all rights relating to the Subordinated Debt thereunder. If any Subordinated Creditor does not file any such claim, the Administrative Agent, as attorney-in-fact for the Subordinated Creditor, is hereby authorized to do so in the name of the Subordinated Creditor or, in the Administrative Agent's discretion, to assign the claim to a nominee and to cause proof of claim to be filed in the name of the Administrative Agent or the Administrative Agent's nominee. The foregoing power of attorney is coupled with an interest and cannot be revoked. The Administrative Agent or its nominee shall have the right, in its reasonable discretion, to accept or reject any plan proposed in such proceeding and to take any other action which a party filing a claim is entitled to do. In all such cases, whether in administration, bankruptcy or otherwise, the Person or Persons authorized to pay such claim shall pay to the Administrative Agent for the benefit of the Lenders and the Issuing Lender the amount payable on such claim and, to the full extent necessary for that purpose, each Subordinated Creditor hereby assigns to the Administrative Agent for the benefit of the Lenders and the Issuing Lender all of the Subordinated Creditor's rights to any such payments or distributions; provided, however, the Subordinated Creditor's obligations hereunder shall not be satisfied except to the extent that the Administrative Agent receives cash by reason of any such payment or distribution.

(5) Each of the Subordinated Creditors hereby agrees that the Administrative Agent, the Issuing Lender and the Lenders may at any time in their discretion renew or extend the time of payment of the Obligations or exercise, fail to exercise, waive or amend any other of their rights under this Agreement, any Loan Document or any instrument evidencing or securing or delivered in connection therewith, and in reference thereto may make and enter into such agreements as to them may seem proper or desirable, all without notice to or further assent from the Subordinated Creditors (except as otherwise expressly required pursuant to this Agreement), and any such action shall not in any manner impair or affect the subordination set forth in this *Section 7.15* or any of the Administrative Agent's, the Issuing Lender's or Lenders' rights hereunder. The Subordinated Creditors each hereby waive and agree not to assert against the Administrative Agent, the Issuing Lender or the Lenders any rights which a guarantor or surety could exercise with respect to any indebtedness of the Borrowers, MAC or an Affiliate Guarantor, but nothing in this *Section 7.15* shall constitute the Subordinated Creditors a guarantor or surety.

*7.16 Mandatory Prepayments under Term Loan Facility and Interim Facility.* The Borrowers shall comply in all respects with the mandatory principal prepayment provisions under each of (i) the Interim Facility as required pursuant to *Section 3.3* of the Interim Facility Credit Agreement (including any corresponding defined terms used therein), as such provisions and defined terms exist as of the Closing Date and (ii) the Term Loan Facility as required pursuant to *Section 3.3* of the Term Loan Credit Agreement (including any corresponding defined terms used therein), as such provisions and defined terms exist as of the Closing Date.

*7.17 Management of Projects.* All Wholly-Owned Projects shall be managed by Subsidiaries of MAC pursuant to Master Management Agreements or, with respect to Wholly-Owned Projects of Westcor, pursuant to agreements in place on the date hereof.

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ARTICLE 8. *Negative Covenants.* As an inducement to the Administrative Agent, the Issuing Lender and each Lender to enter into this Agreement, each of the Borrower Parties, jointly and severally, hereby covenants and agrees with the Administrative Agent, the Issuing Lender and each Lender that, as long as any Obligations remain unpaid:

8.1 *Liens.* The Borrower Parties shall not, and shall not permit any of the Macerich Core Entities to, create, incur, assume or suffer to exist, any Lien upon any of its Property except:

- (1) Liens that secure Secured Indebtedness otherwise permitted under this Agreement;
- (2) Permitted Encumbrances;
- (3) Other Liens which are the subject of a Good Faith Contest; and
- (4) Liens listed on *Schedule 8.1*.

Notwithstanding the foregoing, no Liens shall be permitted on the Capital Stock of any Borrower Party or Westcor Principal Entity, except Liens in favor of the Administrative Agent for the benefit of the Lenders as contemplated hereunder and under the Interim Facility Credit Agreement and Term Loan Credit Agreement.

8.2 *Indebtedness.* The Westcor Borrowers shall not incur any Indebtedness other than the Obligations and the Indebtedness under the Term Loan Facility Credit Agreement and the Interim Facility Credit Agreement. The other Borrower Parties may only incur, and permit the Macerich Core Entities to incur, (i) Indebtedness to the extent such Borrower Parties maintain compliance with the financial covenants set forth in *Sections 8.12* and *8.13* below; and (ii) Indebtedness under the Term Loan Facility Credit Agreement and the Interim Facility Credit Agreement.

8.3 *Fundamental Change.*

(1) None of MAC, the Borrowers, or the Westcor Principal Entities shall do any or all of the following: merge or consolidate with any Person, or sell, assign, lease or otherwise effect a Disposition, whether in one transaction or in a series of transactions, of all or substantially all of its Properties and assets, whether now owned or hereafter acquired, or enter into any agreement to do any of the foregoing.

(2) None of the Borrower Parties shall, nor shall they permit any Macerich Core Entities to, engage to any material extent in any business other than such Person's business as conducted on the date hereof and businesses which are substantially similar, related or incidental thereto or other additional businesses that would not have a Material Adverse Effect.

8.4 *Dispositions.* The Borrower Parties shall not permit any of the following to occur:

(1) Any Disposition by MAC of any of the Capital Stock of Macerich Partnership or any of the Westcor Borrowers; provided that the foregoing shall not prohibit Macerich Partnership from issuing partnership units as consideration for the acquisition of a Project otherwise permitted under this Agreement;

(2) Any Disposition by Macerich Partnership of any of the Capital Stock of any Westcor Borrower or Affiliate Guarantor; provided that a Disposition of an Affiliate Guarantor is permitted so long as the required prepayments are made pursuant to *Section 3.3* of the Interim Facility Credit Agreement and *Section 3.3* of the Term Loan Credit Agreement;

(3) Any Disposition by any Westcor Borrower of any of the Capital Stock of any Westcor Principal Entity; or

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(4) Any Disposition by any Borrower Party or its Subsidiary Entities of any of its respective Properties if such Disposition would cause the Borrower Parties to be in violation of any of (a) the covenants set forth in *Section 8.12* or *8.13*; (b) the mandatory prepayment requirements set forth in the Interim Facility Credit Agreement or the Term Loan Credit Agreement (as in effect on the Closing Date); or (c) the limitations on Investments set forth in *Section 8.5*.

8.5 *Investments.* The Borrower Parties shall not, and shall not permit any of the Macerich Core Entities to, directly or indirectly make any Investment, except that such Persons may make an Investment in the following, subject to the limitations set forth below:

| Permitted Investment  | Limitations   |
|---|---|
| Wholly-Owned Raw Land   | No Wholly-Owned Raw Land shall be acquired if the Aggregate Investment Value of such Wholly-Owned Raw Land, together with all Wholly-Owned Raw Land then owned by the Borrower Parties and their Subsidiary Entities, exceeds 5% of the Gross Asset Value   |
| Individual Projects   | No individual Project or Capital Stock in a Person owning an Individual Project shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Project exceeds 10% of the Gross Asset Value   |
| Portfolio of Projects   | Multiple Projects or Capital Stock in Persons owning multiple Projects shall not be acquired in a single transaction or series of related transactions without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Projects exceeds 25% of the Gross Asset Value |
| Capital Stock of Joint Ventures in which the Macerich Partnership, MAC or any Wholly-Owned Subsidiary is not a general partner or a managing member | No such Capital Stock shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Capital Stock and all other such Capital Stock then owned by the Borrower Parties and their Subsidiary Entities exceeds 5% of the Gross Asset Value          |

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|---|---|
| Capital Stock of Joint Ventures in which the Macerich Partnership, MAC or any Wholly-Owned Subsidiary is a general partner or a managing member | No such Capital Stock shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Capital Stock and all other such Capital Stock then owned by the Borrower Parties and their Subsidiary Entities exceeds 50% of Gross Asset Value |
| Real Property Under Construction  | The Aggregate Investment Value of all Real Property Under Construction shall not exceed 15% of the Gross Asset Value  |
| MAC's redemption of partnership units in Macerich Partnership in accordance with its Organizational Documents                                   | Unlimited   |
| First lien priority Mortgage Loans acquired by Macerich Partnership, MAC or any Wholly-Owned Subsidiary   | The Aggregate Investment Value of all such Mortgage Loans shall not exceed 10% of the Gross Asset Value   |
| Capital Stock of Management Companies   | The Aggregate Investment Value of such Capital Stock shall not exceed 5% of Gross Asset Value   |
| Cash and Cash Equivalents   | Unlimited   |
| Other Investments (exclusive of the other Permitted Investment categories set forth in this <i>Section 8.5</i> )                                | The Aggregate Investment Value of such other Investments shall not exceed 1% of Gross Asset Value   |

8.6 *Transactions with Partners and Affiliates.* The Borrower Parties shall not, and shall not permit any of the Macerich Core Entities to directly or indirectly enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with a holder or holders of more than five percent (5%) of any class of equity Securities of MAC, or with any Affiliate of MAC which is



not its Subsidiary (a "Transactional Affiliate"), except as set forth on *Schedule 8.6* and except upon fair and reasonable terms no less favorable to the Borrower Parties than would be obtained in a comparable arm's-length transaction with a Person not a Transactional Affiliate; provided that any management agreement substantially in the form of the Master Management Agreements shall be deemed to satisfy the criteria set forth in this *Section 8.6*.

8.7 *Margin Regulations; Securities Laws.* Neither the Borrowers nor any Macerich Core Entities shall use all or any portion of the proceeds of any credit extended under this Agreement to purchase or carry Margin Stock.

8.8 *Organizational Documents.*

(1) Without the prior written consent of Administrative Agent and the Required Lenders, the Borrower Parties shall not, and shall not permit the Westcor Principal Entities to, Modify any of the terms or provisions in the Organizational Documents delivered in

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connection with *Section 5.1(1)(J)*, except: (a) any Modifications necessary for Macerich Partnership or MAC to issue more Capital Stock (provided such issuance does not otherwise violate the terms of this Agreement); or (b) Modifications necessary to clarify existing provisions of such Organizational Documents; or (c) Modifications which would have no adverse, substantive effect on the rights or interests of the Lenders or the Issuing Lender in conjunction with the Loans or Letters of Credits or under the Loan Documents.

(2) Without the prior written consent of Administrative Agent, which shall not be unreasonably withheld, MAC and the Borrowers shall not, and shall not permit the Westcor Principal Entities to, Modify any of the terms or provisions in any of their respective Organizational Documents as in effect as of the Closing Date which would change in any material manner the rights and obligations of the parties to such Organizational Documents, except (a) any Modifications necessary for Macerich Partnership or MAC to issue more Capital Stock (provided such issuance does not otherwise violate the terms of this Agreement); or (b) any Modifications which would not have an adverse effect on the Borrower Parties or their Subsidiaries.

8.9 *Fiscal Year.* None of the Borrower Parties shall change its Fiscal Year for accounting or tax purposes from a period consisting of the 12-month period ending on December 31 of each calendar year.

8.10 *Senior Management.* The Macerich Partnership and MAC shall cause Art Coppola and either Ed Coppola or Thomas E. O'Hern to remain part of their senior management until the indefeasible payment in full of the Obligations. In the event of death, incapacitation, retirement, or dismissal of any of these individuals, Macerich Partnership and MAC shall have 180 calendar days thereafter in which to retain a senior management replacement reasonably acceptable to the Required Lenders.

8.11 *Distributions.* MAC and Macerich Partnership shall not make (i) Distributions in any fiscal year in excess of the sum of (x) 95% of FFO plus (y) any realized gain resulting from Dispositions in such fiscal year; provided, however, that in no event shall such realized gain exceed \$50 million during the first eighteen (18) Loan Months; (ii) Distributions to acquire the Capital Stock of MAC to the extent such Distributions, individually or in the aggregate, exceed \$75,000,000; (iii) Distributions during any period while an Event of Default under *Section 9.1* has occurred and is continuing as a result of Borrowers' failure to pay any principal or interest due under this Agreement; or (iv) Distributions during any period that any other material non-monetary Event of Default, has occurred and is continuing, unless after taking into account all available funds of MAC from all other sources, such Distributions are required in order to enable MAC to continue to qualify as a REIT.

8.12 *Financial Covenants of Borrower Parties.*

(1) **Minimum Tangible Net Worth.** As of the last day of any Fiscal Quarter, Tangible Net Worth shall not be less than the sum of (a) \$575,000,000, minus (b) 100% of the cumulative Depreciation and Amortization Expense deducted in determining Net Income for all fiscal quarters ending after March 31, 2002, plus (c) 90% of the cumulative net cash proceeds received from and the value of assets acquired (net of Indebtedness incurred or assumed in connection therewith) through the issuance of Capital Stock of MAC after March 31, 2002. For purposes of clause (c), "net" means net of underwriters' discounts, commissions and other reasonable out-of-pocket expenses of issuance actually paid to any Person (other than a Borrower Party or any Affiliate of a Borrower Party).

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(2) **Maximum Total Liabilities to Gross Asset Value.** The ratio of Total Liabilities to Gross Asset Value (expressed as a percentage) shall not be more than:

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|---|-------|
| At any time during the first six Loan Months (the "Six Month Period") | 70.0% |
| At any time after the Six Month Period                                | 65.0% |

Notwithstanding the foregoing, if, at the end of the Six Month Period, the Borrowers have delivered evidence reasonably satisfactory to the Administrative Agent demonstrating that the Borrower Parties or their Subsidiary Entities have entered into binding contracts which provide for the Disposition of Projects within three (3) months after the Six Month Period, and the consummation of such Dispositions would result in a 65% (or less) ratio of Total Liabilities to Gross Asset Value (expressed as a percentage), the Borrowers shall have until the end of such additional three month period to satisfy such 65% ratio.

(3) **Minimum Interest Coverage Ratio.** As of the last day of any Fiscal Quarter, the Interest Coverage Ratio shall not be less than 1.80.

(4) **Minimum Fixed Charge Coverage Ratio.** As of the last day of any Fiscal Quarter, the Fixed Charge Coverage Ratio shall not be less than 1.50.

(5) **Secured Debt to Gross Asset Value.** At any date, the Secured Indebtedness Ratio shall not exceed 55%; provided, however, if, at any date, the ratio of Total Liabilities to Gross Asset Value is less than 60%, then the Secured Indebtedness Ratio shall not exceed 60%.

(6) **Minimum Debt Yield.** The ratio of EBITDA (notwithstanding the definition of such term, with respect to any Westcor entity that has not achieved Stabilization, EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized) to Total Liabilities shall not be less than the ratios (expressed as a percentage) set forth below for the periods indicated below:

| Period   | Ratio |
|--|-------|
| From the Closing Date through the end of the sixth (6th) Loan Month  | 11.0% |
| From the first day of the seventh (7th) Loan Month to the last day of the twelfth (12th) Loan Month        | 11.5% |
| From the first day of the thirteenth (13th) Loan Month to the last day of the eighteenth (18th) Loan Month | 12.0% |
| From the first day of the nineteenth (19th) Loan Month and thereafter                                      | 12.5% |

(7) **Maximum Floating Rate Debt.** The Borrower Parties shall maintain Hedging Obligations on a notional amount of Total Liabilities in respect of borrowed Indebtedness so that such notional amount, when added to the aggregate principal amount of such Total Liabilities which bears interest at a fixed rate, equals or exceeds 75% of the aggregate principal amount of all such Total Liabilities.

#### 8.13 Financial Covenants of Westcor Borrowers.

(1) **Westcor Maximum Total Liabilities to Gross Asset Value.** The ratio of Westcor Total Liabilities to Westcor Gross Asset Value (expressed as a percentage) shall not at any time be more than 65%.

(2) **Westcor Interest Coverage Ratio.** As of the end of any Fiscal Quarter, the Westcor Interest Coverage Ratio shall not be less than 1.80.

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(3) **Minimum Net Asset Value.** The Westcor Net Asset Value shall not at any time be less than the sum of (a) \$600,000,000, less (b) 100% of the cumulative mandatory repayments made under the Term Loan Credit Agreement (pursuant to Section 3.3 thereof) and the Interim Facility Credit Agreement (pursuant to Section 3.3 thereof) in connection with a Financing or Disposition of a Westcor Asset.

