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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2012

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, California 90401
(Address of principal executive office, including 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)

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 for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety (90) days.

YES ☒ NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding twelve (12) months (or for such shorter period that the registrant was required to submit and post such files).

YES ☒ NO o

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

Large accelerated filer ☒	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES o NO ☒

Number of shares outstanding as of November 5, 2012 of the registrant's common stock, par value $0.01 per share: 136,616,142 shares

THE MACERICH COMPANY

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THE MACERICH COMPANY

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share data)

(Unaudited)

	September 30, 2012	December 31, 2011
ASSETS:		
Property, net	$ 5,942,141	$ 6,079,043
Cash and cash equivalents	76,553	67,248
Restricted cash	61,743	68,628
Marketable securities	24,209	24,833
Tenant and other receivables, net	108,329	109,092
Deferred charges and other assets, net	359,228	483,763
Loans to unconsolidated joint ventures	3,334	3,995
Due from affiliates	7,595	3,387
Investments in unconsolidated joint ventures	1,026,724	1,098,560
Total assets	$ 7,609,856	$ 7,938,549
LIABILITIES AND EQUITY:		
Mortgage notes payable:		
Related parties	$ 275,871	$ 279,430
Others	3,109,402	3,049,008
Total	3,385,273	3,328,438
Bank and other notes payable	404,239	877,636
Accounts payable and accrued expenses	74,754	72,870
Other accrued liabilities	278,198	299,098
Distributions in excess of investments in unconsolidated joint ventures	86,666	70,685
Co-venture obligation	95,018	125,171
Total liabilities	4,324,148	4,773,898
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Common stock, $0.01 par value, 250,000,000 shares authorized, 136,275,092 and 132,153,444 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively	1,363	1,321
Additional paid-in capital	3,671,351	3,490,647
Accumulated deficit	(734,684)	(678,631)
Total stockholders' equity	2,938,030	2,813,337
Noncontrolling interests	347,678	351,314
Total equity	3,285,708	3,164,651
Total liabilities and equity	$ 7,609,856	$ 7,938,549

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

(Unaudited)

	For the Three Months Ended September 30, 2012	For the Three Months Ended September 30, 2011	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011
Revenues:				
Minimum rents	$ 119,132	$ 108,461	$ 356,551	$ 315,594
Percentage rents	5,415	3,773	11,938	9,376
Tenant recoveries	68,523	63,538	197,924	179,789
Management Companies	9,858	9,759	30,730	28,460
Other	12,741	7,788	33,017	21,676
Total revenues	215,669	193,319	630,160	554,895
Expenses:				
Shopping center and operating expenses	67,667	63,087	198,258	179,249
Management Companies' operating expenses	20,706	20,251	66,953	67,030
REIT general and administrative expenses	5,063	4,490	15,235	15,876
Depreciation and amortization	72,220	64,283	217,548	184,918
	165,656	152,111	497,994	447,073
Interest expense:				
Related parties	3,815	4,081	11,588	12,656
Other	38,807	39,680	116,855	123,771
	42,622	43,761	128,443	136,427
Loss on early extinguishment of debt	—	—	—	9,133
Total expenses	208,278	195,872	626,437	592,633
Equity in income of unconsolidated joint ventures	19,315	20,039	68,624	75,521
Co-venture expense	(2,066)	(1,281)	(4,462)	(3,779)
Income tax benefit	934	1,566	2,159	5,811
Gain on remeasurement, sale or write down of assets, net	21,964	1,041	40,603	4,128
Income from continuing operations	47,538	18,812	110,647	43,943
Discontinued operations:				
(Loss) gain on the disposition of assets, net	(253)	342	74,906	(37,648)
Loss from discontinued operations	(10)	(4,898)	(5,459)	(12,860)
(Loss) income from discontinued operations	(263)	(4,556)	69,447	(50,508)
Net income (loss)	47,275	14,256	180,094	(6,565)
Less net income (loss) attributable to noncontrolling interests	3,382	1,315	16,915	(324)
Net income (loss) attributable to the Company	$ 43,893	$ 12,941	$ 163,179	$ (6,241)
Earnings per common share attributable to Company—basic:				
Income from continuing operations	$ 0.33	$ 0.13	$ 0.74	$ 0.29
Discontinued operations	—	(0.03)	0.48	(0.35)
Net income (loss) available to common stockholders	$ 0.33	$ 0.10	$ 1.22	$ (0.06)
Earnings per common share attributable to Company—diluted:				
Income from continuing operations	$ 0.33	$ 0.13	$ 0.74	$ 0.29
Discontinued operations	—	(0.03)	0.48	(0.35)
Net income (loss) available to common stockholders	$ 0.33	$ 0.10	$ 1.22	$ (0.06)
Weighted average number of common shares outstanding:				
Basic	134,220,000	132,096,000	133,091,000	131,459,000
Diluted	134,330,000	132,096,000	133,187,000	131,459,000