#### ARTICLE 9. Events of Default. Upon the occurrence of any of the following events (an "Event of Default"):

9.1 The Borrowers shall fail to make any payment of principal or interest on the Loans or pay any reimbursement obligation in respect of any LC Disbursement on the date when due or shall fail to pay any other Obligation within three days of the date when due; or

9.2 Any representation or warranty made by the Borrower Parties in any Loan Document or in connection with any Loan Document shall be inaccurate or incomplete in any material respect on or as of the date made or deemed made; or

9.3 Any of the Borrower Parties shall default in the observance or performance of any covenant or agreement contained in Section 1.4(11), Article 8 or Sections 7.3(1), 7.5(1), 7.12, 7.13, 7.14, and 7.15; or

9.4 Any of the Borrower Parties shall fail to observe or perform any other term or provision contained in the Loan Documents and such failure shall continue for thirty (30) days following the date a Responsible Officer of such Borrower Party knew of such failure or Borrower Party received notice thereof from Administrative Agent; or

9.5 Any of the Borrower Parties, or any Macerich Core Entities, shall default in any payment of principal of or interest on any recourse Indebtedness (other than, in the case of the Borrowers, the Obligations) in an aggregate unpaid amount for all such Persons in excess of \$15,000,000, and, prior to the election of the Lenders to accelerate the Obligations hereunder, such recourse Indebtedness is not paid or the payment thereof waived or cured in accordance with the terms of the documents, instruments and agreements evidencing the same; or

9.6 Any of the Borrower Parties, or any of the Macerich Core Entities, shall default in any payment of principal of or interest on any non-recourse Indebtedness in an aggregate amount for all such Persons in excess of \$75,000,000, and, prior to the election of the Lenders to accelerate the Obligations hereunder, such non-recourse Indebtedness is not paid or the payment thereof waived or cured in accordance with the terms of the documents, instruments and agreements evidencing the same; or

9.7 (1) Any of the Borrower Parties, or any of the Macerich Core Entities, shall commence any case, proceeding or other action (i) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or making a general assignment for the benefit of its creditors; or (2) there shall be commenced against any of the Borrower Parties or any of the Macerich Core Entities any case, proceeding or other action of a nature referred to in clause (1) above which (i) results in the entry of an order for relief or any such adjudication or appointment, or (ii) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (3) there shall be commenced against any of the Borrower Parties or any of the Macerich Core Entities any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or substantially all of its assets which results in the entry of an order for any such relief which shall

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not have been vacated, discharged, stayed, satisfied or bonded pending appeal within sixty (60) days from the entry thereof; or (4) any of the Borrower Parties or any of the Macerich Core Entities shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in (other than

in connection with a final settlement), any of the acts set forth in clause (1), (2) or (3) above; or (5) any of the Borrower Parties or any of the Macerich Core Entities shall generally not, or shall be unable to, or shall admit in writing its inability to pay its debts as they become due; or

9.8 (1) An ERISA Event shall occur with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any of the Borrower Parties under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of \$20,000,000, (2) the commencement or increase of contributions to, or the adoption of or the amendment of a Pension Plan by any of the Borrower Parties or an ERISA Affiliate which has result or could reasonably be expected to result in an increase in Unfunded Pension Liability among all Pension Plans in an aggregate amount in excess of \$50,000,000 or (3) any of the Borrower Parties or an ERISA Affiliate shall fail to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan, which has resulted or could reasonably be expected to result in a Material Adverse Effect; or

9.9 One or more judgments or decrees in an aggregate amount in excess of \$10,000,000 (excluding judgments and decrees covered by insurance, without giving effect to self-insurance or deductibles) shall be entered and be outstanding at any date against any of the Borrower Parties or the Macerich Core Entities and all such judgments or decrees shall not have been vacated, discharged, stayed, satisfied or bonded pending appeal (or otherwise secured in a manner satisfactory to Administrative Agent in its reasonable judgment) within sixty (60) days from the entry thereof or in any event later than five days prior to the date of any proposed sale thereunder; or

9.10 Any Guarantor shall attempt to rescind or revoke its Guaranty, with respect to future transactions or otherwise, or shall fail to observe or perform any term or provision of the Guaranties; or

9.11 MAC shall fail to maintain its status as a REIT; or

9.12 There shall occur an Event of Default under either the Interim Facility or the Term Loan Facility; or

9.13 Any Event of Default shall occur under any of the other Loan Documents; or

9.14 There shall occur a Change in Control;

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automatically upon the occurrence of an Event of Default under *Section 9.7* above, and in all other cases: (i) at the option of the Administrative Agent (or at the request or with the consent of the Required Lenders), the Commitments shall terminate; (ii) at the request or with the consent of the Majority Benefited Creditors: (A) the Collateral Agent may (or at the direction of the Majority Benefited Creditors shall) exercise, on behalf of the Benefited Creditors, all rights and remedies under the Guaranties, the Pledge Agreements, and any other collateral documents entered into with respect to the Loans; (B) the outstanding principal balance of the Loans and interest accrued but unpaid thereon and all other Obligations shall become immediately due and payable, without demand upon or presentment to any of the Borrower Parties, which are expressly waived by the Borrower Parties, and (C) the Collateral Agent may (or at the direction of the Majority Benefited Creditors, shall) and to the extent applicable, the Administrative Agent and the Lenders may,

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immediately exercise all rights, powers and remedies available to them at law, in equity or otherwise, including, without limitation, under the other Loan Documents, all of which rights, powers and remedies are cumulative and not exclusive.

#### ARTICLE 10. *The Agents.*

10.1 *Appointment.* Each of the Lenders and the Issuing Lender hereby irrevocably designates and appoints the Administrative Agent and the Collateral Agent as the agents of such Lender and the Issuing Lender under the Loan Documents and each of the Lenders and the Issuing Lender hereby irrevocably authorizes the Administrative Agent and the Collateral Agent, as the agents for such Lender and the Issuing Lender, to take such action on its behalf under the provisions of the Loan Documents and to exercise such powers and perform such duties as are expressly delegated to each such Agent by the terms of the Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in the Loan Documents, neither the Administrative Agent nor the Collateral Agent shall have any duties or responsibilities, except those expressly set forth herein or therein, or any fiduciary relationship with any Lender or the Issuing Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Loan Documents or otherwise exist against any of the Agents. The Administrative Agent, the Issuing Lender, and each Lender acknowledge and agree that they shall be bound by all terms and conditions of the Pledge Agreements and the Guaranties.

10.2 *Delegation of Duties.* The Administrative Agent and the Collateral Agent may execute any of their respective duties under the Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither the Administrative Agent nor the Collateral Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

10.3 *Exculpatory Provisions.* None of the Administrative Agent, the other Agents, nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (1) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Loan Documents (except for its or such Person's own gross negligence or willful misconduct), or (2) responsible in any manner to any of the Lenders or the Issuing Lender for any recitals, statements, representations or warranties made by the Borrower Parties or any officer thereof contained in the Loan Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent or the Collateral Agent under or in connection with the Loan Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of the Loan Documents or for any failure of the Borrower Parties to perform their obligations hereunder. The Administrative Agent and all other Agents shall not be under any obligation to any Lender or the Issuing Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, the Loan Documents or to inspect the properties, books or records of the Borrower Parties.

10.4 *Reliance by the Agents.* Each of the Agents shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certification, affidavit, letter, cablegram, telegram, teletype message, statement, order or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrowers), independent accountants and other experts selected by such Agent. As to the

Lenders and the Issuing Lender: (1) the Administrative Agent shall be fully justified in failing or refusing to take any action under the Loan Documents unless it shall first receive such advice or concurrence of one hundred percent (100%) of the Lenders and the Issuing Lender (or, if a provision of this Agreement expressly

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provides that a lesser number of the Lenders may direct the action of the Administrative Agent, such lesser number of Lenders) or it shall first be indemnified to its satisfaction by the Lenders and the Issuing Lender ratably in accordance with their respective Applicable Percentage Shares against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any action (except for liabilities and expenses resulting from the Administrative Agent's gross negligence or willful misconduct), (2) the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance with a request of one hundred percent (100%) of the Lenders and the Issuing Lender (or, if a provision of this Agreement expressly provides that the Administrative Agent shall be required to act or refrain from acting at the request of a lesser number of the Lenders, such lesser number of Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders, and the Issuing Lender, (3) the Collateral Agent shall be fully justified in failing or refusing to take any action under the Loan Documents unless it shall first receive such advice or concurrence of the Required Benefited Creditors (or, if a provision of this Agreement or the Loan Documents expressly provides that the Collateral Agent shall be required to act or refrain from acting at the request of the Majority Benefited Creditors or a lesser number of the Benefited Creditors, such Majority Benefited Creditors or lesser number of Benefited Creditors) or it shall first be indemnified to its satisfaction by the Benefited Creditors against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any action (except for liabilities and expenses resulting from the Collateral Agent's gross negligence or willful misconduct), and (4) the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance with a request of the Required Benefited Creditors (or, if a provision of this Agreement or the Loan Documents expressly provides that the Collateral Agent shall be required to act or refrain from acting at the request of the Majority Benefited Creditors or a lesser number of the Benefited Creditors, such Majority Benefited Creditors or lesser number of Benefited Creditors), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

**10.5 Notice of Default.** The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Potential Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender and the Issuing Lender or the Borrowers referring to the Loan Documents, describing such Potential Default or Event of Default and stating that such notice is a "notice of default." In the event that the Administrative Agent receives such a notice and a Potential Default has occurred, the Administrative Agent shall promptly give notice thereof to the Collateral Agent and the Lenders. The Collateral Agent shall take such action with respect to such Potential Default or Event of Default as shall be reasonably directed by the Majority Benefited Creditors; provided that, unless and until the Collateral Agent shall have received such directions, the Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Potential Default or Event of Default as it shall deem advisable in the best interest of the Benefited Creditors (except to the extent that this Agreement, the Pledge Agreements or the Guaranties expressly require that such action be taken or not taken by the Collateral Agent with the consent or upon the authorization of the Required Benefited Creditors or such other group of Lenders or Benefited Creditors, in which case such action will be taken or not taken as directed by the Required Benefited Creditors or such other group of Lenders or Benefited Creditors).

**10.6 Non-Reliance on Agents and Other Lenders.** Each of the Lenders and the Issuing Lender expressly acknowledges that none of the Administrative Agent, the other Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the other Agents hereinafter taken, including any review of the affairs of the Borrowers, shall be deemed to constitute any representation or warranty by the Administrative Agent or the other Agents to any

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Lender or the Issuing Lender. Each of the Lenders and the Issuing Lender represents to the Administrative Agent and the other Agents that it has, independently and without reliance upon the Administrative Agent, the other Agents or any other Lender or the Issuing Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower Parties and made its own decision to make its loans hereunder and enter into this Agreement. Each Lender and the Issuing Lender also represents that it will, independently and without reliance upon the Administrative Agent, the other Agents or any other Lender or the Issuing Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrowers. Except for notices, reports and other documents expressly required to be furnished to the Lenders and the Issuing Lender by the Administrative Agent hereunder, the Administrative Agent, the other Agents shall not have any duty or responsibility to provide any Lender or the Issuing Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrowers or other Borrower Parties which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

**10.7 Indemnification.** The Lenders and the Issuing Lender agree to indemnify the Administrative Agent and the other Agents in their respective capacity as such (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so), ratably according to its Applicable Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including without limitation at any time following the payment of the Obligations) be imposed on, incurred by or asserted against the Administrative Agent or the other Agents in any way relating to or arising out of the Loan Documents or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Administrative Agent or the other Agents under or in connection with any of the foregoing; provided that no Lender, nor the Issuing Lender, shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or any other Agent's gross negligence or willful misconduct, respectively. The provisions of this Section 10.7 shall survive the indefeasible payment of the Obligations, the Commitment Termination Date and the termination of this Agreement.

**10.8 Agents in Their Individual Capacity.** The Administrative Agent, the other Agents and their affiliates may make loans to, accept deposits from and generally engage in any kind of business with any of the Borrower Parties or any of their respective Subsidiaries Entities and Affiliates as though the Administrative Agent and the other Agents were not, respectively, the Administrative Agent, a Co-Syndication Agent, a Collateral Agent or an

Agent hereunder. With respect to such loans made or renewed by them and any Note issued to them, the Administrative Agent and the other Agents shall have the same rights and powers under the Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, a Co-Syndication Agent or an Agent, respectively, and the terms "Lender" and "Lenders" shall include the Administrative Agent, each Co-Syndication Agent and each other Agent in its individual capacity.

10.9 *Successor Administrative Agent.* The Administrative Agent may resign as Administrative Agent under the Loan Documents upon thirty (30) days' notice to the Lenders. If the Administrative Agent shall resign, then the Lenders and the Issuing Lender (other than the

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Lender resigning as Administrative Agent) shall (with, so long as there shall not exist and be continuing an Event of Default, the consent of the Borrowers, such consent not to be unreasonably withheld or delayed) appoint a successor agent or, if the Lenders and the Issuing Lender are unable to agree on the appointment of a successor agent, the Administrative Agent shall appoint a successor agent for the Lenders and the Issuing Lender whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon its appointment, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any of the Loan Documents or successors thereto. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of the Loan Documents shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under the Loan Documents.

10.10 *Successor Collateral Agent.* The Collateral Agent may resign as Collateral Agent under the Loan Documents upon thirty (30) days' notice to the Lenders. If the Collateral Agent shall resign, then the Required Benefited Creditors (as determined by excluding the Benefited Creditor resigning as Collateral Agent) shall (with, so long as there shall not exist and be continuing an Event of Default, the consent of the Borrowers, such consent not to be unreasonably withheld or delayed) appoint a successor agent or, if such Required Benefited Creditors are unable to agree on the appointment of a successor agent, the Collateral Agent shall appoint a successor agent for the Lenders, the Issuing Lender and the other Benefited Creditors whereupon such successor agent shall succeed to the rights, powers and duties of the Collateral Agent, and the term "Collateral Agent" shall mean such successor agent effective upon its appointment, and the former Collateral Agent's rights, powers and duties as Collateral Agent shall be terminated, without any other or further act or deed on the part of such former Collateral Agent or any of the parties to this Agreement or any of the Loan Documents or successors thereto. After any retiring Collateral Agent's resignation hereunder as Collateral Agent, the provisions of the Loan Documents shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under the Loan Documents.

10.11 *Limitations on Agents Liability.* None of the Co-Syndication Agents, the Co-Documentation Agent, the Senior Managing Agents, or the Co-Lead Arrangers, in such capacities, shall have any right, power, obligation, liability, responsibility or duty under this Agreement.

#### ARTICLE 11. *Miscellaneous Provisions.*

11.1 *No Assignment by Borrowers.* None of the Borrower Parties may assign its rights or obligations under this Agreement or the other Loan Documents without the prior written consent of the Administrative Agent and one hundred percent (100%) of the Lenders and the Issuing Lender. Subject to the foregoing, all provisions contained in this Agreement and the other Loan Documents and in any document or agreement referred to herein or therein or relating hereto or thereto shall inure to the benefit of the Administrative Agent, the Issuing Lender and each Lender, their respective successors and assigns, and shall be binding upon each of the Borrower Parties and such Person's successors and assigns.

11.2 *Modification.* Neither this Agreement nor any other Loan Document may be Modified or waived unless such Modification or waiver is in writing and signed by the Administrative Agent, the Guarantors, the Borrowers and, except for the Modifications and waivers referred to in clauses (i) and (ii) below, the Required Lenders. Notwithstanding the foregoing, no such Modification or waiver shall: (i) without the prior written consent of the Required Benefited Creditors: (1) Modify or waive: any mandatory payment requirement of *Section 3.3*; *Section 3.4*; *Section 7.16*; any

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covenant in *Article 8*; or the last paragraph of *Article 9*; (2) increase the applicable rate of interest payable hereunder; (3) Modify the definition of "Required Benefited Creditors", "Majority Benefited Creditors" or "Benefited Creditors"; or (4) Modify this clause (i) of this *Section 11.2* or *Section 7* of the Pledge Agreements (and any definitions therein related solely to the application of such Section); and (ii) without the prior written consent of one hundred percent (100%) of the Lenders and the Issuing Lender: (1) reduce the principal of, or rate of interest on, any Loan or any LC Disbursement or fees payable hereunder, (2) except as expressly contemplated by *Section 11.8* below, modify the Commitment of any Lender or the Issuing Lender, (3) Modify the definition of "Required Lenders", (4) extend or waive any scheduled payment date for any principal, interest or fees, (5) release MAC from its obligations under the REIT Guaranty, release the Macerich Partnership from its obligation to repay the Loans and LC Disbursements hereunder, release any of the pledgors under the Pledge Agreements or release any portion of the collateral pledged under the Pledge Agreements (except for such releases as may be specifically authorized by or otherwise approved in accordance with this Credit Agreement), (6) Modify this *Section 11.2* (except that clause (i) above shall govern Modifications to such clause (i) of this *Section 11.2*), or (7) Modify any provision of the Loan Documents which by its terms requires the consent or approval of one hundred percent (100%) of the Lenders and the Issuing Lender. It is expressly agreed and understood that the failure by the Majority Benefited Creditors or the Required Lenders, as applicable, to elect to accelerate amounts outstanding hereunder and/or to terminate the Commitments of the Lenders and the Issuing Lender hereunder shall not constitute a Modification or waiver of any term or provision of this Agreement. No Modification of any provision of the Loan Documents relating to the Administrative Agent or the Collateral Agent shall be effective without the written consent, as applicable, of the Administrative Agent or the Collateral Agent.

11.3 *Cumulative Rights; No Waiver.* The rights, powers and remedies of the Administrative Agent, the Issuing Lender and the Lenders hereunder and under the other Loan Documents are cumulative and in addition to all rights, power and remedies provided under any and all agreements among the Borrower Parties, the Administrative Agent, the Issuing Lender and the Lenders relating hereto, at law, in equity or otherwise. Any delay or failure by Administrative Agent, the Issuing Lender and the Lenders to exercise any right, power or remedy shall not constitute a waiver thereof by the

Administrative Agent, the Issuing Lender or the Lenders, and no single or partial exercise by the Administrative Agent, the Issuing Lender or the Lenders of any right, power or remedy shall preclude other or further exercise thereof or any exercise of any other rights, powers or remedies.

11.4 *Entire Agreement.* This Agreement, the other Loan Documents and the schedules, appendices, documents and agreements referred to herein and therein embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof and thereof.

11.5 *Survival.* All representations, warranties, covenants and agreements contained in this Agreement and the other Loan Documents on the part of the Borrower Parties shall survive the termination of this Agreement and shall be effective until the Obligations are paid and performed in full or longer as expressly provided herein.

11.6 *Notices.* All notices given by any party to the others under this Agreement and the other Loan Documents shall be in writing unless otherwise provided for herein, and any such notice shall become effective (i) upon personal delivery thereof, including, but not limited to, delivery by overnight mail and courier service, (ii) four (4) days after it shall have been mailed by United States mail, first class, certified or registered, with postage prepaid, or (iii) in the case of notice by a telecommunications device, when properly transmitted, in each case addressed to the party at the address set forth on *Schedule 11.6* attached hereto. Any party may change the address

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to which notices are to be sent by notice of such change to each other party given as provided herein. Such notices shall be effective on the date received or, if mailed, on the third Business Day following the date mailed.

11.7 *Governing Law.* This Agreement and the other Loan Documents shall be governed by and construed in accordance with the laws of the State of New York without giving effect to its choice of law rules.

11.8 *Assignments, Participations, Etc.*

(1) With the prior written consent of the Administrative Agent and, but only if there has not occurred and is continuing an Event of Default or Potential Default, MAC, such consents not to be unreasonably withheld or delayed, any Lender may at any time assign and delegate to one or more Eligible Assignees (provided that no written consent of MAC or the Administrative Agent shall be required in connection with any assignment and delegation by a Lender to an Affiliate of such Lender or to another Lender or its Affiliate) (each an "Assignee") all or any part of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) and the other Obligations held by such Lender hereunder, in a minimum amount of \$5 million (or (A) if such Assignee is another Lender or an Affiliate of a Lender, \$1 million; and (B) if such Lender's Commitment is less than \$5 million, one hundred percent (100%) thereof); provided, however, that MAC, the Borrowers, the Issuing Lender and the Administrative Agent may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrowers, the Issuing Lender and the Administrative Agent by such Lender and the Assignee; (ii) such Lender and its Assignee shall have delivered to the Borrowers and the Administrative Agent an Assignment and Acceptance Agreement and (iii) the Assignee has paid to the Administrative Agent a processing fee in the amount of \$3500.

(A) From and after the date that the Administrative Agent notifies the assignor Lender and the Borrowers that it has received an executed Assignment and Acceptance Agreement and payment of the above-referenced processing fee: (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned to it pursuant to such Assignment and Acceptance Agreement, shall have the rights and obligations of a Lender under the Loan Documents, (ii) the assignor Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance Agreement, relinquish its rights and be released from its obligations under the Loan Documents (but shall be entitled to indemnification as otherwise provided in this Agreement with respect to any events occurring prior to the assignment) and (iii) this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Commitments resulting therefrom.

(2) Within five Business Days after its receipt of notice by the Administrative Agent that it has received an executed Assignment and Acceptance Agreement and payment of the processing fee (which notice shall also be sent by the Administrative Agent to each Lender), the Borrowers shall, if requested by the Assignee, execute and deliver to the Administrative Agent, a new Note evidencing such Assignee's Applicable Percentage of the Commitments.