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Dollars in thousands)

(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Net income (loss)	$ 47,275	$ 14,256	$ 180,094	$ (6,565)
Other comprehensive income:				
Interest rate swap/cap agreements	—	68	—	6,256
Comprehensive income (loss)	47,275	14,324	180,094	(309)
Less comprehensive income (loss) attributable to noncontrolling interests	3,382	1,315	16,915	(324)
Comprehensive income attributable to the Company	$ 43,893	$ 13,009	$ 163,179	$ 15

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENT OF EQUITY

(Dollars in thousands, except per share data)

(Unaudited)

	Stockholders' Equity						
	Common Stock						
	Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at January 1, 2012	132,153,444	$ 1,321	$ 3,490,647	$ (678,631)	$ 2,813,337	$ 351,314	$ 3,164,651
Net income	—	—	—	163,179	163,179	16,915	180,094
Amortization of share and unit-based plans	561,382	6	11,153	—	11,159	—	11,159
Exercise of stock options	8,100	—	231	—	231	—	231
Exercise of stock warrants	—	—	(3,448)	—	(3,448)	—	(3,448)
Employee stock purchases	9,723	—	425	—	425	—	425
Stock offering program, net	2,961,903	30	175,839	—	175,869	—	175,869
Distributions paid ($1.65) per share	—	—	—	(219,232)	(219,232)	—	(219,232)
Distributions to noncontrolling interests	—	—	—	—	—	(24,448)	(24,448)
Contributions from noncontrolling interests	—	—	—	—	—	1,144	1,144
Other	—	—	(666)	—	(666)	—	(666)
Conversion of noncontrolling interests to common shares	580,540	6	11,972	—	11,978	(11,978)	—
Redemption of noncontrolling interests	—	—	(48)	—	(48)	(23)	(71)
Adjustment of noncontrolling interest in Operating Partnership	—	—	(14,754)	—	(14,754)	14,754	—
Balance at September 30, 2012	136,275,092	$ 1,363	$ 3,671,351	$ (734,684)	$ 2,938,030	$ 347,678	$ 3,285,708

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

(Unaudited)