(3) Any Lender may at any time sell to one or more commercial banks or other Persons not Affiliates of the Borrowers (a "Participant") participating interests in all or any portion of its rights and obligations under this Agreement and the other Loan Documents (including all

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or a portion of its Commitments and the Loans owing to it) (the "originating Lender"); provided, however, that (i) the originating Lender's obligations under this Agreement shall remain unchanged, (ii) the originating Lender shall remain solely responsible for the performance of such obligations, and (iii) the Borrowers, the Issuing Lender and the Administrative Agent shall continue to deal solely and directly with the originating Lender in connection with the originating Lender's rights and obligations under this Agreement and the other Loan Documents. In the case of any such participation, the Participant shall be entitled to the benefit of *Sections 2.5, 2.6 and 2.7* (and subject to the burdens of *Sections 2.8 and 11.8* above) as though it were also a Lender thereunder, and if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, and *Section 11.10* of this Agreement shall apply to such Participant as if it were a Lender party hereto.

(4) Notwithstanding any other provision contained in this Agreement or any other Loan Document to the contrary, any Lender may assign all or any portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitments and the Loans owing to it) to any Federal Reserve Lender or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Lender, provided that any payment in respect of such assigned interests made by the Borrowers to or for the account of the assigning and/or pledging Lender in accordance with the terms of this Agreement shall satisfy the Borrowers' obligations hereunder in respect to such assigned interests to the extent of such payment. No such assignment shall release the assigning Lender from its obligations hereunder.

11.9 *Counterparts.* This Agreement and the other Loan Documents may be executed in any number of counterparts, all of which together shall constitute one agreement.

11.10 *Sharing of Payments.* If any Lender or the Issuing Lender shall receive and retain any payment, whether by setoff, application of deposit balance or security, or otherwise, in respect of the Obligations in excess of such Lender's or the Issuing Lender's Applicable Percentage, then such Lender or Issuing Lender shall purchase from the other Lenders for cash and at face value and without recourse, such participation in the Obligations held by them as shall be necessary to cause such excess payment to be shared ratably as aforesaid with each of them; provided, that if such excess payment or part thereof is thereafter recovered from such purchasing Lender or Issuing Lender, the related purchases from the other Lenders shall be rescinded ratably and the purchase price restored as to the portion of such excess payment so recovered, but without interest. Each Lender and the Issuing Lender are hereby authorized by the Borrower Parties to exercise any and all rights of setoff, counterclaim or bankers' lien against the full amount of the Obligations, whether or not held by such Lender or the Issuing Lender. Each of the Lenders and the Issuing Lender hereby agree to exercise any such rights first against the Obligations and only then to any other Indebtedness of the Borrowers to such Lender or Issuing Lender.

11.11 *Confidentiality.* Each Lender and the Issuing Lender agree to take normal and reasonable precautions and exercise due care to maintain the confidentiality of all information provided to it by any of the Borrower Parties or by the Administrative Agent on the Borrower Parties' behalf, in connection with this Agreement or any other Loan Document, and neither it nor any of its Affiliates shall use any such information for any purpose or in any manner other than pursuant to the terms contemplated by this Agreement, except to the extent such information: (1) was or becomes generally available to the public other than as a result of a disclosure by any

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Lender or the Issuing Lender or any prospective Lender, or (2) was or becomes available from a source other than the Borrower Parties not known to the Lenders or the Issuing Lender to be in breach of an obligation of confidentiality to the Borrower Parties in the disclosure of such information. Nothing contained herein shall restrict any Lender or the Issuing Lender from disclosing such information (i) at the request or pursuant to any requirement of any Governmental Authority; (ii) pursuant to subpoena or other court process; (iii) when required to do so in accordance with the provisions of any applicable Requirement of Law; (iv) to the extent reasonably required in connection with any litigation or proceeding to which the Administrative Agent, the Issuing Lender, any Lender or their respective Affiliates may be party; (v) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Loan Document; (vi) to such Lender's or Issuing Lender's independent auditors and other professional advisors; and (vii) to any Participant or Assignee and to any prospective Participant or Assignee, provided that each Participant and Assignee or prospective Participant or Assignee first agrees to be bound by the provisions of this *Section 11.11*.

11.12 *Consent to Jurisdiction.* ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS CREDIT AGREEMENT, EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT, THE ISSUING LENDER AND THE LENDERS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT, THE ISSUING LENDER AND THE LENDERS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT, THE ISSUING LENDER AND THE LENDERS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

11.13 *Waiver of Jury Trial.* EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT, THE ISSUING LENDER AND THE LENDERS EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT, THE ISSUING LENDER AND THE LENDERS EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH OF SUCH PARTIES FURTHER AGREES THAT ITS RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL

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APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

11.14 *Indemnity.* Whether or not the transactions contemplated hereby are consummated, each of the Borrower Parties shall indemnify and hold the Administrative Agent, the other Agents, the Issuing Lender and each Lender and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "*Indemnified Person*") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including reasonable attorney's fees and expenses) of any kind or nature whatsoever

which may at any time (including at any time following the Commitment Termination Date and the termination, resignation or replacement of the Administrative Agent, the Issuing Lender or replacement of any Lender) be imposed on, incurred by or asserted against any such Person in any way relating to or arising out of this Agreement or any document contemplated by or referred to herein, or the transactions contemplated hereby, or any action taken or omitted by any such Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any insolvency proceeding or appellate proceeding) related to or arising out of this Agreement or the Loans or Letters of Credit (including any refusal by the Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "*Indemnified Liabilities*"); provided, however, that the Borrower Parties shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities resulting solely from the gross negligence or willful misconduct of such Indemnified Person. The agreements in this Section 11.14 shall survive payment of all other Obligations.

11.15 *Telephonic Instruction.* Any agreement of the Administrative Agent, the Issuing Lender and the Lenders herein to receive certain notices by telephone is solely for the convenience and at the request of the Borrowers. The Administrative Agent, the Issuing Lender and the Lenders shall be entitled to rely on the authority of any Person purporting to be a Person authorized by the Borrowers to give such notice and the Administrative Agent, the Issuing Lender and the Lenders shall not have any liability to the Borrowers or other Person on account of any action taken or not taken by the Administrative Agent, the Issuing Lender or the Lenders in reliance upon such telephonic notice. The obligation of the Borrowers to repay the Loans and the LC Disbursements shall not be affected in any way or to any extent by any failure by the Administrative Agent, the Issuing Lender and the Lenders to receive written confirmation of any telephonic notice or the receipt by the Administrative Agent, the Issuing Lender and the Lenders of a confirmation which is at variance with the terms understood by the Administrative Agent, the Issuing Lender and the Lenders to be contained in the telephonic notice.

11.16 *Marshalling; Payments Set Aside.* Neither the Administrative Agent, the Issuing Lender nor the Lenders shall be under any obligation to marshal any assets in favor of any of the Borrower Parties or any other Person or against or in payment of any or all of the Obligations. To the extent that any of the Borrower Parties makes a payment or payments to the Administrative Agent, the Issuing Lender or the Lenders, or the Administrative Agent, the Issuing Lender or the Lenders enforce their Liens or exercise their rights of set-off, and such payment or payments or the proceeds of such enforcement or set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent in its discretion) to be repaid to a trustee, receiver or any other party in connection with any insolvency proceeding, or otherwise, then (1) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such

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enforcement or set-off had not occurred, and (2) each Lender and the Issuing Lender severally agrees to pay to the Administrative Agent upon demand its ratable share of the total amount so recovered from or repaid by the Administrative Agent.

11.17 *Set-off.* In addition to any rights and remedies of the Lenders and the Issuing Lender provided by law, if an Event of Default exists, each Lender and the Issuing Lender is authorized at any time and from time to time, without prior notice to the Borrower Parties, any such notice being waived by the Borrower Parties to the fullest extent permitted by law, to set off and apply in favor of the Benefited Creditors any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing to, such Lender or Issuing Lender to or for the credit or the account of the Borrower Parties against any and all Aggregate Obligations owing to the Benefited Creditors, now or hereafter existing, irrespective of whether or not the Administrative Agent, the Collateral Agent, the Issuing Lender or such Lender shall have made demand under this Agreement or any Loan Document and although such Aggregate Obligations may be contingent or unmatured. Each Lender and the Issuing Lender agrees promptly to (i) notify the Borrower Parties, the Administrative Agent and the Collateral Agent after any such set-off and application made by such Lender or Issuing Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application, and (ii) pay such amounts that are set-off to the Collateral Agent for the ratable benefit of the Benefited Creditors.

11.18 *Severability.* The illegality or unenforceability of any provision of this Agreement or any other Loan Document or any instrument or agreement required hereunder or thereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions hereof or thereof.

11.19 *No Third Parties Benefited.* This Agreement and the other Loan Documents are made and entered into for the sole protection and legal benefit of the Borrower Parties, the Lenders, the Issuing Lender and the Administrative Agent, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents.

11.20 *Time.* Time is of the essence as to each term or provision of this Agreement and each of the other Loan Documents.

[Signature Pages Follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

BORROWERS:

THE MACERICH PARTNERSHIP, L.P.,  
a Delaware limited partnership

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By: \_\_\_\_\_



Name: Richard A. Bayer  
Title: Executive Vice President, Secretary  
and General Counsel

MACERICH GALAHAD GP CORP.,  
a Delaware corporation

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and  
General Counsel

MACERICH GALAHAD LP,  
a Delaware limited partnership

By: Macerich Galahad GP Corp.,  
a Delaware corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary  
and General Counsel

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MACERICH WRLP CORP.,  
a Delaware corporation

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and  
General Counsel

MACERICH WRLP LLC,  
a Delaware limited  
liability company

By: The Macerich Partnership, L.P.,  
a Delaware limited partnership,  
Its sole member

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By:

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Name: Richard A. Bayer  
Title: Executive Vice President,  
Secretary and General Counsel

MACERICH TWC II CORP.,  
a Delaware corporation

By:

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Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and  
General Counsel

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MACERICH TWC II LLC,  
a Delaware limited  
liability company

By: The Macerich Partnership, L.P.,  
a Delaware limited partnership,  
Its sole member

By: The Macerich Company,

a Maryland corporation,  
Its general partner

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President,  
Secretary and General Counsel

GUARANTORS:

THE MACERICH COMPANY,  
a Maryland corporation

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and  
General Counsel

MACERICH BRISTOL ASSOCIATES,  
a California general partnership

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President, Secretary and General  
Counsel

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MACERICH GREAT FALLS LIMITED PARTNERSHIP,  
a California limited partnership

By: Macerich Great Falls GP Corp.,  
a Delaware corporation,  
Its general partner

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President,  
Secretary and General  
Counsel

MACERICH OKLAHOMA LIMITED PARTNERSHIP,  
a California limited partnership

By: Macerich Oklahoma GP Corp.,  
a Delaware corporation,  
Its general partner

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President, Secretary  
and General Counsel

MACERICH WESTSIDE ADJACENT LIMITED PARTNERSHIP,  
a California limited partnership

By: Macerich Westside Adjacent GP Corp.,  
a Delaware corporation,  
Its general partner

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President,  
Secretary and General Counsel

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MACERICH SASSAFRAS LIMITED PARTNERSHIP,  
a California limited partnership

By: Macerich Sassafras GP Corp.,  
a Delaware corporation,  
Its general partner

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President, Secretary  
and General Counsel

NORTHGATE MALL ASSOCIATES,  
a California general partnership

By: The Macerich Company,  
a Maryland corporation,  
Its general partner

By: \_\_\_\_\_

Name: Richard A. Bayer  
Title: Executive Vice President, Secretary  
and General Counsel

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LENDERS AND AGENTS:

DEUTSCHE BANK TRUST COMPANY AMERICAS,  
as Administrative Agent, Collateral Agent, Issuing Lender and a  
Lender

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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JP MORGAN SECURITIES, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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DRESDNER BANK AG, NEW YORK and GRAND  
CAYMAN BRANCHES

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ING CAPITAL LLC, a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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FLEET NATIONAL BANK,  
a national banking association

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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COMMERZBANK AG, NEW YORK and GRAND CAYMAN  
BRANCHES

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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BANK ONE, NA

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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CREDIT LYONNAIS NEW YORK BRANCH

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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U.S. BANK NATIONAL ASSOCIATION,  
a national banking association, as Co-Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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WELLS FARGO BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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## ANNEX I: GLOSSARY

THIS GLOSSARY is attached to and made a part of that certain Credit Agreement (the "*Credit Agreement*") dated as of July 26, 2002 by and among THE MACERICH PARTNERSHIP, L.P., a limited partnership organized under the laws of the state of Delaware ("*Macerich Partnership*"); MACERICH GALAHAD GP CORP., a Delaware corporation ("*Galahad GP*"); MACERICH GALAHAD LP, a Delaware limited partnership ("*Galahad LP*"); MACERICH WRLP CORP., a Delaware corporation ("*Macerich WRLP Corp.*"); MACERICH WRLP LLC, a Delaware limited liability company ("*Macerich WRLP LLC*"); MACERICH TWC II CORP., a Delaware corporation ("*Macerich TWC Corp.*"); MACERICH TWC II LLC, a Delaware limited liability company ("*Macerich TWC LLC*") (Galahad GP, Galahad LP, Macerich WRLP Corp., Macerich WRLP LLC, Macerich TWC Corp. and Macerich TWC LLC being referred to herein, jointly and severally, as "*Westcor Borrowers*") (Macerich Partnership and Westcor Borrowers being referred to herein, jointly and severally, as the "*Borrowers*"); THE MACERICH COMPANY, a Maryland corporation ("*MAC*"); THE ENTITIES FROM TIME TO TIME PARTY HERETO AS GUARANTORS; THE LENDERS FROM TIME TO TIME PARTY HERETO (collectively and severally, the "*Lenders*"); and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "*Administrative Agent*") and as Collateral Agent for the Benefited Creditors. For purposes of the Credit Agreement and the other Loan Documents, the terms set forth below shall have the following meanings:

"*Act*" shall have the meaning given such term in *Section 6.13* of the Credit Agreement.

"*Administrative Agent*" shall have the meaning given such term in the introductory paragraph of the Credit Agreement and shall include any successor to DBTCA as the initial "Administrative Agent" thereunder.

"*Affiliate*" shall mean, as to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with, such Person. "Control" as used herein means the power to direct the management and policies of such Person.

"*Affiliate Guaranties*" shall mean each of the credit guaranties executed by each of the Affiliate Guarantors in favor of DBTCA (or a successor Collateral Agent), in its capacity as Collateral Agent for the benefit of the Benefited Creditors, as the same may be Modified from time to time.

"*Affiliate Guarantors*" shall mean, jointly and severally, MACERICH BRISTOL ASSOCIATES, a California general partnership, and its successors, MACERICH GREAT FALLS LIMITED PARTNERSHIP, a California limited partnership, and its successors, MACERICH OKLAHOMA LIMITED PARTNERSHIP, a California limited partnership, and its successors, MACERICH WESTSIDE ADJACENT LIMITED PARTNERSHIP, a California limited partnership, and its successors, MACERICH SASSAFRAS LIMITED PARTNERSHIP, a California limited partnership, and its successors, NORTHGATE MALL ASSOCIATES, a California general partnership, and any other guarantors executing Supplemental Guaranties in accordance with *Section 4.1* of the Credit Agreement.

"*Agents*" shall mean the Administrative Agent, the Co-Lead Arrangers, the Co-Syndication Agents, the Co-Documentation Agents, the Senior Managing Agents, the Collateral Agent and any other Persons acting in the capacity of an agent for the Lenders under the Credit Agreement, together with their permitted successors and assigns.

"*Aggregate Investment Value*" shall mean for each permitted Investment identified in *Section 8.5* of the Credit Agreement (and any related Property referred to in such Section), the greater of (i) the purchase price of such Investment (and related Property); or (ii) that portion of the Gross Asset Value represented by the relevant Investment (and related Property) as calculated in the most recent Measuring Period; provided, however, that all Real Property Under Construction shall be valued at the

"Aggregate Obligations" shall mean, collectively, the "Obligations" under, and as such term is defined in, each of the Interim Facility Credit Agreement, the Term Loan Credit Agreement and the Credit Agreement.

"Applicable Base Rate" shall mean the floating rate per annum equal to the daily average Base Rate in effect during the applicable calculation period plus one percent (1.00%).

"Applicable LIBO Rate" shall mean, with respect to any LIBO Rate Loan for the Interest Period applicable to such LIBO Rate Loan, the per annum rate equal to the Reserve Adjusted LIBO Rate plus the percentage (per annum) set forth below which corresponds to the applicable ratio of Total Liabilities to Gross Asset Value (expressed as a percentage) as measured at the end of each Fiscal Quarter:

| Ratio of Total Liabilities to Gross Asset Value | LIBO Spread |
|---|-------------|
| Less than 50%                                   | 1.75%       |
| Greater than or equal to 50% but less than 55%  | 2.00%       |
| Greater than or equal to 55% but less than 60%  | 2.50%       |
| Greater than or equal to 60% but less than 65%  | 2.75%       |
| Greater than or equal to 65%                    | 3.00%       |

Notwithstanding the foregoing, if the Compliance Certificate is not delivered pursuant to the Credit Agreement for purposes of calculating the ratio of Total Liabilities to Gross Asset Value (or if such calculation cannot be made for any other reason), then the "LIBO Spread" above shall be 3.00%. Any change in the Applicable LIBO Rate resulting from a change in the ratio of Total Liabilities to Gross Asset Value shall not take effect until the fifth Business Day after the Compliance Certificate with respect to a Fiscal Quarter is (or is required to be) delivered.

"Applicable Percentage" shall mean, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments in accordance with Section 11.8.

"Applicable Unused Line Fee Percentage" means, for any day, with respect to the unused line fee payable under Section 2.11 of the Credit Agreement, the applicable rate per annum set forth below under the caption "Unused Line Fee Rate" based upon the average daily Usage Percentage during the immediately preceding month or shorter period if calculated on the Commitment Termination Date:

| Usage Percentage                 | Unused Line Fee Rate |
|----------------------------------|----------------------|
| Less than 33%                    | 0.35%                |
| 33% up to 66%                    | 0.25%                |
| 66% up to but not including 100% | 0.15%                |

"Assignee" shall have the meaning given such term in Section 11.8 of the Credit Agreement.

"Assignment and Acceptance Agreement" shall mean an agreement in the form of that attached to the Credit Agreement as Exhibit E.

"Availability Period" shall mean the period from and including the Closing Date to but excluding the earlier of the Commitment Termination Date and the date of termination of the Commitments.

"Base Rate" shall mean on any day the higher of: (a) the Prime Rate in effect on such day, and (b) the sum of the Federal Funds Rate in effect on such day plus one half of one percent (0.50%).

"Base Rate Borrowing", when used in reference to any Borrowing, refers to whether the Loans comprising such Borrowing are bearing interest at a rate determined by reference to the Applicable Base Rate.