	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011
Cash flows from operating activities:		
Net income (loss)	$ 180,094	$ (6,565)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Loss on early extinguishment of debt	—	133
Gain on remeasurement, sale or write down of assets, net	(40,603)	(4,128)
(Gain) loss on the disposition of assets, net from discontinued operations	(74,906)	37,648
Depreciation and amortization	234,410	208,832
Amortization of net discount on mortgages, bank and other notes payable	661	6,993
Amortization of share and unit-based plans	8,950	9,428
Provision for doubtful accounts	2,200	2,375
Income tax benefit	(2,159)	(5,811)
Equity in income of unconsolidated joint ventures	(68,624)	(75,521)
Co-venture expense	4,462	3,779
Distributions of income from unconsolidated joint ventures	14,682	10,973
Changes in assets and liabilities, net of acquisitions and dispositions:		
Tenant and other receivables	(1,336)	(1,360)
Other assets	23,114	(2,658)
Due from affiliates	(4,208)	2,239
Accounts payable and accrued expenses	16,272	13,307
Other accrued liabilities	(36,830)	(19,179)
Net cash provided by operating activities	256,179	180,485
Cash flows from investing activities:		
Acquisitions of property	(70,925)	(108,954)
Development, redevelopment, expansion and renovation of Centers	(84,283)	(63,285)
Property improvements	(24,846)	(34,932)
Issuance of notes receivable	(12,500)	—
Proceeds from maturities of marketable securities	788	772
Deferred leasing costs	(20,875)	(26,635)
Distributions from unconsolidated joint ventures	217,393	193,849
Contributions to unconsolidated joint ventures	(47,513)	(149,841)
Collection of/loans to unconsolidated joint ventures, net	661	(866)
Proceeds from sale of assets	130,691	6,255
Restricted cash	2,886	(879)
Net cash provided by (used in) investing activities	91,477	(184,516)
Cash flows from financing activities:		
Proceeds from mortgages, bank and other notes payable	1,580,885	432,000
Payments on mortgages, bank and other notes payable	(1,813,271)	(450,775)
Deferred financing costs	(4,639)	(17,604)
Net proceeds from stock offering program	175,869	—
Proceeds from share and unit-based plans	656	369
Exercise of stock warrants	(3,448)	—
Redemption of noncontrolling interests	(71)	(11,398)
Contribution from noncontrolling interests	918	—
Dividends and distributions	(240,635)	(217,599)
Distributions to co-venture partner	(34,615)	(37,187)
Net cash used in financing activities	(338,351)	(302,194)
Net increase (decrease) in cash and cash equivalents	9,305	(306,225)
Cash and cash equivalents, beginning of period	67,248	445,645
Cash and cash equivalents, end of period	$ 76,553	$ 139,420
Supplemental cash flow information:		
Cash payments for interest, net of amounts capitalized	$ 146,381	$ 128,105
Non-cash transactions:		
Accrued development costs included in accounts payable and accrued expenses and other accrued liabilities	$ 30,591	$ 14,828
Acquisition of properties by assumption of mortgage note payable and other accrued liabilities	$ —	$ 192,566
Disposition of property in exchange for investments in unconsolidated joint ventures	$ —	$ 56,952
Mortgage notes payable settled by deed-in-lieu of foreclosure	$ 185,000	$ —
Conversion of noncontrolling interests to common shares	$ 11,978	$ 20,992

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

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

(Unaudited)

1. Organization:

The Macerich Company (the "Company") is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community shopping centers (the "Centers") located throughout the United States.

The Company commenced operations effective with the completion of its initial public offering on March 16, 1994. As of September 30, 2012, the Company was the sole general partner of, and held a 93% ownership interest in, The Macerich Partnership, L.P. (the "Operating Partnership"). The Company was organized to qualify as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code").

The property management, leasing and redevelopment of the Company's portfolio is provided by the Company's management companies, Macerich Property Management Company, LLC, a single member Delaware limited liability company, Macerich Management Company, a California corporation, Macerich Arizona Partners LLC, a single member Arizona limited liability company, Macerich Arizona Management LLC, a single member Delaware limited liability company, Macerich Partners of Colorado LLC, a Colorado limited liability company, MACW Mall Management, Inc., a New York corporation, and MACW Property Management, LLC, a single member New York limited liability company. All seven of the management companies are collectively referred to herein as the "Management Companies."

All references to the Company in this Quarterly Report on Form 10-Q include the Company, those entities owned or controlled by the Company and predecessors of the Company, unless the context indicates otherwise.

2. Summary of Significant Accounting Policies:

Basis of Presentation:

The accompanying consolidated financial statements of 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 accompanying consolidated financial statements include the accounts of the Company and the Operating Partnership. Investments in entities in which the Company retains a controlling financial interest or entities that meet the definition of a variable interest entity in which the Company has, as a result of ownership, contractual or other financial interests, both the power to direct activities that most significantly impact the economic performance of the variable interest entity and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the variable interest entity are consolidated; otherwise they are accounted for under the equity method of accounting and are reflected as "investments in unconsolidated joint ventures."

The Company had identified Shoppingtown Mall, L.P. ("Shoppingtown Mall") and Camelback Shopping Center Limited Partnership as variable interest entities that met the criteria for consolidation. On September 14, 2011, the Company redeemed the outside ownership interests in Shoppingtown Mall

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

2. Summary of Significant Accounting Policies: (Continued)

for a cash payment of $11,366 (See Note 13—Noncontrolling Interests). As a result of the redemption, the property became wholly-owned by the Company. On December 30, 2011, the Company conveyed Shoppingtown Mall to the mortgage note lender by a deed-in-lieu of foreclosure (See Note 16—Discontinued Operations). The net assets and results of operations of Camelback Shopping Center Limited Partnership included in the accompanying consolidated financial statements were insignificant to the net assets and results of operations of the Company.