"Base Rate Loan", when used in reference to any Loan, refers to whether the Loans comprising such Borrowing are bearing interest at a rate determined by reference to the Applicable Base Rate.

"Benefited Creditors" shall mean, collectively, each of the "Lenders" from time to time under, and as such term is defined in each of, the Term Loan Credit Agreement, the Interim Facility Credit Agreement and the Credit Agreement, and the Issuing Lender.

"Book Value" shall mean the book value of such asset or property, including related Indebtedness.

"Borrower Parties" shall mean, jointly and severally, each of the Borrowers and the Guarantors.

"Borrowers" shall mean, jointly and severally, the Macerich Partnership and the Westcor Borrowers.

"Borrowing" shall mean (a) all Base Rate Loans made, converted or continued on the same date, or (b) all LIBO Rate Loans of the same Interest Period. For purposes hereof, the date of a Borrowing comprising one or more Loans that have been converted or continued shall be the effective date of the most recent conversion or continuation of such Loan or Loans.

"Borrowing Request" shall mean a request by the Borrowers for a Borrowing in accordance with Section 1.3 of the Credit Agreement.

"Broadway Plaza Property" shall mean Real Property and improvements located at 1275 Broadway Plaza, Walnut Creek, CA 94596, commonly referred to as "Broadway Plaza" and owned by Macerich Northwestern Associates, a California general partnership.

"*Bullet Payment*" shall mean any payment of the entire unpaid balance of any Indebtedness at its final maturity other than the final payment with respect to a loan that is fully amortized over its term.

"*Business Day*" shall mean any day other than a Saturday, a Sunday or a day on which banks in Los Angeles, California or New York, New York are authorized or obligated to close their regular banking business; provided that the term "Business Day" as used with respect to the Letter of Credit provisions of the Credit Agreement (including, without limitation, *Section 1.4* of the Credit Agreement) shall be defined as otherwise set forth above but shall not include the reference to "Los Angeles, California"; *provided, further*, when the term "Business Day" is used in connection with a LIBO Rate Loan or LIBO Rate Borrowing (including the definition of "Interest Period" as it relates to LIBO Rate Loans), the term "Business Day" shall also exclude any day on which commercial banks in London, England and Frankfurt, Germany are not open for domestic and international business.

"*Capitalized Lease*" of a Person means any lease of property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"*Capitalized Lease Obligations*" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"*Capitalized Loan Fees*" shall mean, with respect to the Macerich Entities, and with respect to any period, any upfront, closing or similar fees paid by such Person in connection with the incurrence or refinancing of Indebtedness during such period that are capitalized on the balance sheet of such Person.

"*Capital Stock*" means (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including, without limitation, each class or series of common stock and preferred stock

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of such Person and (ii) with respect to any Person that is not a corporation, any and all investment units, partnership, membership or other equity interests of such Person.

"*Cash Equivalents*" shall mean, with respect to any Person: (a) securities issued, guaranteed or insured by the United States of America or any of its agencies with maturities of not more than one year from the date acquired; (b) certificates of deposit with maturities of not more than one year from the date acquired by a United States federal or state chartered commercial bank of recognized standing, which has capital and unimpaired surplus in excess of \$500,000,000 and which bank or its holding company has a short-term commercial paper rating of at least A-2 or the equivalent by S&P or at least P-2 or equivalent by Moody's; (c) reverse repurchase agreements with terms of not more than seven days from the date acquired, for securities of the type described in clause (a) above and entered into only with commercial banks having the qualifications described in clause (b) above; (d) commercial paper issued by any Person incorporated under the laws of the United States of America or any State thereof and rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's, in each case with maturities of not more than one year from the date acquired; and (e) investments in money market funds registered under the Investment Company Act of 1940, which have net assets of at least \$500,000,000 and at least 85% of whose assets consist of securities and other obligations of the type described in clauses (a) through (d) above.

"*Change in Law*" shall mean (a) the adoption of any law, rule or regulation after the date of the Credit Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of the Credit Agreement or (c) compliance by any Lender or the Issuing Lender (or by any lending office of such Lender or Issuing Lender or by such Lender's or Issuing Lender's holding company, if any) with any guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of the Credit Agreement.

"*Change of Control*" shall mean, with respect to MAC, the occurrence of either of the following: (i) a change in the beneficial ownership within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 of more than twenty-five percent (25%) of the Capital Stock of MAC having general voting rights so that such Capital Stock is held by a Person, or two (2) or more Persons acting in concert, unless the Administrative Agent and the Required Lenders have approved in advance in writing the identity of such Person or Persons or (ii) the resignation or removal from the Board of Directors of fifty percent (50%) or more of the members of MAC's Board of Directors during any twelve (12) month period for any reason other than death, disability or voluntary retirement or personal reasons, unless otherwise approved in advance in writing by the Required Lenders.

"*Closing Certificate*" shall mean a certificate in the form of that attached to the Credit Agreement as *Exhibit F*.

"*Closing Date*" shall mean the date as of which all conditions set forth in *Section 5.1* of the Credit Agreement shall have been satisfied or waived and the initial Loan(s) shall have been funded.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, as from time to time in effect.

"*Co-Documentation Agents*" shall mean Dresdner Bank AG, New York and Grand Cayman Branches, and Bank One, N.A., in their respective capacities as co-documentation agents for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

"*Co-Lead Arrangers*" shall mean Deutsche Bank Securities, Inc. and J.P. Morgan Securities Inc., in their respective capacities as co-lead arrangers and joint book runners for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

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"*Collateral Agent*" shall mean DBTCA in its capacity as collateral agent for the benefit of the Benefited Creditors, together with its permitted successors and assigns.

"*Commencement of Construction*" shall mean with respect to any Real Property or Westcor Real Property, the commencement of material on-site work (including grading) or the commencement of a work of improvement of such property.

"Commitment" shall mean, with respect to each Lender, the commitment, if any, of such Lender to make Loans and to acquire participations in Letters of Credit, expressed as an amount representing the maximum aggregate amount that such Lender's Revolving Credit Exposure could be at any time hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 1.7 of the Credit Agreement or (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.8 of the Credit Agreement. The initial amount of each Lender's Commitment is set forth on Schedule G-1, or in the Assignment and Acceptance Agreement pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders' Commitments is \$425,000,000

"Commitment Termination Date" shall mean initially the Original Commitment Termination Date; provided that the "Commitment Termination Date" shall mean the Extended Commitment Termination Date if the Borrowers extend the Original Commitment Termination Date in accordance with the terms and conditions of Section 1.7(5) of the Credit Agreement. The Commitment Termination Date shall be subject to acceleration upon an Event of Default as otherwise provided in the Credit Agreement.

"Compliance Certificate" shall mean a certificate in the form of that attached to the Credit Agreement as Exhibit G.

"Construction in Process" means, with respect to any Real Property Under Construction or Westcor Real Property Under Construction, the aggregate amount of expenditures classified as "construction-in-process" on the balance sheet of the Consolidated Entities or Westcor, respectively, with respect thereto.

"Consolidated Entities" means, collectively, (i) the Borrower Parties, (ii) MAC's Subsidiaries; and (iii) any other Person the accounts of which are consolidated with those of MAC in the consolidated financial statements of MAC in accordance with GAAP.

"Contact Office" shall mean the office of DBTCA located at Deutsche Bank Trust Company Americas, 90 Hudson Street Mail Stop: JCY05-0511 Jersey City, NJ 07302 Attn: Joseph Adamo, or such other offices in New York, New York as the Administrative Agent may notify the Borrowers, the Lenders and the Issuing Lender from time to time in writing.

"Contingent Obligation" as to any Person shall mean, without duplication, (i) any contingent obligation of such Person required to be shown on such Person's balance sheet in accordance with GAAP, and (ii) any obligation required to be disclosed in the footnotes to such Person's financial statements in accordance with GAAP, guaranteeing partially or in whole any non-recourse Indebtedness, lease, dividend or other obligation, exclusive of contractual indemnities (including, without limitation, any indemnity or price-adjustment provision relating to the purchase or sale of securities or other assets), of such Person or of any other Person. The amount of any Contingent Obligation described in clause (ii) shall be deemed to be (a) with respect to a guaranty of interest or interest and principal, or operating income guaranty, the sum of all payments required to be made thereunder (which in the case of an operating income guaranty shall be deemed to be equal to the debt service for the note secured thereby), calculated at the interest rate applicable to such Indebtedness, through (1) in the case of an interest or interest and principal guaranty, the stated date of maturity of the obligation (and commencing on the date interest could first be payable thereunder), or (2) in the case of an operating income guaranty, the date through which such guaranty will remain in effect, and (b) with respect to all guarantees not covered by the preceding clause (a) an amount equal to the

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stated or determinable amount of the primary obligation in respect of which such guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as recorded on the balance sheet and on the footnotes to the most recent financial statements of the applicable Person required to be delivered pursuant hereto. Notwithstanding anything contained herein to the contrary, guarantees of completion and non-recourse carve outs in secured loans shall not be deemed to be Contingent Obligations unless and until a claim for payment has been made thereunder, at which time any such guaranty of completion shall be deemed to be a Contingent Obligation in an amount equal to any such claim. Subject to the preceding sentence, (i) in the case of a joint and several guaranty given by such Person and another Person (but only to the extent such guaranty is recourse, directly or indirectly to the applicable Borrower Party or their respective Subsidiaries), the amount of the guaranty shall be deemed to be 100% thereof unless and only to the extent that (X) such other Person has delivered cash or Cash Equivalents to secure all or any part of such Person's guaranteed obligations or (Y) such other Person holds an Investment Grade Credit Rating from either Moody's or S&P, and (ii) in the case of a guaranty (whether or not joint and several) of an obligation otherwise constituting Indebtedness of such Person, the amount of such guaranty shall be deemed to be only that amount in excess of the amount of the obligation constituting Indebtedness of such Person. Notwithstanding anything contained herein to the contrary, "Contingent Obligations" shall not be deemed to include guarantees of loan commitments or of construction loans to the extent the same have not been drawn.

"Contractual Obligation" as to any Person shall mean any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

"Convertible Debentures" shall mean those 7<sup>1</sup>/<sub>4</sub>% Convertible Subordinated Debentures Due 2002 issued by MAC, as more fully described in the Offering Circular dated June 27, 1997.

"Co-Syndication Agents" shall mean JP Morgan Chase Bank and Wells Fargo Bank, National Association, in their respective capacities as co-syndication agents for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

"Credit Agreement" shall mean the Credit Agreement defined in the introductory paragraph of this Glossary, as the same may be Modified, extended or replaced from time to time.

"DBTCA" shall mean Deutsche Bank Trust Company Americas.

"Depreciation and Amortization Expense" shall mean (without duplication), for any period, the sum for such period of (i) total depreciation and amortization expense, whether paid or accrued, of the Consolidated Entities, plus (ii) any Consolidated Entity's *pro rata* share of depreciation and amortization expenses of Joint Ventures. For purposes of this definition, MAC's *pro rata* share of depreciation and amortization expense of any Joint Venture shall be deemed equal to the product of (i) the depreciation and amortization expense of such Joint Venture, multiplied by (ii) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"Designated Environmental Properties" shall have the meaning given such term in Section 6.15 of the Credit Agreement.



"Disposition" shall mean the sale, conveyance, pledge, hypothecation, ground lease, encumbrance, creation of a security interest with respect to, or other transfer, whether voluntary or involuntary, direct or indirect, of any legal or beneficial interest in a Property, including any sale, conveyance, pledge, hypothecation, ground lease, encumbrance, creation of a security interest with respect to, or other transfer, at any tier, of any ownership interest in any Macerich Entity; provided, however, that Disposition shall not include any Permitted Encumbrances; provided further that such exclusion of Permitted Encumbrances shall not apply to the Dispositions described in Sections 8.4(1), 8.4(2), and

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8.4(3) of the Credit Agreement. "Disposition" shall not include the sale or ground lease of any ancillary building pad site within a Project provided that the consideration received for such transaction does not exceed \$250,000 for any Project and \$3,000,000 in the aggregate for all Projects.

"Disqualified Capital Stock" shall mean with respect to any Person any Capital Stock of such Person (other than preferred stock of MAC issued and outstanding on the Closing Date) that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or otherwise (including upon the occurrence of any event), is required to be redeemed or is redeemable for cash at the option of the holder thereof, in whole or in part (including by operation of a sinking fund), or is exchangeable for Indebtedness (other than at the option of such Person), in whole or in part, at any time.

"Distribution" shall mean with respect to MAC and Macerich Partnership: (i) any distribution of cash or Cash Equivalent, directly or indirectly, to the partners or holders of Capital Stock of such Persons, or any other distribution on or in respect of any partnership, company or equity interests of such Persons; and (ii) the declaration or payment of any dividend on or in respect of any shares of any class of Capital Stock of such Persons, other than: (1) dividends payable solely in shares of common stock by MAC; or (2) the purchase, redemption, or other retirement of any shares of any class of Capital Stock of such Persons, directly or indirectly through a Subsidiary of MAC or otherwise, to the extent such purchase, redemption, or other retirement occurs in exchange for the issuance of Capital Stock of MAC or Macerich Partnership.

"EBITDA" shall mean, for the twelve months then most recently ended, solely with respect to the Consolidated Entities, (i) Net Income, plus (without duplication) (A) Interest Expense, (B) Tax Expense, and (C) Depreciation and Amortization Expense, in each case for such period.

"Eligible Assignee" shall mean any of the following:

- (a) A commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least \$100,000,000;
- (b) A commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having a combined capital and surplus of at least \$100,000,000 (provided that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD);
- (c) A Person that is engaged in the business of commercial banking and that is: (1) an Affiliate of a Lender or the Issuing Lender, (2) an Affiliate of a Person of which a Lender or the Issuing Lender is an Affiliate, or (3) a Person of which a Lender or the Issuing Lender is a Subsidiary;
- (d) An insurance company, mutual fund or other financial institution organized under the laws of the United States, any state thereof, any other country which is a member of the OECD or a political subdivision of any such country which invests in bank loans and has a net worth of \$500,000,000; and
- (e) Any fund (other than a mutual fund) which invests in bank loans and whose assets exceed \$100,000,000;

provided, however, that no Person shall be an "Eligible Assignee" unless at the time of the proposed assignment to such Person: (i) such Person is able to make its Applicable Percentage of the Commitments in U.S. dollars, and (ii) such Person is exempt from withholding of tax on interest and is able to deliver the documents related thereto pursuant to Section 2.10(5) of the Credit Agreement.

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"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as Modified, and the rules and regulations promulgated thereunder as from time to time in effect.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) under common control with any Consolidated Entity within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" shall mean (a) a Reportable Event with respect to a Pension Plan or a Multiemployer Plan; (b) a withdrawal by any Consolidated Entity or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Consolidated Entity or any ERISA Affiliate from a Multiemployer Plan or notification that a multiemployer is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a plan amendment as a termination under Section 4041 or 4041A of ERISA or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) a failure by any Consolidated Entity to make required contributions to a Pension Plan, Multiemployer Plan or other Plan subject to Section 412 of the Code; (f) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (g) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Consolidated Entity or any ERISA Affiliate; or (h) an application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code with respect to any Plan.

"Eurodollar Business Day" shall mean a Business Day on which commercial banks in London, England and Frankfurt, Germany are open for domestic and international business.

"Event of Default" shall have the meaning given such term in Section 9 of the Credit Agreement.

"Evidence of No Withholding" shall have the meaning given such term in Section 2.10(5) of the Credit Agreement.

"Excluded Taxes" shall mean, with respect to the Administrative Agent, the Issuing Lender, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Borrowers hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by any state, locality or foreign jurisdiction under the laws of which such recipient is organized or in which it maintains an office or permanent establishment, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrowers are located and (c) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to the Credit Agreement or is attributable to such Foreign Lender's failure to comply with Section 2.10(5) of the Credit Agreement; provided, however, Excluded Taxes shall not include any withholding tax resulting from any inability to comply with Section 2.10(5) of the Credit Agreement solely by reason of there having occurred a Change in Law.

"Existing Revolving Credit Facility" shall mean that certain Third Amended and Restated Credit and Guaranty Agreement dated as of July 30, 2001 (as amended and modified from time to time) by and among the Macerich Partnership, MAC, the entities from to time party thereto as guarantors, the banks and other financial institutions party thereto and Wells Fargo Bank, National Association, as the agent.

"Extended Commitment Termination Date" shall have the meaning given such term in Section 1.7(5) of the Credit Agreement.

"Extension Fee" shall have the meaning given such term in Section 1.7(5)(B) of the Credit Agreement.

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"Facing Fee" shall have the meaning given such term in Section 2.11(2)(B) of the Credit Agreement.

"Federal Funds Rate" shall mean for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 1:00 p.m. (New York time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"Fee Letter" shall mean that certain Fee Letter dated as of the date of the Credit Agreement entered into by the Borrowers and the Administrative Agent.

"FFO" shall mean net income (loss) (computed in accordance with GAAP) excluding gains (or losses) from debt restructurings and sales of property, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures, as set forth in more detail under the definitions and interpretations thereof promulgated by the National Association of Real Estate Investment Trusts or its successor as of the Closing Date.

"Financing" shall mean any transaction pursuant to which new Indebtedness is incurred and secured by a Property.

"Fiscal Quarter" or "fiscal quarter" means any three-month period ending on March 31, June 30, September 30 or December 31 of any Fiscal Year.

"Fiscal Year" or "fiscal year" shall mean the 12-month period ending on December 31 in each year or such other period as MAC may designate and the Administrative Agent may approve in writing.

"Fixed Charge Coverage Ratio" shall mean, at any time, the ratio of (i) EBITDA for the twelve months then most recently ended (except that, with respect to any Westcor entity that has not achieved Stabilization, EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized), to (ii) Fixed Charges for such period (except that, with respect to any Westcor entity that has not achieved Stabilization, Fixed Charges for such entity shall be calculated for the most recent fiscal quarter and annualized).

"Fixed Charges" shall mean, for any period, solely with respect to the Consolidated Entities, the sum of the amounts for such period of (i) scheduled payments of principal of Indebtedness of the Consolidated Entities (other than any Bullet Payment, including any Bullet Payment under the Interim Facility, and any scheduled amortization payments under the Interim Facility), (ii) the Consolidated Entities' *pro rata* share of scheduled payments of principal of Indebtedness of Joint Ventures (other than any Bullet Payment) that does not otherwise constitute Indebtedness of and is not otherwise recourse to the Consolidated Entities or their assets, (iii) Interest Expense, (iv) payments of dividends in respect of Disqualified Capital Stock; and (v) to the extent not otherwise included in Interest Expense, dividends and other distributions paid during such period by the Borrowers or MAC with respect to preferred stock or preferred operating units. For purposes of clauses (ii) and (v), the Consolidated Entities' *pro rata* share of payments by any Joint Venture shall be deemed equal to the product of (a) the payments made by such Joint Venture, multiplied by (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"Foreign Lender" shall mean any Lender that is organized under the laws of a jurisdiction other than that in which the Borrowers are located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

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"GAAP" shall mean generally accepted accounting principles in the United States of America in effect from time to time; provided that for purposes of calculating the covenants set forth in Section 8.12 and Section 8.13 of the Credit Agreement, GAAP shall mean generally accepted accounting principles in the United States of America in effect as of the Closing Date.

"Good Faith Contest" means the contest of an item if (1) the item is diligently contested in good faith, and, if appropriate, by proceedings timely instituted, (2) adequate reserves are established if required by, and in accordance with, GAAP with respect to the contested item, (3) during the period of such contest, the

enforcement of any contested item is effectively stayed and (4) the failure to pay or comply with the contested item during the period of the contest is not likely to result in a Material Adverse Effect.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any court or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Gross Asset Value" shall mean, at any time, solely with respect to the Consolidated Entities, the sum of (without duplication):

(i) for Retail Properties that are Wholly-Owned the sum of, for each such property, (a) such property's Property NOI for the Measuring Period, *divided by* (b) (1) 8.25% (expressed as a decimal), in the case of regional Retail Properties or (2) 9.50% (expressed as a decimal) in the case of Retail Properties that are not regional Retail Properties; provided, however that for purposes of calculating Gross Asset Value for the Westcor Assets, for the first 12 Loan Months, the Gross Asset Value under this subsection (i) shall equal the Consolidated Entities' allocated acquisition costs with respect to such Westcor Assets; *plus*

(ii) for Retail Properties that are not Wholly-Owned, the sum of, for each such property, (a) the Gross Asset Value of each such Retail Property at such time, as calculated pursuant to the foregoing clause (i), *multiplied by* (b) the percentage of the total outstanding Capital Stock held by Consolidated Entities in the owner of the subject Retail Property, expressed as a decimal; provided, however that for purposes of calculating Gross Asset Value for the Westcor Assets, for the first 12 Loan Months, the Gross Asset Value under this subsection (ii) shall equal the Consolidated Entities' allocated acquisition costs with respect to such Westcor Assets; provided, further, notwithstanding anything to the contrary in this definition, so long as 100% of the Indebtedness and other liabilities of the owner of the Broadway Plaza Property reflected in the financial statements of such owner or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) is counted in the calculation of Total Liabilities pursuant to subsection (ii) of the definition of "Total Liabilities", the Broadway Plaza Property, and the cash and Cash Equivalents and "Other GAV Assets" (as defined below) with respect thereto, shall be deemed to be Wholly-Owned and the Gross Asset Value with respect to the Broadway Plaza Property shall be calculated in accordance with clause (i) of this definition; *plus*

(iii) all cash and Cash Equivalents (other than, in either case, Restricted Cash) held by the Consolidated Entity at such time, and, in the case of cash and Cash Equivalents not Wholly-Owned, *multiplied by* a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by the Consolidated Entity holding title to such cash and Cash Equivalents; *plus*

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(iv) all Mortgage Loans acquired for the purpose of acquiring the underlying real property, valued by the book value of each such Mortgage Loan when measured; *plus*

(v) (a) 100% of the Book Value of Construction-in-Process with respect to Retail Properties that are Wholly-Owned and (b) the product of (1) 100% of the Book Value of Construction-in-Process with respect to Retail Properties Under Construction that are not Wholly-Owned *multiplied by* (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by the Consolidated Entity holding title to such Retail Properties Under Construction; *plus*

(vi) to the extent not otherwise included in the foregoing clauses, (a) the book value of tenant receivables, deferred charges and other assets with respect to Real Properties that are Wholly-Owned and (b) the product of (1) the book value of tenant receivables, deferred charges and other assets with respect to Real Properties that are not Wholly-Owned *multiplied by* (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by a Consolidated Entity holding title to such Retail Property (collectively, "Other GAV Assets"), *provided* that the aggregate value of Other GAV Assets shall not exceed five percent (5%) of the aggregate Gross Asset Value of all the assets of the Consolidated Entities; *plus*

(vii) the Book Value of land and other Properties not constituting Retail Properties;

*provided, however*, that the determination of Gross Asset Value for any period shall not include any Retail Property (or any Property NOI relating to any Retail Property) that has been sold or otherwise disposed of at any time prior to or during such period.

"Gross Leasable Area" shall mean the total leasable square footage of buildings situated on Real Properties, excluding the square footage of any department stores.

"Guarantors" shall mean, jointly and severally (i) any Initial Guarantor and (ii) any Supplemental Guarantor.

"Guaranty" shall mean any unconditional guaranty executed by any Person in favor of DBTCA (or a successor) in its capacity as Collateral Agent for the Benefited Creditors pursuant to the terms of the Credit Agreement, in a form approved by the Administrative Agent and the Collateral Agent. "Guaranty" shall include all Affiliate Guaranties and the REIT Guaranty.

"Hazardous Materials" shall mean any flammable materials, explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definitions of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal, state, or local laws or regulations.

"Hazardous Materials Claims" shall mean any enforcement, cleanup, removal or other governmental or regulatory action or order with respect to the Property, pursuant to any Hazardous Materials Laws, and/or any claim asserted in writing by any third party relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials.

"Hazardous Materials Laws" shall mean any applicable federal, state or local laws, ordinances or regulations relating to Hazardous Materials.

"*Hedging Obligations*" of a Person means any and all obligations of such Person or any of its Subsidiaries, whether absolute or contingent and howsoever and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, commodity prices, exchange rates or forward rates applicable to such party's assets, liabilities or exchange transactions, including, but not limited to,

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dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any of the foregoing.

"*Indebtedness*" of any Person shall mean without duplication, (a) all liabilities and obligations of such Person, whether consolidated or representing the proportionate interest in any other Person, (i) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof, and including construction loans), (ii) evidenced by bonds, notes, debentures or similar instruments, (iii) representing the balance deferred and unpaid of the purchase price of any property or services, except those incurred in the ordinary course of its business that would constitute a trade payable to trade creditors (but specifically excluding from such exception the deferred purchase price of real property), (iv) evidenced by bankers' acceptances, (v) consisting of obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from property now or hereafter owned or acquired by such Person (in an amount equal to the *lesser* of the obligation so secured and the fair market value of such property), (vi) consisting of Capitalized Lease Obligations (including any Capitalized Leases entered into as a part of a sale/leaseback transaction), (vii) consisting of liabilities and obligations under any receivable sales transactions, (viii) consisting of a letter of credit or a reimbursement obligation of such Person with respect to any letter of credit, or (ix) consisting of Net Hedging Obligations; or (b) all Contingent Obligations and liabilities and obligations of others of the kind described in the preceding clause (a) that such Person has guaranteed or that is otherwise its legal liability and all obligations to purchase, redeem or acquire for cash or non-cash consideration any Capital Stock or other equity interests and (c) obligations of such Person to purchase for cash or non-cash consideration Securities or other property arising out of or in connection with the sale of the same or substantially similar securities or property. For the avoidance of doubt, Indebtedness of any water, sewer, or other improvement district that is payable from assessments or taxes on property located within such district shall not be deemed to be Indebtedness of any Person owning property located within such district; provided that such Person has not otherwise obligated itself in respect of the repayment of such Indebtedness.

"*Indemnified Liabilities*" shall have the meaning given such term in *Section 11.14* of the Credit Agreement.

"*Indemnified Person*" shall have the meaning given such term in *Section 11.14* of the Credit Agreement.

"*Indemnified Taxes*" means Taxes other than Excluded Taxes.

"*Initial Guarantors*" shall mean, jointly and severally, MAC and the Affiliate Guarantors who enter into Guaranties on or as of the Closing Date.

"*Initial Financial Statements*" shall have the meaning given such term in *Section 6.1* of the Credit Agreement.

"*Intangible Assets*" shall mean (i) all unamortized debt discount and expense, unamortized deferred charges, goodwill and other intangible assets and (ii) all write-ups (other than write-ups resulting from foreign currency translations and write-ups of assets of a going concern business made within twelve months after the acquisition of such business) subsequent to December 31, 1994, in the book value of any asset owned by the Consolidated Entities.

"*Interest Coverage Ratio*" shall mean, at any time, the ratio of (i) EBITDA for the twelve months then most recently ended (except that, with respect to any Westcor entity that has not achieved Stabilization, EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized), to (ii) Interest Expense for such period (except that with respect to Interest Expense of

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any Westcor entity that has not achieved Stabilization, Westcor Interest Expense for such entity shall be calculated for the most recent fiscal quarter and annualized).

"*Interest Expense*" shall mean, for any period, solely with respect to the Consolidated Entities, the sum (without duplication) for such period of: (i) total interest expense, whether paid or accrued, of the Consolidated Entities, including fees payable in connection with the Credit Agreement, charges in respect of letters of credit and the portion of any Capitalized Lease Obligations allocable to interest expense, including the Consolidated Entities' share of interest expenses in Joint Ventures but excluding amortization or write-off of debt discount and expense (except as provided in clause (ii) below), (ii) amortization of costs related to interest rate protection contracts and rate buydowns (other than the costs associated with the interest rate buydowns completed in connection with the initial public offering of MAC), (iii) capitalized interest, *provided* that capitalized interest may be excluded from this clause (iii) to the extent (A) such interest is paid or reserved out of any interest reserve established under a loan facility; or (B) consists of interest imputed under GAAP in respect of ongoing construction activities, but only to the extent such interest has not actually been paid, and the amount thereof does not exceed \$10,000,000, (iv) for purposes of determining Interest Expense as used in the Fixed Charge Coverage Ratio (both numerator and denominator) only, amortization of Capitalized Loan Fees, (v) to the extent not included in clauses (i), (ii), (iii) and (iv), any Consolidated Entities' *pro rata* share of interest expense and other amounts of the type referred to in such clauses of the Joint Ventures, and (vi) interest incurred on any liability or obligation that constitutes a Contingent Obligation of any Consolidated Entity. For purposes of clause (v), any Consolidated Entities' *pro rata* share of interest expense or other amount of any Joint Venture shall be deemed equal to the product of (a) the interest expense or other relevant amount of such Joint Venture, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"*Interest Period*" shall mean:

(a) for any Base Rate Borrowing, the period commencing on the date of such borrowing and ending on the last day of the calendar month in which made; *provided*, that if any Base Rate Borrowing is converted to a LIBO Rate Borrowing, the applicable Base Rate Interest Period shall end on such date; and

(b) for any LIBO Rate Loan, the period commencing on the date of such Loan and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as specified in the applicable Borrowing Request or Rate Request;

provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a LIBO Rate Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a LIBO Rate Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Loan initially shall be the date on which such Loan is made and thereafter shall be the effective date of the most recent conversion or continuation of such Loan.

"Interim Facility Credit Agreement" shall mean that certain credit agreement evidencing the Interim Facility dated as of the date of the Credit Agreement, by and among the Borrowers, as borrowers, MAC and the other guarantors signatory thereto, the lenders signatory thereto and DBTCA, as administrative agent.

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"Interim Facility" shall mean that certain credit facility embodied in the Interim Facility Credit Agreement, which provides for the funding of a term loan to Macerich Partnership in the amount of \$380,000,000.

"Investment" shall mean, with respect to any Person, (i) any purchase or other acquisition by that Person of Securities, or of a beneficial interest in Securities, issued by any other Person, (ii) any purchase by that Person of a Property or the assets of a business conducted by another Person, and (iii) any loan (other than loans to employees), advance (other than deposits with financial institutions available for withdrawal on demand, prepaid expenses, accounts receivable, advances to employees and similar items made or incurred in the ordinary course of business) or capital contribution by that Person to any other Person, including, without limitation, all Indebtedness to such Person arising from a sale of property by such Person other than in the ordinary course of its business. "Investment" shall not include any promissory notes or other consideration paid to it or by a tenant in connection with Project leasing activities. The amount of any Investment shall be the original cost of such Investment, plus the cost of all additions thereto less the amount of any return of capital or principal to the extent such return is in cash with respect to such Investment without any adjustments for increases or decreases in value or write-ups, write-downs or write-offs with respect to such Investment. Notwithstanding the foregoing, Investments shall not include any Disposition Promissory Notes.

"IRS" shall mean the Internal Revenue Service or any entity succeeding to any of its principal functions under the Code.

"Issuing Lender" shall mean DBTCA, in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 1.4(10) of the Credit Agreement.

"Joint Venture" shall mean, as to any Person: (i) any corporation fifty percent (50%) or less of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization fifty percent (50%) or less of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Notwithstanding the foregoing, a Joint Venture of MAC shall include each Person, other than a Subsidiary, in which MAC owns a direct or indirect equity interest. Unless otherwise expressly provided, all references in the Loan Documents to a "Joint Venture" shall mean a Joint Venture of MAC.

"LC Collateral Account" shall have the meaning given such term in Section 1.4(11) of the Credit Agreement.

"LC Disbursement" shall mean a payment made by the Issuing Lender pursuant to a Letter of Credit.

"LC Exposure" shall mean, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrowers at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"Lenders" shall mean each of the lenders from time to time party to the Credit Agreement, including any Assignee permitted pursuant to Section 11.8 of the Credit Agreement.

"Letter of Credit" shall mean any standby letter of credit issued pursuant to the Credit Agreement.

"Letter of Credit Collateral" shall have the meaning given such term in Section 1.4(11) of the Credit Agreement.

"Letter of Credit Fee" shall have the meaning given such term in Section 2.11(2)(A) of the Credit Agreement.

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"Letter of Credit Request" shall have the meaning given such term in Section 1.4(2) of the Credit Agreement.

"LIBO Rate" shall mean, with respect to any LIBO Rate Loan for the Interest Period applicable to such LIBO Rate Loan, the per annum rate for such Interest Period and for an amount equal to the amount of such LIBO Rate Loan shown on Dow Jones Telerate Page 3750 (or any equivalent successor page) at approximately 11:00 (London time) two Eurodollar Business Days prior to the first day of such Interest Period or if such rate is not quoted, the arithmetic average as determined by the Administrative Agent of the rates at which deposits in immediately available U.S. dollars in an amount equal to the amount of such LIBO Rate Loan having a maturity approximately equal to such Interest Period are offered to four (4) reference banks to be selected by the Administrative Agent in the London interbank market, at approximately 11:00 a.m. (London time) two Eurodollar Business Days prior to the first day of such Interest Period.

"LIBO Rate Borrowing", when used in reference to any Borrowing, refers to whether the Loans comprising such Borrowing are bearing interest at a rate determined by reference to the Applicable LIBO Rate.

"LIBO Rate Loan", when used in reference to any Loan, refers to whether the Loans comprising such Borrowing are bearing interest at a rate determined by reference to the Applicable LIBO Rate.

"LIBO Reserve Percentage" shall mean with respect to an Interest Period for a LIBO Rate Loan, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves and taking into account any transitional adjustments) which is imposed under Regulation D on eurocurrency liabilities.

"Lien" shall mean any security interest, mortgage, pledge, lien, claim on property, charge or encumbrance (including any conditional sale or other title retention agreement), any lease in the nature thereof, and any agreement to give any security interest.

"Loans" shall mean the loans made by the Lenders to the Borrowers pursuant to Section 1.1 of the Credit Agreement.

"Loan Documents" shall mean the Credit Agreement, the Notes and each of the following (but only to the extent evidencing, guaranteeing, supporting or securing the obligations under the foregoing instruments and agreements), the REIT Guaranty, each of the Affiliate Guaranties, any Guaranty executed by any other Guarantor, the Pledge Agreements, and each other instrument, certificate or agreement executed by the Borrowers, MAC or the other Borrower Parties in connection herewith, as any of the same may be Modified from time to time.

"Loan Month" shall mean any full calendar month during the term of the Revolving Credit Facility, with the first Loan Month being August, 2002, which first Loan Month shall be deemed to include the partial month commencing on the Closing Date.

"MAC" shall have the meaning given such term in the preamble to the Credit Agreement.

"Macerich Core Entities" shall mean collectively, (i) the Consolidated Entities, and (ii) any Joint Venture in which any Consolidated Entity is a general partner or in which any Consolidated Entity owns more than 50% of the Capital Stock.

"Macerich Entities" shall mean the Borrower Parties, and all Subsidiary Entities of the Borrower Parties.

"Macerich Partnership", "Macerich Galahad GP", "Macerich Galahad LP", "Macerich WRLP Corp.", "Macerich WRLP LLC", "Macerich TWC Corp.", and "Macerich TWC LLC" shall each have the meanings given such terms in the preamble to the Credit Agreement.

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"Majority Benefited Creditors" shall mean, at any date, Benefited Creditors the sum of whose (i) aggregate outstanding portion of the principal amount of the "Term Loan" (as such term is defined in the Term Loan Credit Agreement) (ii) aggregate outstanding portion of the principal amount of the "Interim Loan" (as such term is defined in the Interim Facility Credit Agreement) and (iii) aggregate Commitments, represents an amount greater than 50% of the sum of the outstanding principal amount of the Term Loan, principal amount of the Interim Loan, and total Commitments.

"Management Companies" shall mean Macerich Property Management Company, a Delaware limited liability company, Macerich Management Company, a California corporation, Westcor Partners LLC, an Arizona limited liability company, Westcor Partners of Colorado LLC, a Colorado limited liability company, and includes their respective successors.

"Management Contracts" shall mean any contract between any Management Company, on the one hand, and any other Macerich Entity, on the other hand, relating to the management of any Macerich Entity or any Joint Venture or any of the properties of such Person, as the same may be amended from time to time.

"Margin Stock" shall mean "margin stock" as defined in Regulation U.

"Master Management Agreements" shall mean Management Contracts between a Macerich Entity, as owner of a Project, and a Wholly Owned Subsidiary in the form of Exhibit H attached hereto (or with respect to Westcor Subsidiaries, in the form that exists as of the Closing Date) with such Modifications to such form as may be made by the Macerich Entities in their reasonable judgment so long as such Modifications are fair, reasonable, and no less favorable to the owner than would be obtained in a comparable arm's-length transaction with a Person not a Transactional Affiliate.

"Material Adverse Effect" shall mean with respect to (a) MAC and its Subsidiaries on a consolidated basis taken as a whole, (b) Macerich Partnership and its Subsidiaries on a consolidated basis taken as a whole or (c) the Westcor Borrowers, the Westcor Principal Entities and their respective Subsidiaries taken as a whole, any of the following (1) a material adverse change in, or a material adverse effect upon, the operations, business, properties, condition (financial or otherwise) or prospects of any of such Persons from and after the Statement Date, (2) a material impairment of the ability of any of such Persons to otherwise perform under any Loan Document; or (3) a material adverse effect upon the legality, validity, binding effect or enforceability against any of such Persons of any Loan Document.

"Measuring Period" shall mean the period of four consecutive fiscal quarters ended on the last day of the Fiscal Quarter most recently ended as to which operating statements with respect to a Real Property have been delivered to the Lenders.