All intercompany accounts and transactions have been eliminated in the consolidated financial statements.

The unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the consolidated financial statements for the interim periods have been made. The preparation of consolidated financial statements in conformity with GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The accompanying consolidated balance sheet as of December 31, 2011 has been derived from the audited financial statements, but does not include all disclosures required by GAAP.

Capitalization of Costs:

The Company capitalizes costs incurred in redevelopment, development, renovation and improvement of properties. The capitalized costs include pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. These capitalized costs include direct and certain indirect costs clearly associated with the project. Indirect costs include real estate taxes, insurance and certain shared administrative costs. In assessing the amounts of direct and indirect costs to be capitalized, allocations are made to projects based on estimates of the actual amount of time spent on each activity. Indirect costs not clearly associated with specific projects are expensed as period costs. Capitalized indirect costs are allocated to development and redevelopment activities based on the square footage of the portion of the building not held available for immediate occupancy. If costs and activities incurred to ready the vacant space cease, then cost capitalization is also discontinued until such activities are resumed. Once work has been completed on a vacant space, project costs are no longer capitalized. For projects with extended lease-up periods, the Company ends the capitalization when significant activities have ceased, which does not exceed the shorter of a one-year period after the completion of the building shell or when the construction is substantially complete.

Acquisition Costs:

The Company immediately expenses costs associated with business combinations as period costs.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

2. Summary of Significant Accounting Policies: (Continued)

Recent Accounting Pronouncements:

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2011-4, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs ("ASU 2011-4"). The amendments in this update result in additional fair value measurement and disclosure requirements within U.S. GAAP and International Financial Reporting Standards. Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. The adoption of ASU 2011-4 on January 1, 2012 did not have an impact on the Company's consolidated financial position or results of operations. The Company has disclosed in the notes to the consolidated financial statements whether the fair value measurements are Level 1, 2 or 3.

In June 2011, the FASB issued Accounting Standards Update No. 2011-5, Presentation of Comprehensive Income. The amendments require that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In the two-statement approach, the first statement should present total net income and its components followed consecutively by a second statement that should present total other comprehensive income, the components of other comprehensive income and the total of comprehensive income. In December 2011, the FASB deferred portions of this update in its issuance of Accounting Standards Update No. 2011-12. The Company has elected the two-statement approach and the required consolidated financial statements are presented herein.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

3. Earnings per Share ("EPS"):

The following table reconciles the numerator and denominator used in the computation of earnings per share for the three and nine months ended September 30, 2012 and 2011 (shares in thousands):

	For the Three Months Ended September 30, 2012	For the Three Months Ended September 30, 2011	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011
Numerator				
Income from continuing operations	$ 47,538	$ 18,812	$ 110,647	$ 43,943
(Loss) income from discontinued operations	(263)	(4,556)	69,447	(50,508)
Net (income) loss attributable to noncontrolling interests	(3,382)	(1,315)	(16,915)	324
Net income (loss) attributable to the Company	43,893	12,941	163,179	(6,241)
Allocation of earnings to participating securities	(63)	(288)	(443)	(1,119)
Numerator for basic and diluted earnings per share—net income (loss) available to common stockholders	$ 43,830	$ 12,653	$ 162,736	$ (7,360)
Denominator				
Denominator for basic earnings per share—weighted average number of common shares outstanding	134,220	132,096	133,091	131,459
Effect of dilutive securities:(1)				
Stock warrants	64	—	78	—
Share and unit-based compensation plans	46	—	18	—
Denominator for diluted earnings per share—weighted average number of common shares outstanding	134,330	132,096	133,187	131,459
Earnings per common share—basic:				
Income from continuing operations	$ 0.33	$ 0.13	$ 0.74	$ 0.29
Discontinued operations	—	(0.03)	0.48	(0.35)
Net income (loss) available to common stockholders	$ 0.33	$ 0.10	$ 1.22	$ (0.06)
Earnings per common share—diluted:				
Income from continuing operations	$ 0.33	$ 0.13	$ 0.74	$ 0.29
Discontinued operations	—	(0.03)	0.48	(0.35)
Net income (loss) available to common stockholders	$ 0.33	$ 0.10	$ 1.22	$ (0.06)

(1) The convertible senior notes ("Senior Notes") are excluded from diluted EPS for the three and nine months ended September 30, 2012 and 2011 as their impact was antidilutive. The Senior Notes were paid off in full in March 2012 (See Note 11—Bank and Other Notes Payable).