"Minority Interest" shall mean all of the partnership units (as defined under the Macerich Partnership's partnership agreement) of the Macerich Partnership held by any Person other than MAC.

"Modifications" shall mean any amendments, supplements, modifications, renewals, replacements, consolidations, severances, substitutions and extensions of any document or instrument from time to time; "Modify", "Modified," or related words shall have meanings correlative thereto.

"Moody's" shall mean Moody's Investors Service, Inc., or any successor thereto.

"Mortgage Loans" shall mean all loans owned or held by any of the Macerich Entities secured by mortgages or deeds of trust on Retail Properties.

"Multiemployer Plan" shall mean a "multiemployer plan" (within the meaning of Section 4001(a)(3) of ERISA) and to which any Consolidated Entity or any ERISA Affiliate makes, is making, or is obligated to make contributions or, during the preceding three calendar years, has made, or been obligated to make,

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"*Net Hedging Obligations*" shall mean, as of any date of determination, the excess (if any) of all "unrealized losses" over all "unrealized profits" of such Person arising from Hedging Obligations as substantiated in writing by the Borrowers and approved by the Administrative Agent. "Unrealized losses" means the fair market value of the cost to such Person of replacing such Hedging Obligation as of the date of determination (assuming the Hedging Obligation were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Hedging Obligation as of the date of determination (assuming such Hedging Obligation were to be terminated as of that date).

"*Net Income*" shall mean, for any period, the net income (or loss), after provision for taxes, of the Consolidated Entities determined on a consolidated basis for such period taken as a single accounting period as determined in accordance with GAAP, and including the Consolidated Entities' pro rata share of the net income (or loss) of any Joint Venture for such period, but excluding (i) any recorded losses and gains and other extraordinary items for such period; (ii) other non-cash charges and expenses (including non-cash charges resulting from accounting changes), (iii) any gains or losses arising outside of the ordinary course of business, and (iv) any charges for minority interests in the Macerich Partnership held by Unaffiliated Partners. For purposes hereof the Consolidated Entities' pro rata share of the net income (or loss) of any Joint Venture shall be deemed equal to the product of (i) the income (or loss) of such Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"*Net Worth*" means, at any date, the consolidated stockholders' equity of the Consolidated Entities, excluding any amounts attributable to Disqualified Capital Stock.

"*New Borrowing*" shall mean any new advance of funds by the Lenders to the Borrowers constituting either a Base Rate Loan or a LIBO Rate Loan.

"*Non-Defaulting Lender*" shall mean each and every Lender, except those Lenders that have defaulted in their respective obligations under the Credit Agreement (including, without limitation, the obligations under *Section 1.4(5)* and *Section 1.5* of the Credit Agreement), as determined by the Administrative Agent in its sole reasonable discretion.

"*Note*" shall mean a promissory note in the form of that attached to the Credit Agreement as *Exhibit I* issued by the Borrowers at the request of a Lender pursuant to *Section 1.8(6)* of the Credit Agreement.

"*Obligations*" shall mean any and all debts, obligations and liabilities of the Borrowers or the other Borrower Parties to the Administrative Agent, the Issuing Lender, the other Agents and the Lenders (whether now existing or hereafter arising, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred), arising out of or related to the Loan Documents.

"*Officers' Certificate*" shall mean as to any entity, a certificate executed on behalf of such entity by a Responsible Officer.

"*Organizational Documents*" shall mean: (a) for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation, (b) for any partnership, the partnership agreement, any certificate of formation, and any other instrument or agreement relating to the rights between the partners or pursuant to which such partnership is formed, (c) for any limited liability company, the operating agreement, any articles of organization or formation, and any other instrument or agreement relating to the rights between the members, pertaining to the manager, or pursuant to which such limited liability company is formed, and (d) for any trust, the trust agreement and any other instrument

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or agreement relating to the rights between the trustors, trustees and beneficiaries, or pursuant to which such trust is formed.

"*Original Commitment Termination Date*" shall mean July 26, 2005.

"*Other Taxes*" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies of a Governmental Authority with respect to any payment made under any Loan Document or from the execution, delivery or enforcement of any Loan Document.

"*Participant*" shall have the meaning given such term in *Section 11.8* of the Credit Agreement.

"*PBGC*" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any of its principal functions under ERISA.

"*Pension Plan*" shall mean a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA which the Consolidated Entities or any ERISA Affiliate sponsors, maintains, or to which it makes, is making, or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding five (5) plan years, but excluding any Multiemployer Plan.

"*Permitted Encumbrances*" shall mean any Liens with respect to the assets of the Borrowers consisting of the following:

(a) Liens (other than environmental Liens and Liens in favor of the PBGC) with respect to the payment of taxes, assessments or governmental charges in all cases which are not yet due or which are being contested in good faith and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;

(b) Statutory liens of carriers, warehousemen, mechanics, materialmen, landlords, repairmen or other like Liens arising by operation of law in the ordinary course of business for amounts which, if not resolved in favor of the Borrower Parties, could not result in a Material Adverse Effect;

(c) Liens securing the performance of bids, trade contracts (other than borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(d) Other Liens, incidental to the conduct of the business of the Borrower Parties, including Liens arising with respect to zoning restrictions, easements, licenses, reservations, covenants, rights-of-way, easements, encroachments, building restrictions, minor defects, irregularities in title and other similar charges or encumbrances on the use of the assets of the Borrower Parties which do not interfere with the ordinary conduct of the business of the Borrower Parties and that are not incurred (i) in violation of any terms and conditions of the Credit Agreement; (ii) in connection with the borrowing of money or the obtaining of advances or credit, or (iii) in a manner which could result in a Material Adverse Effect;

(e) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance and other types of social security;

(f) Any attachment or judgment Lien not constituting an Event of Default;

(g) Licenses (with respect to intellectual property and other property), leases or subleases granted to third parties;

(h) any (i) interest or title of a lessor or sublessor under any lease not prohibited by the Credit Agreement, (ii) Lien or restriction that the interest or title of such lessor or sublessor may be subject to, or (iii) subordination of the interest of the lessee or sublessee under such

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lease to any Lien or restriction referred to in the preceding clause (ii), so long as the holder of such Lien or restriction agrees to recognize the rights of such lessee or sublessee under such lease;

(i) Liens arising from filing UCC financing statements relating solely to leases not prohibited by the Credit Agreement;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; and

(k) Liens on personal property.

"Person" shall mean any corporation, natural person, firm, joint venture, partnership, trust, unincorporated organization, government or any department or agency of any government.

"Plan" shall mean an employee benefit plan (as defined in Section 3(3) of ERISA) which the Consolidated Entities or any ERISA Affiliate sponsors or maintains or to which the Consolidated Entities or any ERISA Affiliate makes, is making, or is obligated to make contributions and includes any Pension Plan, other than a Multiemployer Plan.

"Pledge Agreements" shall mean, individually or collectively, each of the Pledge Agreements dated as of even date herewith from the Macerich Partnership, MAC and the Westcor Borrowers (other than Macerich TWC Corp. and Macerich TWC LLC), each in substantially the form attached to the Credit Agreement as Exhibit J, pursuant to which each of the Macerich Partnership, MAC and the Westcor Borrowers (other than Macerich TWC Corp. and Macerich TWC LLC) shall pledge to the Collateral Agent, for the ratable benefit of the Benefited Creditors, all of its direct and indirect ownership interest in the Westcor Borrowers and Westcor Realty Limited Partnership, as applicable.

"Potential Default" shall mean an event which but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.

"Prime Rate" shall mean the fluctuating per annum rate announced from time to time by DBTCA or any successor Administrative Agent at its principal office in New York, New York as its "prime rate". The Prime Rate is a rate set by DBTCA as one of its base rates and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto, and is evidenced by the recording thereof after its announcement in such internal publication or publications as DBTCA may designate. The Prime Rate is not tied to any external index and does not necessarily represent the lowest or best rate of interest actually charged to any class or category of customers. Each change in the Prime Rate will be effective on the day the change is announced within DBTCA.

"Pro Forma Statements" shall have the meaning given such term in Section 6.1 of the Credit Agreement.

"Project" shall mean any shopping center, retail property, office building, mixed use property or other income producing project owned or controlled, directly or indirectly by a Macerich Entity. "Project" shall include the redevelopment, or reconstruction of any existing Project.

"Property" shall mean, collectively and severally, any and all Real Property and all personal property owned or occupied by the subject Person. "Property" shall include all Capital Stock owned by the subject Person in a Subsidiary Entity.

"Property Expense" shall mean, for any Retail Property, all operating expenses relating to such Retail Property, including the following items (provided, however, that Property Expenses shall not include debt service, tenant improvement costs, leasing commissions, capital improvements, Depreciation and Amortization Expenses and any extraordinary items not considered operating expenses under GAAP): (i) all expenses for the operation of such Retail Property, including any management fees payable under the Management Contracts and all insurance expenses, but not

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including any expenses incurred in connection with a sale or other capital or interim capital transaction; (ii) water charges, property taxes, sewer rents and other impositions, other than fines, penalties, interest or such impositions (or portions thereof) that are payable by reason of the failure to pay an imposition timely; and



(iii) the cost of routine maintenance, repairs and minor alterations, to the extent they can be expensed under GAAP.

"*Property Income*" shall mean, for any Retail Property, all gross revenue from the ownership and/or operation of such Retail Property (but excluding income from a sale or other capital item transaction), service fees and charges and all tenant expense reimbursement income payable with respect to such Retail Property.

"*Property NOI*" shall mean, for any Retail Property for any period, (i) all Property Income for such period, *minus* (ii) all Property Expenses for such period.

"*Rate Request*" shall mean a request for the conversion or continuation of a Base Rate Loan or LIBO Rate Loan as set forth in *Section 1.6(2)* of the Credit Agreement.

"*Real Property*" means each of those parcels (or portions thereof) of real property, improvements and fixtures thereon and appurtenances thereto now or hereafter owned or leased by the Macerich Entities.

"*Real Property Under Construction*" shall mean Real Property for which Commencement of Construction has occurred but either: (i) construction of such Real Property is not substantially complete; or (ii) less than 80% of the Gross Leaseable Area of such Real Property is subject to binding leases.

"*Regulation D*" shall mean Regulation D of the Board of Governors of the Federal Reserve System from time to time in effect and shall include any successor or other regulation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"*Regulation U*" shall mean Regulation U of the Board of Governors of the Federal Reserve System (12 C.F.R. § 221), as the same may from time to time be amended, supplemented or superseded.

"*REIT*" shall mean a domestic trust or corporation that qualifies as a real estate investment trust under the provisions of Sections 856, et seq. of the Code.

"*REIT Guaranty*" shall mean the credit guaranty executed by MAC in favor of DBTCA (or a successor Collateral Agent), in its capacity as Collateral Agent for the benefit of the Benefited Creditors, as the same may be Modified from time to time.

"*Related Parties*" shall mean, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"*Reportable Event*" shall mean any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder, other than any such event for which the thirty (30)-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

"*Required Benefited Creditors*" shall mean, at any date, Benefited Creditors the sum of whose (i) aggregate outstanding portion of the principal amount of the "Term Loan" (as such term is defined in the Term Loan Credit Agreement) (ii) aggregate outstanding portion of the principal amount of the "Interim Loan" (as such term is defined in the Interim Facility Credit Agreement) and (iii) aggregate Commitments, represents an amount not less than 66<sup>2</sup>/<sub>3</sub>% of the sum of the outstanding principal amount of the Term Loan, principal amount of the Interim Loan, and total Commitments.

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"*Required Lenders*" means, at any time, Lenders having Revolving Credit Exposures and Unused Commitments representing an amount not less than 66<sup>2</sup>/<sub>3</sub>% of the sum of the total Revolving Credit Exposures and Unused Commitments at such time.

"*Requirements of Law*" shall mean, as to any Person, the Organizational Documents of such Person, and any law, treaty, rule or regulation, or a final and binding determination of an arbitrator or a determination of a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"*Reserve Adjusted LIBO Rate*" shall mean, with respect to any LIBO Rate Loan, the rate per annum (rounded upward, if necessary, to the next higher <sup>1</sup>/<sub>16</sub> of one percent) calculated as of the first day of such Interest Period in accordance with the following formula:

$$\text{Reserve Adjusted LIBO Rate} = \frac{\text{LR}}{1-\text{LRP}}$$

where

LR = LIBO Rate

LRP = LIBO Reserve Percentage

"*Reserve Amount*" shall mean, at any time, an amount equal to the aggregate principal amount outstanding under the Convertible Debentures as of such day; *provided that* the "Reserve Amount" shall equal \$0 with respect to, and for purposes of calculating availability solely for, any Borrowing which is to be used in full by the Borrowers to redeem or repay any portion of the principal amount of the Convertible Debentures.

"*Responsible Financial Officer*" shall mean, with respect to any Person, the chief financial officer or treasurer of such Person or any other officer, partner or member having substantially the same authority and responsibility.

"*Responsible Officer*" shall mean, with respect to any Person, the president, chief executive officer, vice president, Responsible Financial Officer, general partner or managing member of such Person or any other officer, partner or member having substantially the same authority and responsibility.

"*Restricted Cash*" shall mean any cash or cash equivalents held by any Person with respect to which such Person does not have unrestricted access and unrestricted right to expend such cash or expend or liquidate such permitted Investments.

"*Retail Property*" means any Real Property that is a neighborhood, community or regional shopping center or mall.

"*Revolving Credit Exposure*" shall mean, with respect to any Lender at any time, the aggregate outstanding principal amount of such Lender's Loans and LC Exposure, at such time.

"*Revolving Credit Facility*" shall mean this credit facility which provides for the extension of credit and the issuance of letters of credit from time to time in an aggregate amount not to exceed \$425,000,000, as set forth, and subject to the terms of, the Credit Agreement.

"*S&P*" shall mean Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., or any successor thereto.

"*Secured Indebtedness*" shall mean that portion of the Total Liabilities that is, without duplication: (i) secured by a Lien (excluding, however, the Indebtedness under the Credit Agreement, the Interim Facility and the Term Loan Facility); or (ii) any unsecured Indebtedness of any Subsidiary of a Borrower Party if such Subsidiary is not a Guarantor.

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"*Secured Indebtedness Ratio*" shall mean, at any time, the ratio of (i) Secured Indebtedness, to (ii) Gross Asset Value for such period.

"*Securities*" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit sharing agreement or arrangement, bonds, debentures, options, warrants, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"*Senior Managing Agents*" shall mean Fleet National Bank, ING Capital LLC and Commerzbank AG, in their respective capacities as senior managing agents for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

"*Single Purpose Entity*" shall mean shall mean a Person, other than an individual, which (A) is formed or organized solely for the purpose of holding, directly or indirectly, an ownership interest in the Westcor Principal Entities, (B) does not engage in any business unrelated to clause (A) above, (C) has not and will not have any assets other than those related to its activities in accordance with clauses (A) and (B) above, (D) maintains its own separate books and records and its own accounts, in each case which are separate and apart from the books and records and accounts of any other Person, (E) holds itself out as being a Person, separate and apart from any other Person, (F) does not and will not commingle its funds or assets with those of any other Person, (G) conducts its own business in its own name, (H) maintains separate financial statements and files its own tax returns (or if its tax returns are consolidated with those of MAC, such returns shall clearly identify such Person as a separate legal entity), (I) pays its own debts and liabilities when they become due out of its own funds, (J) observes all partnership, corporate, limited liability company or trust formalities, as applicable, and does all things necessary to preserve its existence, (K) except as expressly permitted by the Loan Documents, maintains an arm's-length relationship with its Transactional Affiliates and shall not enter into any Contractual Obligations with any Affiliates except as permitted under the Credit Agreement, (L) pays the salaries of its own employees, if any, and maintains a sufficient number of employees in light of its contemplated business operations, (M) does not guarantee or otherwise obligate itself with respect to the debts of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person, except with respect to the Loans (and the co-Borrower provisions set forth in the Credit Agreement) and as otherwise permitted under the Loan Documents, (N) does not acquire obligations of or securities issued by its partners, members or shareholders, (O) allocates fairly and reasonably shared expenses, including any overhead for shared office space, (P) uses separate stationery, invoices, and checks, (Q) does not and will not pledge its assets for the benefit of any other Person (except as permitted under the Loan Documents) or make any loans or advances to any other Person (except with respect to the Loans, the Term Loan Facility and the Interim Facility and the joint-Borrower provisions set forth in the Credit Agreement), (R) does and will correct any known misunderstanding regarding its separate identity, (S) maintains adequate capital in light of its contemplated business operations, and (T) has and will have a partnership or operating agreement, certificate of incorporation or other organizational document which complies with the requirements set forth in this definition.

"*Solvent*" shall mean, when used with respect to any Person, that at the time of determination: (i) the fair saleable value of its assets is in excess of the total amount of its liabilities (including, without limitation, contingent liabilities); (ii) the present fair saleable value of its assets is greater than its probable liability on its existing debts as such debts become absolute and matured; (iii) it is then able and expects to be able to pay its debts (including, without limitation, contingent debts and other commitments) as they mature; and (iv) it has capital sufficient to carry on its business as conducted and as proposed to be conducted.

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"*Stabilization*" shall mean, with respect to any Real Property, the date on which eighty-five percent (85%) or more of the Gross Leasable Area of such Real Property has been subject to binding leases for a period of one (1) year or longer.

"*Stated Amount*" shall mean, with respect to any Letter of Credit, the maximum amount available to be drawn thereunder, without regard to whether any conditions to drawing could be met.

"*Statement Date*" shall mean December 31, 2001.

"*Subordinated Creditor*" shall have the meaning given such term in *Section 7.15(1)*.

"*Subordinated Debt*" shall have the meaning given such term in *Section 7.15(1)*.

"*Subsidiary*" shall mean, with respect to any Person: (a) any corporation more than fifty percent (50%) of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, (b) any partnership, limited liability company, association, joint venture or similar business organization more than fifty percent (50%) of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled, (c) with respect to MAC, any other Person in which MAC owns, directly or indirectly, any Capital Stock and which would be combined with MAC in the consolidated financial statements of MAC in accordance with GAAP; or (d) with respect to the Westcor Borrowers and the Westcor Principal Entities, any other Person in which they own, directly or indirectly, any Capital Stock and which would be combined with them in consolidated financial statements in accordance with GAAP.

"Subsidiary Entities" shall mean a Subsidiary or Joint Venture of a Person. Unless otherwise expressly provided, all references in the Loan Documents to a "Subsidiary Entity" shall mean a Subsidiary Entity of MAC.

"Supplemental Guarantor" shall have the meaning set forth in Section 4.1 of the Credit Agreement.

"Supplemental Guaranties" shall mean a Guaranty executed by a Supplemental Guarantor pursuant to Section 4.1 of the Credit Agreement.