Diluted EPS excludes 184,304 and 197,183 convertible non-participating preferred units for the three and nine months ended September 30, 2012, respectively, and 208,640 convertible non-participating preferred units for the three and nine months ended September 30, 2011 as their impact was antidilutive.

3. Earnings per Share ("EPS"): (Continued)

Diluted EPS excludes 1,191,854 and 1,209,978 of unexercised stock appreciation rights ("SARs") for the three and nine months ended September 30, 2011, respectively, as their impact was antidilutive.

Diluted EPS excludes 94,919 and 119,712 of unexercised stock options for the three and nine months ended September 30, 2011, respectively, as their impact was antidilutive.

Diluted EPS excludes 935,358 of unexercised stock warrants for the three and nine months ended September 30, 2011 as their impact was antidilutive.

Diluted EPS excludes 10,769,552 and 11,055,013 of Operating Partnership units ("OP Units") for the three months ended September 30, 2012 and 2011, respectively, and 11,069,129 and 11,465,479 of OP Units for the nine months ended September 30, 2012 and 2011, respectively, as their impact was antidilutive.

4. Investments in Unconsolidated Joint Ventures:

The Company has recently made the following investments and dispositions relating to its unconsolidated joint ventures:

On February 24, 2011, the Company's joint venture in Kierland Commons Investment LLC ("KCI") acquired an additional ownership interest in PHXAZ/Kierland Commons, L.L.C. ("Kierland Commons"), a 433,000 square foot regional shopping center in Scottsdale, Arizona, for $105,550. The Company's share of the purchase price consisted of a cash payment of $34,162 and the assumption of a pro rata share of debt of $18,613. As a result of this transaction, KCI increased its ownership interest in Kierland Commons from 49% to 100%. KCI accounted for the acquisition as a business combination achieved in stages and recognized a remeasurement gain of $25,019 based on the acquisition date fair value and its previously held investment in Kierland Commons. As a result of this transaction, the Company's ownership interest in KCI increased from 24.5% to 50%. The Company's pro rata share of the gain recognized by KCI was $12,510 and was included in equity in income from unconsolidated joint ventures.

On February 28, 2011, the Company in a 50/50 joint venture acquired The Shops at Atlas Park, a 376,000 square foot community center in Queens, New York, for a total purchase price of $53,750. The Company's share of the purchase price was $26,875. The results of The Shops at Atlas Park are included below for the period subsequent to the acquisition.

On February 28, 2011, the Company acquired the additional 50% ownership interest in Desert Sky Mall, an 893,000 square foot regional shopping center in Phoenix, Arizona, that it did not own for $27,625. The purchase price was funded by a cash payment of $1,875 and the assumption of the third party's pro rata share of the mortgage note payable on the property of $25,750. Concurrent with the purchase of the partnership interest, the Company paid off the $51,500 loan on the property. Prior to the acquisition, the Company had accounted for its investment in Desert Sky Mall under the equity method. Since the date of acquisition, the Company has included Desert Sky Mall in its consolidated financial statements (See Note 15—Acquisitions).

4. Investments in Unconsolidated Joint Ventures: (Continued)

On April 1, 2011, the Company's joint venture in SDG Macerich Properties, L.P. ("SDG Macerich") conveyed Granite Run Mall to the mortgage note lender by a deed-in-lieu of foreclosure. The mortgage note was non-recourse. The Company's pro rata share of gain on the extinguishment of debt was $7,753.

On June 3, 2011, the Company entered into a transaction with General Growth Properties, Inc., whereby the Company acquired an additional 33.3% ownership interest in Arrowhead Towne Center, an additional 33.3% ownership interest in Superstition Springs Center, and an additional 50% ownership interest in the land under Superstition Springs Center ("Superstition Springs Land") that it did not own in exchange for six anchor locations, including five former Mervyn's stores (See Note 16—Discontinued Operations) and a cash payment of $75,000. As a result of this transaction, the Company now owns a 66.7% ownership interest in Arrowhead Towne Center, a 66.7% ownership interest in Superstition Springs Center and a 100% ownership interest in Superstition Springs Land. Although the Company had a 66.7% ownership interest in Arrowhead Towne Center and Superstition Springs Center upon completion of the transaction, the Company does not have a controlling financial interest in these joint ventures due to the substantive participation rights of the outside partner and, therefore, continues to account for its investments in these joint ventures under the equity method of accounting. Accordingly, no remeasurement gain was recorded on the increase in ownership. The Company has consolidated its investment in Superstition Springs Land since the date of acquisition (See Note 15—Acquisitions) and has recorded a remeasurement gain of $1,734 as a result of the increase in ownership. This transaction is referred to herein as the "GGP Exchange". On October 26, 2012, the Company in a separate transaction, purchased the remaining 33.3% outside ownership interest in Arrowhead Towne Center (See Note 21—Subsequent Events).

On December 31, 2011, the Company and its joint venture partner reached agreement for the distribution and conveyance of interests in SDG Macerich that owned 11 regional shopping centers in a 50/50 partnership. Six of the eleven assets were distributed to the Company on December 31, 2011. The Company received 100% ownership of Eastland Mall in Evansville, Indiana, Lake Square Mall in Leesburg, Florida, SouthPark Mall in Moline, Illinois, Southridge Mall in Des Moines, Iowa, NorthPark Mall in Davenport, Iowa and Valley Mall in Harrisonburg, Virginia (collectively referred to herein as the "SDG Acquisition Properties"). The ownership interests in the remaining five regional malls were distributed to the outside partner. The remaining net assets of SDG Macerich were distributed during the nine months ended September 30, 2012. The SDG Acquisition Properties were recorded at fair value at the date of transfer, which resulted in a gain to the Company of $188,264, which was included in equity in income of unconsolidated joint ventures, based on the fair value of the assets acquired and the liabilities assumed in excess of the book value of the Company's interest in SDG Macerich. The distribution and conveyance of the 11 regional shopping centers is referred to herein as the "SDG Transaction". Prior to the SDG Transaction, the Company accounted for its investment in the SDG Acquisition Properties under the equity method of accounting. Since the date of distribution and conveyance, the Company has included the SDG Acquisition Properties in its consolidated financial statements (See Note 15—Acquisitions).

On March 30, 2012, the Company sold its 50% ownership interest in Chandler Village Center, a 273,439 square foot community center in Chandler, Arizona, for a total sales price of $14,795, resulting

4. Investments in Unconsolidated Joint Ventures: (Continued)

in a gain of $8,185 that was included in gain on remeasurement, sale or write down of assets, net during the nine months ended September 30, 2012. The sales price was funded by a cash payment of $6,045 and the assumption of the Company's share of the mortgage note payable on the property of $8,750. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes.

On March 30, 2012, the Company sold its 50% ownership interest in Chandler Festival, a 500,426 square foot community center in Chandler, Arizona, for a total sales price of $30,975, resulting in a gain of $12,347 that was included in gain on remeasurement, sale or write down of assets, net during the nine months ended September 30, 2012. The sales price was funded by a cash payment of $16,183 and the assumption of the Company's share of the mortgage note payable on the property of $14,792. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes.

On March 30, 2012, the Company's joint venture in SanTan Village Power Center, a 491,037 square foot community center in Gilbert, Arizona, sold the property for $54,780, resulting in a gain to the joint venture of $23,307. The cash proceeds from the sale were used to pay off the $45,000 mortgage loan on the property and the remaining $9,780 was distributed to the partners. The Company's share of the gain recognized was $11,504, which was included in equity in income of unconsolidated joint ventures, offset in part by $3,566 that was included in net income attributable to noncontrolling interests.

On May 31, 2012, the Company sold its 50% ownership interest in Chandler Gateway, a 259,535 square foot community center in Chandler, Arizona, for a total sales price of $14,315, resulting in a gain of $3,365 that was included in gain on remeasurement, sale or write down of assets, net during the nine months ended September 30, 2012. The sales price was funded by a cash payment of $4,921 and the assumption of the Company's share of the mortgage note payable on the property of $9,394. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes.

On August 10, 2012, the Company was bought out of its ownership interest in NorthPark Center, a 1,946,178 square foot regional shopping center in Dallas, Texas, for $118,810, resulting in a gain of $24,590 that was included in gain on remeasurement, sale or write down of assets, net during the three and nine months ended September 30, 2012. The Company used the cash proceeds to pay down its line of credit.