"Tangible Net Worth" shall mean, at any time, (i) Net Worth minus (ii) Intangible Assets, plus (iii) solely for purposes of Section 8.12(1) of the Credit Agreement, any minority interest reflected in the balance sheet of MAC, but only to the extent attributable to Minority Interests, in each case at such time.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Tax Expense" shall mean (without duplication), for any period, total tax expense (if any) attributable to income and franchise taxes based on or measured by income, whether paid or accrued, of the Consolidated Entities, including the Consolidated Entity's *pro rata* share of tax expenses in any Joint Venture. For purposes of this definition, the Consolidated Entities' *pro rata* share of any such tax expense of any Joint Venture shall be deemed equal to the product of (i) such tax expense of such Joint Venture, multiplied by (ii) the percentage of the total outstanding Capital Stock of such Person held by the Consolidated Entity, expressed as a decimal.

"Term Loan Credit Agreement" shall mean that certain credit agreement evidencing the Term Loan Facility dated as of the date of the Credit Agreement, by and among the Borrowers, as borrowers, MAC and the other guarantors signatory thereto, the leaders signatory thereto and DBTCA, as administrative agent.

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"Term Loan Facility" shall mean that certain credit facility evidenced by the Term Loan Credit Agreement, which provides for the funding of a term loan to the Borrowers in the aggregate commitment amount of \$250 million.

"Total Liabilities" shall mean, at any time, without duplication, the aggregate amount of (i) all Indebtedness and other liabilities of the Consolidated Entities reflected in the financial statements of MAC or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation), plus (ii) all Indebtedness and other liabilities of all Joint Ventures reflected in the financial statements of such Joint Ventures or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) which are otherwise recourse to any Consolidated Entity or any of its assets or that otherwise constitutes Indebtedness of any Consolidated Entity (including any recourse obligations arising as a result of a Consolidated Entity serving as a general partner, directly or indirectly, in such Joint Ventures, unless such general partner is a corporation whose sole asset is its general partnership interest and who otherwise meets the criteria set forth in clauses (D) through (T) in the definition of Single Purpose Entity); provided that, notwithstanding this clause (ii), those certain guarantees described on Schedule G-2 to the Credit Agreement, which liabilities thereunder are recourse, directly or indirectly, to any of the Westcor Principal Entities or their Subsidiaries, shall be considered an obligation governed by clause (iii) below, plus (iii) the Consolidated Entities' *pro rata* share of all Indebtedness and other liabilities reflected in the financial statements of any Joint Venture or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) not otherwise constituting Indebtedness of or recourse to any Consolidated Entity or any of its assets, plus (iv) all liabilities of the Consolidated Entities with respect to purchase and repurchase obligations, provided that any obligations to acquire fully-constructed Real Property shall not be included in Total Liabilities prior to the transfer of title of such Real Property. With respect to any Real Property Under Construction as to which any Consolidated Entity has provided an outstanding and undrawn letter of credit relating to the performance and/or completion of construction at such property, the amount of Indebtedness evidenced by such letter of credit shall be included in Total Liabilities if: (a) such Indebtedness does not duplicate Indebtedness incurred in respect of such Real Property Under Construction (including any off-site improvements associated therewith); (b) such Indebtedness is required by GAAP to be reflected on the liability side of any Consolidated Entities' balance sheet; and (c) to the extent such Indebtedness is not required by GAAP to be reflected on the liability side of any Consolidated Entities' balance sheet, then such Indebtedness shall only be included to the extent the amount of such Indebtedness exceeds \$40,000,000. For purposes of clause (iii), the Consolidated Entities' *pro rata* share of all Indebtedness and other liabilities of any Joint Venture shall be deemed equal to the product of (a) such Indebtedness or other liabilities, multiplied by (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

"Transactional Affiliates" shall have the meaning given such term in Section 8.6 of the Credit Agreement.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Applicable LIBO Rate or the Applicable Base Rate.

"UCC" shall mean the Uniform Commercial Code.

"Unaffiliated Partners" shall mean Persons who own, directly or indirectly at any tier, a beneficial interest in the Capital Stock of a Subsidiary Entity, but such Persons shall exclude: (i) the Macerich Entities; (ii) Affiliates of Macerich Entities; (iii) Persons whose Capital Stock or beneficial interest therein is owned, directly or indirectly at any tier, by the Macerich Entities or their Affiliates.

"Unencumbered Property" shall have the meaning set forth in Section 4.1 of the Credit Agreement.

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"Unfunded Pension Liability" shall mean the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"Unused Commitments" shall mean, with respect to any Lender at any time, the difference of (i) the total amount of such Lender's Commitment and (ii) such Lender's Revolving Credit Exposure.

"Usage Percentage" shall mean the ratio, expressed as a percentage, of (i) the sum of (x) the average daily outstanding amount of Loans and (y) the undrawn face amount of all outstanding Letters of Credit, to (ii) the aggregate amount of the Lenders' Commitments during such period.

"Westcor" shall mean (i) the Westcor Principal Entities, (ii) the Westcor Borrowers, (iii) the Subsidiaries of the Westcor Borrowers; and (iv) any other Person the accounts of which would be consolidated with those of the Westcor Borrowers in consolidated financial statements in accordance with GAAP. When the context so requires, "Westcor" shall mean any of the Persons described above.

"Westcor Acquisition" shall mean that certain acquisition by MAC and the Borrowers of the Westcor Principal Entities, to be consummated as of the Closing Date.

"Westcor Assets" shall mean all Projects and related Property, directly or indirectly, in whole or in any part, owned or leased by Westcor.

"Westcor Borrowers" shall have the meaning given such term in the preamble to the Credit Agreement.

"Westcor Depreciation and Amortization Expense" shall mean (without duplication), for any period, the sum for such period of (i) total depreciation and amortization expense, whether paid or accrued, of Westcor, plus (ii) Westcor's *pro rata* share of depreciation and amortization expenses of any Westcor Joint Ventures. For purposes of this definition, Westcor's *pro rata* share of depreciation and amortization expense of any Westcor Joint Venture shall be deemed equal to the product of (i) the depreciation and amortization expense of such Westcor Joint Venture, multiplied by (ii) the percentage of the total outstanding Capital Stock of such Person held by Westcor, expressed as a decimal.

"Westcor EBITDA" shall mean, for the twelve months then most recently ended, solely with respect to Westcor and the Westcor Assets, Westcor Net Income, plus (without duplication) (A) Westcor Interest Expense, (B) Westcor Tax Expense, and (C) Westcor Depreciation and Amortization Expense, in each case for such period.

"Westcor Gross Asset Value" shall mean, at any time, solely with respect to Westcor and the Westcor Assets, the sum of (without duplication):

(i) for Westcor Retail Properties that are Wholly-Owned the sum of, for each such property, (a) such property's Westcor Property NOI for the Measuring Period, divided by (b) (1) 8.25% (expressed as a decimal), in the case of regional Westcor Retail Properties or (2) 9.50% (expressed as a decimal) in the case of Westcor Retail Properties that are not regional; provided, however that for purposes of calculating Westcor Gross Asset Value for the Westcor Assets, for the first 12 Loan Months, the Westcor Gross Asset Value under this subsection (i) shall equal Westcor's allocated acquisition costs with respect to such Westcor Assets, plus

(ii) for Westcor Retail Properties that are not Wholly-Owned, the sum of, for each such property, (a) the Westcor Gross Asset Value of each such Westcor Retail Property at such time, as calculated pursuant to the foregoing clause (i), multiplied by (b) the percentage of the total outstanding Capital Stock held by Westcor in the owner of the subject Retail Property, expressed as a decimal; provided, however that for purposes of

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calculating Westcor Gross Asset Value for the Westcor Assets, for the first 12 Loan Months, the Westcor Gross Asset Value under this subsection (ii) shall equal Westcor's allocated acquisition costs with respect to such Westcor Assets, plus

(iii) all cash and Cash Equivalents (other than, in either case, Restricted Cash) held by Westcor at such time, and, in the case of cash and Cash Equivalents not Wholly-Owned, multiplied by a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by Westcor in the Person holding title to such cash and Cash Equivalents, plus

(iv) all Mortgage Loans acquired for the purpose of acquiring the underlying real property, valued by the book value of each such Mortgage Loan at the time it is initially acquired; plus

(v)(a) 100% of the Book Value of Construction-in-Process with respect to Westcor Real Properties Under Construction that are Wholly-Owned and (b) the product of (1) 100% of the Book Value of Construction-in-Process with respect to Westcor Real Properties Under Construction that are not Wholly-Owned multiplied by (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by Westcor in the Person holding title to such Real Properties Under Construction; plus

(vi) to the extent not otherwise included in the foregoing clauses, (a) the book value of tenant receivables, deferred charges and other assets with respect to Westcor Real Properties that are Wholly-Owned and (b) the product of (1) the book value of tenant receivables, deferred charges and other assets with respect to Westcor Real Properties that are not Wholly-Owned multiplied by (2) a percentage (expressed as a decimal) equal to the percentage of the total outstanding Capital Stock held by Westcor in the Person holding title to such Westcor Real Property (collectively, "Westcor Other GAV Assets"), provided that the aggregate value of Westcor Other GAV Assets shall not exceed five percent (5%) of the aggregate Westcor Gross Asset Value of all the assets of Westcor; plus

(vii) the Book Value of land and other Properties not constituting Westcor Real Properties;

provided, however, that the determination of Westcor Gross Asset Value for any period shall not include any Westcor Real Property (or any Westcor Property NOI relating to any Westcor Real Property) that has been sold or otherwise disposed of at any time prior to or during such period.

"Westcor Interest Coverage Ratio" shall mean, at any time, the ratio of (i) Westcor EBITDA for the twelve months then most recently ended (except that with respect to any Westcor entity that has not achieved Stabilization, Westcor EBITDA for such entity shall be calculated for the most recent fiscal quarter and annualized), to (ii) Westcor Interest Expense for such period (except that with respect to Interest Expense of any Westcor entity that has not achieved Stabilization, Westcor Interest Expense for such entity shall be calculated for the most recent fiscal quarter and annualized).

"Westcor Interest Expense" shall mean, for any period, solely with respect to Westcor and the Westcor Assets, the sum (without duplication) for such period of: (i) total interest expense (excluding interest expense incurred under the Credit Agreement, the Interim Facility and the Term Loan Facility), whether paid or accrued, of Westcor, including fees payable in connection with the Credit Agreement, charges in respect of letters of credit and the portion of any Capitalized Lease Obligations allocable to interest expense, including Westcor's share of interest expenses in Westcor Joint Ventures but excluding amortization or write-off of debt discount and expense (except as provided in clause (ii) below), (ii) amortization of costs related to interest rate protection contracts and rate buydowns,

(iii) capitalized interest, *provided* that capitalized interest may be excluded from this clause (iii) to the extent (A) such interest is paid or reserved out of any interest reserve established under a loan facility or (B) consists of interest imputed under GAAP in respect of ongoing construction activities, but only to the extent such interest has not actually been paid, and the amount thereof, when taken together with such like amounts attributable to the Consolidated Entities, does not in the aggregate exceed \$10,000,000, (iv) to the extent not included in clauses (i), (ii) and (iii), Westcor's *pro rata* share of interest expense and other amounts of the type referred to in such clauses of the Westcor Joint Ventures, and (v) interest incurred on any liability or obligation that constitutes a Contingent Obligation of Westcor. For purposes of clause (iv), Westcor's *pro rata* share of interest expense or other amount of any Westcor Joint Venture shall be deemed equal to the product of (a) the interest expense or other relevant amount of such Joint Venture, *multiplied by* (b) the percentage of the total outstanding Capital Stock held by Westcor in such Person, expressed as a decimal.

"Westcor Net Asset Value" shall mean: (i) Westcor Gross Asset Value; less (ii) Westcor Total Liabilities.

"Westcor Net Income" shall mean, for any period, the net income (or loss), after provision for taxes, of Westcor determined on a consolidated basis for such period taken as a single accounting period as determined in accordance with GAAP, and including Westcor's *pro rata* share of the net income (or loss) of any Westcor Joint Venture for such period, but excluding (i) any unrealized losses and gains for such period; (ii) other non-cash charges and expenses (including non-cash charges resulting from accounting changes); and (iii) any gains or losses arising outside of the ordinary course of business; and (iv) any charges for minority interests in Westcor held by Unaffiliated Partners. For purposes hereof Westcor's *pro rata* share of the net income (or loss) of any Westcor Joint Venture shall be deemed equal to the product of (i) the income (or loss) of such Westcor Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by Westcor in such Person, expressed as a decimal.

"Westcor Principal Entities" shall mean, jointly and severally, Westcor Realty Limited Partnership and The Westcor Company II Limited Partnership.

"Westcor Property Income" shall mean, for any Westcor Real Property, all gross revenue from the ownership and/or operation of such Westcor Real Property (but excluding income from a sale or other capital item transaction), service fees and charges and all tenant expense reimbursement income payable with respect to such Westcor Real Property.

"Westcor Property Expense" shall mean, for any Westcor Real Property, all operating expenses relating to such Westcor Real Property, including the following items (*provided, however*, that Westcor Property Expenses shall not include debt service, tenant improvement costs, leasing commissions, capital improvements, Westcor Depreciation and Amortization Expenses and any extraordinary items not considered operating expenses under GAAP): (i) all expenses for the operation of such Westcor Real Property, including any management fees payable under the Management Contracts and all insurance expenses, but not including any expenses incurred in connection with a sale or other capital or interim capital transaction; (ii) water charges, property taxes, sewer rents and other impositions, other than fines, penalties, interest or such impositions (or portions thereof) that are payable by reason of the failure to pay an imposition timely; and (iii) the cost of routine maintenance, repairs and minor alterations, to the extent they can be expensed under GAAP.

"Westcor Property NOI" shall mean, for any Westcor Real Property for any period, (i) all Westcor Property Income for such period, *minus* (ii) all Westcor Property Expenses for such period.

"Westcor Real Property Under Construction" shall mean Westcor Real Property for which Commencement of Construction has occurred but either:  
(i) construction of such Westcor Real

Property is not substantially complete; or (ii) less than 80% of the Gross Leaseable Area of such Westcor Real Property is subject to binding leases containing then applicable market terms.

"Westcor Tax Expense" shall mean (without duplication), for any period, total tax expense (if any) attributable to income and franchise taxes based on or measured by income, whether paid or accrued, of Westcor, including Westcor's *pro rata* share of tax expenses in any Joint Venture. For purposes of this definition, Westcor's *pro rata* share of any such tax expense of any Westcor Joint Venture shall be deemed equal to the product of (i) such tax expense of such Westcor Joint Venture, *multiplied by* (ii) the percentage of the total outstanding Capital Stock of such Person held by Westcor, expressed as a decimal.

"Westcor Total Liabilities" shall mean, at any time, without duplication, the aggregate amount of (i) all Indebtedness and other liabilities of Westcor (excluding the Indebtedness and liabilities incurred under the Credit Agreement and the other Loan Documents, the Interim Facility and the Term Loan Facility) reflected in their respective financial statements or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation), *plus* (ii) all Indebtedness and other liabilities of all Joint Ventures reflected in the financial statements of such Joint Ventures or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) which are otherwise recourse to Westcor or any of its assets or that otherwise constitutes Indebtedness of Westcor (including any recourse obligations arising as a result of a Westcor serving as a general partner, directly or indirectly, in such Joint Ventures, unless such general partner is a corporation whose sole asset is its general partnership interest and who otherwise meets the criteria set forth in clauses (D) through (T) in the definition of Single Purpose Entity); *provided that*, notwithstanding this clause (ii), those certain guarantees described on *Schedule G-2* to the Credit Agreement, which liabilities thereunder are recourse, directly or indirectly, to any of the Westcor Principal Entities or their Subsidiaries, shall be considered an obligation governed by clause (iii) below, *plus* (iii) Westcor's *pro rata* share of all Indebtedness and other liabilities reflected in the financial statements of any Joint Venture or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) not otherwise constituting Indebtedness of or recourse to Westcor or any of its assets, *plus* (iv) all liabilities of Westcor with respect to purchase and repurchase obligations, provided that any obligations to acquire fully-constructed Real Property shall not be included in Total Liabilities prior to the transfer of title of such Real Property. With respect to any Westcor Real Property Under Construction as to which Westcor has provided an outstanding and undrawn letter of credit relating to the performance and/or completion of construction at such property, the amount of Indebtedness evidenced by such letter of credit shall only be included in Westcor Total Liabilities if: (a) such Indebtedness does not duplicate Indebtedness incurred in respect of such Westcor Real Property Under Construction (including any off-site improvements associated therewith); (b) such Indebtedness is required by GAAP to be reflected on the liability side of any Westcor Principal Entities' balance sheet; and (c) to the extent such Indebtedness is not required by GAAP to be reflected on the liability side of any Westcor Principal Entities' balance sheet, then such Indebtedness shall only be included to the extent the amount of such Indebtedness exceeds \$40,000,000. For purposes of clause (iii), Westcor's *pro rata* share of all Indebtedness and other

liabilities of any Joint Venture shall be deemed equal to the product of (a) such Indebtedness or other liabilities, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by Westcor, expressed as a decimal.

"*Wholly-Owned*" shall mean, with respect to any Real Property, Capital Stock, or other Property owned or leased, that (i) title to such Property is held directly by, or such Property is leased by, the Macerich Partnership, or (ii) in the case of Real Property or Capital Stock, title to such property is held by, or (in the case of Real Property) such Property is leased by, a Consolidated Entity at least 99% of the Capital Stock of which is held of record and beneficially by the Macerich Partnership (or a Person whose Capital Stock is owned 100% by Macerich Partnership) and the balance of the Capital Stock of which (if any) is held of record and beneficially by MAC (or a Person whose Capital Stock is

owned 100% by MAC). References to Property Wholly-Owned by Westcor or a Macerich Entity shall mean property 100% owned by such Person.

"*Wholly-Owned Raw Land*" shall mean Wholly-Owned land that is not under development and for which no development is planned to commence within twelve (12) months after the date on which it was acquired.

*Other Interpretive Provisions.*

(1) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. Terms (including uncapitalized terms) not otherwise defined herein and that are defined in the UCC shall have the meanings therein described.

(2) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(3) (i) The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced;

(ii) The term "including" is not limiting and means "including without limitation;"

(iii) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding," and the word "through" means "to and including;"

(iv) The term "property" includes any kind of property or asset, real, personal or mixed, tangible or intangible; and

(v) The verb "exists" and its correlative noun forms, with reference to a Potential Default or an Event of Default, means that such Potential Default or Event of Default has occurred and continues uncured and unwaived.

(4) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent Modifications thereto, but only to the extent such Modifications are not prohibited by the terms of any Loan Document, (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation, and (iii) references to any Person include its permitted successors and assigns.

(5) This Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

## QuickLinks

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[ANNEX I: GLOSSARY](#)

**INCIDENTAL REGISTRATION RIGHTS AGREEMENT**  
**(WESTCOR REALTY CLASS C LIMITED PARTNERS)**

This INCIDENTAL REGISTRATION RIGHTS AGREEMENT is made as of the 26th day of July, 2002 (this "Agreement"), between THE MACERICH COMPANY, a Maryland Corporation (the "Company") and ("Investor").

W I T N E S E T H:

WHEREAS, the Company has agreed to provide Investor with certain registration rights as set forth in this Agreement with respect to the units ("OP Units") representing a limited partnership interest in The Macerich Partnership, L.P., a Delaware limited partnership (the "Partnership") that (i) are receivable upon conversion of (A) the units (the "Class C Units") representing a limited partnership interest in Westcor Realty Limited Partnership ("Westcor LP") held by Investor or (B) the units ("LTIP Units") representing a limited partnership interest in the Partnership that are receivable upon conversion of the Class C Units and (ii) may be redeemed for shares of Common Stock, \$.01 par value per share, of the Company (the "Common Stock");

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to and on the terms and conditions herein set forth, the parties hereto agree as follows:

**ARTICLE I**  
**CERTAIN DEFINITIONS**

1.1 "Business Day" means any day on which the New York Stock Exchange is open for trading.

1.2 "Closing Date" means the date hereof.

1.3 "Eligible Securities" means all or any portion of any shares of Common Stock acquired by Investor upon redemption of OP Units that are receivable upon conversion of (i) the Class C Units held by Investor on the Closing Date or (ii) the LTIP Units receivable upon conversion of the Class C Units held by Investor on the Closing Date, subject to the provisions of Section 3.4 hereof.

As to any proposed offer or sale of Eligible Securities, such securities shall cease to be Eligible Securities with respect to such proposed offer or sale when (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement or, (ii) such securities are permitted to be distributed pursuant to Rule 144(k) (or any successor provision to such Rule) under the Securities Act or, (iii) such securities shall have been otherwise transferred pursuant to an applicable exemption under the Securities Act, new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and such securities shall be freely transferable to the public without registration under the Securities Act.

1.4 "Person" means an individual, a partnership (general or limited), corporation, joint venture, business trust, cooperative, association or other form of business organization, whether or not regarded as a legal entity under applicable law, a trust (inter vivos or testamentary), an estate of a deceased, insane or incompetent person, a quasi-governmental entity, a government or any agency, authority, political subdivision or other instrumentality thereof, or any other entity.

1.5 "Registration Expenses" means all expenses incident to the Company's performance of or compliance with the registration requirements set forth in this Agreement including, without limitation, the following: (i) the fees, disbursements and expenses of the Company's counsel(s) (United States and foreign), accountants and experts in connection with the registration of Eligible Securities to be

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disposed of under the Securities Act; (ii) all expenses in connection with the preparation, printing and filing of the registration statement, any preliminary prospectus or final prospectus, any other offering document and amendments and supplements thereto and the mailing and delivering of copies thereof to the underwriters and dealers; (iii) the cost of printing or producing any agreement(s) among underwriters, underwriting agreement(s) and blue sky or legal investment memoranda, any selling agreements and any other documents in connection with the offering, sale or delivery of Eligible Securities to be disposed of; (iv) all expenses in connection with the qualification of Eligible Securities to be disposed of for offering and sale under state securities laws, including the fees and disbursements of counsel for the underwriters in connection with such qualification and in connection with any blue sky and legal investment surveys; (v) the filing fees incident to securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of Eligible Securities to be disposed of; and (vi) fees and expenses incurred in connection with the listing of Eligible Securities on each securities exchange on which securities of the same class are then listed; provided, however, that Registration Expenses with respect to any registration pursuant to this Agreement shall not include underwriting discounts or commissions attributable to Eligible Securities or transfer taxes applicable to Eligible Securities.

1.6 "SEC" means the Securities and Exchange Commission.

1.7 "Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the relevant time.

**ARTICLE II**  
**EFFECTIVENESS OF REGISTRATION RIGHTS**

2.1 Effectiveness of Registration Rights. This Agreement shall become effective immediately.

**ARTICLE III  
INCIDENTAL REGISTRATION RIGHTS**

3.1 Notice and Registration. If the Company proposes to register any shares of Common Stock or other securities issued by it having terms substantially similar to Eligible Securities ("Other Securities") for public sale under the Securities Act to be offered for sale by, and for the benefit of, the Company on a form and in a manner which would permit registration of Eligible Securities for sale to the public under the Securities Act, it will give prompt written notice to Investor (whether or not the direct holder of Eligible Securities) of its intention to do so, and upon the written request of Investor (the "Investor Notice") delivered to the Company within fifteen (15) Business Days after the giving of any such notice (which request shall specify the number of Eligible Securities intended to be disposed of by Investor and the intended method of disposition thereof) the Company will use all reasonable efforts to effect, in connection with the registration of the Other Securities, the registration under the Securities Act of all Eligible Securities which the Company has been so requested to register by Investor, to the extent required to permit the disposition (in accordance with the intended method or methods thereof as aforesaid) of Eligible Securities so to be registered, provided that:

(a) If, at any time after giving such written notice of its intention to register any Other Securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register the Other Securities, the Company may, at its election, give written notice of such determination to Investor and thereupon the Company shall be relieved of its obligation to register such Eligible Securities in connection with the registration of such Other Securities (but not from its obligation to pay Registration Expenses to the extent incurred in connection therewith as provided in Section 3.2);

(b) The Company will not be required to effect any registration pursuant to this Article 3 if the Company shall have been advised in writing (with a copy to Investor) by a nationally

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recognized independent investment banking firm selected by the Company to act as lead underwriter in connection with the public offering of securities by the Company, that in such firm's opinion, a registration of the number of Eligible Securities which the Company has been requested to register by Investor and any existing or future holder of incidental registration rights (collectively, the "Selling Shareholders") at that time would adversely affect the Company's own scheduled offering or the market price of the Common Stock (a "Full Cutback"), provided, however, that if registration of some but not all of the shares requested to be registered by Investor and any other Selling Shareholder would not adversely affect the Company's offering or the market price of the Common Stock, the aggregate number of shares of all of the Selling Shareholders that may be included in such registration shall be allocated first, to the Selling Shareholders who presently have demand registration rights with the Company and their permitted transferees in accordance with their respective registration rights agreements and second, if applicable, to the other Selling Shareholders pro rata according to the total number of shares for which registration was initially requested by such Selling Shareholders (a "Pro Rata Cutback");

(c) The Company shall not be required to effect any registration of Eligible Securities under this Article 3 incidental to the registration of any of its securities in connection with mergers, acquisitions, exchange offers, subscription offers, dividend reinvestment plans or stock options or other employee benefit plans; and

(d) Investor shall have the right to request registration of Eligible Securities pursuant to this Article 3 no more than a total of two times during the life of this Agreement. No registration request by an Investor shall be deemed a request for purposes of this section 3.1(d) unless all of the Eligible Securities requested to be registered by an Investor as specified in an Investor Notice are so registered by the Company in accordance with the provisions of this Agreement.

3.2 Registration Expenses. The Company (as between the Company and Investor) shall be responsible for the payment of all Registration Expenses in connection with any registration pursuant to this Article 3.

3.3 Notice Requirements.

(a) At the time of the delivery of the Investor Notice, Investor must directly hold the number of Eligible Securities that Investor is requesting to be registered or follow the procedures specified herein. If at the time of the delivery of the Investor Notice Investor does not directly hold the number of Eligible Securities that Investor is requesting to be registered, an exercise notice (the "Exercise Notice") must also be delivered in accordance with the partnership agreement of the Partnership requesting the redemption of OP Units (which together with any other Eligible Securities Investor is requesting the Company register pursuant to Article 3 will equal the number of Eligible Securities that he, she or it is requesting be registered). If upon delivery of the Exercise Notice, all or any portion of the OP Units are redeemed for cash or Unrestricted Common Stock (as defined below), the Investor Notice will be deemed to be amended to reflect the change in the number of shares of restricted Common Stock received upon such redemption.

(b) Notwithstanding any provision of the Partnership Agreement to the contrary, this Exercise Notice may only be revoked by Investor if (i) the registration statement filed in connection with such registration of Eligible Securities does not become effective, or (ii) the Eligible Securities that the Investor is requesting to be registered are not included in such registration statement in accordance with the provisions hereof, or (iii) a Full Cutback has occurred, or (iv) a Pro Rata Cutback has occurred; provided, however, that, in such event, the Exercise Notice may be revoked only with respect to the number of Eligible Securities not included in such registration statement. Within five (5) Business Days of receipt of written notice of any of the events described above (which notice shall also notify Investor of the five Business Days deadline), Investor must provide

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written notice to the Company of the intent of Investor to withdraw the Exercise Notice or Investor will be deemed to have declined the right to revoke the Exercise Notice.



3.4 Issuance of Unrestricted Common Stock. If upon any redemption of OP Units the Company issues to Investor Common Stock where its issuance was registered under the Securities Act ("Unrestricted Common Stock"), such shares of Unrestricted Common Stock shall not be deemed Eligible Securities for purposes of this Agreement and Investor will have no registration rights, and the Company will be relieved of all of its obligations hereunder, with respect to those shares of Unrestricted Common Stock.

#### **ARTICLE IV REGISTRATION PROCEDURES**

4.1 Registration and Qualification. If and whenever the Company is required to use all reasonable efforts to effect the registration of any Eligible Securities under the Securities Act as provided in Article 3, the Company will as promptly as is practicable:

- (a) prepare, file and use all reasonable efforts to cause to become effective a registration statement under the Securities Act regarding the Eligible Securities to be offered;
- (b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Eligible Securities until the earlier of such time as all of such Eligible Securities have been disposed of in accordance with the intended methods of disposition by Investor set forth in such registration statement or the expiration of twelve (12) months after such registration statement becomes effective;
- (c) furnish to Investor and to any underwriter of such Eligible Securities such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus), in conformity with the requirements of the Securities Act, such documents incorporated by reference in such registration statement or prospectus, and such other documents as Investor or such underwriter may reasonably request;
- (d) use all reasonable efforts to register or qualify all Eligible Securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as Investor or any underwriter of such Eligible Securities shall reasonably request, and do any and all other acts and things which may be reasonably requested by Investor or any underwriter to consummate the disposition in such jurisdictions of the Eligible Securities covered by such registration statement, except the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it is not so qualified, or to subject itself to taxation in any jurisdiction where it is not then subject to taxation, or to consent to general service of process in any jurisdiction where it is not then subject to service of process;
- (e) use all reasonable efforts to list the Eligible Securities on each national securities exchange on which the Common Stock is then listed, if the listing of such securities is then permitted under the rules of such exchange; and
- (f) immediately notify Investor at any time when a prospectus relating to a registration pursuant to Article 3 hereof is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances

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under which they were made, not misleading, prepare and furnish to such Investor as many copies of a supplement to or an amendment of such prospectus as Investor may reasonably request so that, as thereafter delivered to the purchasers of such Eligible Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The Company may require Investor to furnish the Company such information regarding Investor and the distribution of such Eligible Securities as the Company may from time to time reasonably request in writing and as shall be required by law or by the SEC in connection with any registration. The Company may also impose such restrictions and limitations on the distribution of such Eligible Securities as the Company reasonably believes are necessary or advisable to comply with applicable law or to effect an orderly distribution, including those restrictions set forth in Section 4.3 hereof.

#### 4.2 Underwriting.

(a) In the event that any registration pursuant to Article 3 hereof shall involve, in whole or in part, an underwritten offering, the Company may require Eligible Securities requested to be registered pursuant to Article 3 to be included in such underwriting on the same terms and conditions as shall be applicable to the Other Securities being sold through underwriters under such registration. In such case, the holders of Eligible Securities on whose behalf Eligible Securities are to be distributed by such underwriters shall be parties to any such underwriting agreement. Such agreement shall contain such representations and warranties by Investor and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including, without limitation, indemnities and contribution to the effect and to the extent provided in Article 6. The representations and warranties in such underwriting agreement by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such holders of Eligible Securities.

(b) If requested by the underwriters for any underwritten offering of Eligible Securities pursuant to a registration requested hereunder, the Company will enter into and perform its obligations under an underwriting agreement with such underwriters for such offering, such agreement to contain such representations and warranties by the Company and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including, without limitation, indemnities and contribution to the effect and to the extent provided in Article 6 hereof. Investor shall be a party to any such underwriting agreement and the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of Investor. Such agreement shall also contain such representations and warranties by Investor and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including, without limitation, indemnities and contribution to the effect and to the extent provided in Article 6.

4.3 Blackout Periods. At any time when a registration statement effected pursuant to Article 3 relating to Eligible Securities is effective, upon written notice from the Company to Investor that the Company has determined in good faith, with the advice of counsel, that Investor's sale of Eligible Securities pursuant to the registration statement would require disclosure of non-public material information the disclosure of which would have a material adverse effect on the Company or would otherwise adversely affect a material financing, acquisition, disposition, merger or other comparable transaction, Investor shall suspend sales of Eligible Securities pursuant to such registration statement until the earlier of:

(X) The date upon which such material information is disclosed to the public or ceases to be material, or

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(Y) such time as the Company notifies Investor that sales pursuant to such registration statement may be resumed.

4.4 Qualification for Rule 144 Sales. The Company will take all actions reasonably necessary to comply with the filing requirements described in Rule 144(c)(1) so as to enable Investor to sell Eligible Securities without registration under the Securities Act and, upon the written request of Investor, the Company will deliver to Investor a written statement as to whether it has complied with such filing requirements.

## **ARTICLE V PREPARATION; REASONABLE INVESTIGATION**

5.1 Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement registering Eligible Securities under the Securities Act, the Company will give Investor and the underwriters, if any, and their respective counsel and accountants, drafts of such registration statement for their review and comment prior to filing and such reasonable and customary access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of Investor and such underwriters or their respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

## **ARTICLE VI INDEMNIFICATION AND CONTRIBUTION**

6.1 Indemnification and Contribution.

(a) In the event of any registration of Eligible securities hereunder, the Company will enter into customary indemnification arrangements to indemnify and hold harmless Investor, and each Person who participates as an underwriter in the offering or sale of such securities, and each Person, if any, who controls such underwriter within the meaning of the Securities Act against any losses, claims, damages, liabilities and expenses, joint or several, to which such Person may be subject under the Securities Act or otherwise insofar as such losses, claims, damages, liabilities or expenses (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, or any document incorporated by reference therein, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will promptly reimburse each such Person for any legal or any other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding; provided that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus or final prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by Investor expressly for use in the registration statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Investor or any such person and shall survive the transfer of such securities by Investor. The Company also shall agree to provide provision for contribution as shall be reasonably requested by Investor or any underwriters in circumstances where such indemnity is held unenforceable.

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(b) Investor, by virtue of exercising its registration rights hereunder, agrees and undertakes to enter into customary indemnification arrangements to indemnify and hold harmless (in the same manner and to the same extent as set forth in clause (a) of this Article 6) the Company, each director of the Company, each officer of the Company who shall sign such registration statement, each Person who participates as an underwriter in the offering or sale of such securities and each Person, if any, who controls the Company or any such underwriter within the meaning of the Securities Act, with respect to any statement in or omission from such registration statement, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, but only to the extent that such statement or omission was made in reliance upon and in conformity with written information furnished by Investor to the Company expressly for use in the registration statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling Person and shall survive the transfer of the registered securities by Investor and the expiration of this Agreement. Investor also shall agree to provide provision for contribution as shall be reasonably requested by the Company or any underwriters in circumstances where such indemnity is held unenforceable.

(c) Indemnification and contribution similar to that specified in the preceding subdivisions of this Article 6 (with appropriate modifications) shall be given by the Company and Investor with respect to any required registration or other qualification of Eligible Securities under any federal or state law or regulation of governmental authority other than the Securities Act.

## **ARTICLE VII TRANSFER OF REGISTRATION RIGHTS**

7.1 Transfer of Registration Rights. Investor may not transfer the registration rights granted hereunder to any Person other than a permitted transferee of a Class C limited partnership interest as provided in the partnership agreement of Westcor Realty Limited Partnership, as amended.

**ARTICLE VIII  
MISCELLANEOUS**

8.1 Captions. The captions or headings in this Agreement are for convenience and reference only, and in no way define, describe, extend or limit the scope or intent of this Agreement.

8.2 Severability. If any clause, provision or section of this Agreement shall be invalid or unenforceable, the invalidity or unenforceability of such clause, provision or section shall not affect the enforceability or validity of any of the remaining clauses, provisions or sections hereof to the extent permitted by applicable law.

8.3 Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California, without reference to its rules as to conflicts or choice of laws.

8.4 Modification and Amendment. This Agreement may not be changed, modified, discharged or amended, except by an instrument signed by all of the parties hereto.

8.5 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

8.6 Entire Agreement. This Agreement constitutes the entire agreement and understanding among the parties and supersedes any prior understandings and/or written or oral agreements among them respecting the subject matter herein.

8.7 Notices. All notices, requests, demands, consents and other communications required or permitted to be given pursuant to this Agreement shall be in writing and delivered by hand, by overnight courier delivery service or by certified mail, return receipt requested, postage prepaid. Notices to Investor shall be made to the address listed on the stock transfer records of the Company.

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IN WITNESS WHEREOF, the parties hereto have executed this Incidental Registration Rights Agreement or caused this Incidental Registration Rights Agreement to be executed as of the day and year first above written.

THE MACERICH COMPANY

By: \_\_\_\_\_

Richard A. Bayer  
Executive Vice President

INVESTOR

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Type or print name)

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**QuickLinks**

[Exhibit 10.4](#)

[INCIDENTAL REGISTRATION RIGHTS AGREEMENT \(WESTCOR REALTY CLASS C LIMITED PARTNERS\)](#)

[ARTICLE I CERTAIN DEFINITIONS](#)

[ARTICLE II EFFECTIVENESS OF REGISTRATION RIGHTS](#)

[ARTICLE III INCIDENTAL REGISTRATION RIGHTS](#)

[ARTICLE IV REGISTRATION PROCEDURES](#)

[ARTICLE V PREPARATION; REASONABLE INVESTIGATION](#)

[ARTICLE VI INDEMNIFICATION AND CONTRIBUTION](#)

[ARTICLE VII TRANSFER OF REGISTRATION RIGHTS](#)

[ARTICLE VIII MISCELLANEOUS](#)

**List of Omitted Incidental Registration Rights Agreements**

1. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and Gregory M. Cochran.
  2. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and Larry Z. Moss.
  3. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and Roger J. Juszczak.
  4. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and Benjamin M. Frantz.
  5. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and William P. Whiteside.
  6. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and Darrell E. Beach.
  7. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and Michael C. Treadwell.
  8. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and Jeffrey S. Teets.
  9. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and Robert G. Mayhall.
  10. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and Robert B. Williams.
  11. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and John F. Rasor.
  12. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and Gilbert W. Chester.
  13. Incidental Registration Rights Agreement dated July 26, 2002 between The Macerich Company and Robert L. Ward.
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QuickLinks

[Exhibit 10.5](#)

[List of Omitted Incidental Registration Rights Agreements](#)