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

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

Combined Condensed Balance Sheets of Unconsolidated Joint Ventures and Other Related Information:

	September 30, 2012	December 31, 2011
Assets(1):		
Properties, net	$ 3,939,940	$ 4,328,953
Other assets	322,281	469,039
Total assets	$ 4,262,221	$ 4,797,992
Liabilities and partners' capital(1):		
Mortgage notes payable(2)	$ 3,420,079	$ 3,896,418
Other liabilities	157,536	161,827
Company's capital	230,930	327,461
Outside partners' capital	453,676	412,286
Total liabilities and partners' capital	$ 4,262,221	$ 4,797,992
Investment in unconsolidated joint ventures:		
Company's capital	$ 230,930	$ 327,461
Basis adjustment(3)	709,128	700,414
	$ 940,058	$ 1,027,875
Assets—Investments in unconsolidated joint ventures	$ 1,026,724	$ 1,098,560
Liabilities—Distributions in excess of investments in unconsolidated joint ventures	(86,666)	(70,685)
	$ 940,058	$ 1,027,875

(1) These amounts include the assets and liabilities of the following joint ventures as of September 30, 2012 and December 31, 2011:

	Pacific Premier Retail LP	Tysons Corner LLC
As of September 30, 2012:		
Total Assets	$ 1,034,856	$ 374,223
Total Liabilities	$ 1,003,579	$ 324,958
As of December 31, 2011:		
Total Assets	$ 1,078,226	$ 339,324
Total Liabilities	$ 1,005,479	$ 319,247

(2) Certain mortgage notes payable could become recourse debt to the Company should the joint venture be unable to discharge the obligations of the related debt. As of September 30, 2012 and December 31, 2011, a total of $370,538 and $380,354, respectively, could become recourse debt to

4. Investments in Unconsolidated Joint Ventures: (Continued)

the Company. As of September 30, 2012 and December 31, 2011, the Company has indemnity agreements from joint venture partners for $177,750 and $182,638, respectively, of the guaranteed amount.

Included in mortgage notes payable are amounts due to affiliates of Northwestern Mutual Life ("NML") of $655,029 and $663,543 as of September 30, 2012 and December 31, 2011, respectively. NML is considered a related party because it is a joint venture partner with the Company in Macerich Northwestern Associates—Broadway Plaza. Interest expense incurred on these borrowings amounted to $10,980 and $11,166 for the three months ended September 30, 2012 and 2011, respectively, and $32,974 and $31,263 for the nine months ended September 30, 2012 and 2011, respectively.

(3) The Company amortizes the difference between the cost of its investments in unconsolidated joint ventures and the book value of the underlying equity into income on a straight-line basis consistent with the lives of the underlying assets. The amortization of this difference was $3,136 and $2,923 for the three months ended September 30, 2012 and 2011, respectively, and $6,211 and $7,042 for the nine months ended September 30, 2012 and 2011, respectively.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

Combined Condensed Statements of Operations of Unconsolidated Joint Ventures:

	Pacific Premier Retail LP	Tysons Corner LLC	Other Joint Ventures	Total
Three Months Ended September 30, 2012				
Revenues:				
Minimum rents	$ 32,718	$ 15,847	$ 75,809	$ 124,374
Percentage rents	837	233	4,214	5,284
Tenant recoveries	14,091	11,340	37,663	63,094
Other	1,138	618	9,415	11,171
Total revenues	48,784	28,038	127,101	203,923
Expenses:				
Shopping center and operating expenses	15,075	8,760	46,153	69,988
Interest expense	12,904	2,838	32,338	48,080
Depreciation and amortization	10,905	5,094	28,784	44,783
Total operating expenses	38,884	16,692	107,275	162,851
Loss on sale/remeasurement of assets	—	—	(28)	(28)
Net income	$ 9,900	$ 11,346	$ 19,798	$ 41,044
Company's equity in net income	$ 5,035	$ 4,372	$ 9,908	$ 19,315
Three Months Ended September 30, 2011				
Revenues:				
Minimum rents	$ 31,841	$ 15,618	$ 111,091	$ 158,550
Percentage rents	1,190	318	5,961	7,469
Tenant recoveries	13,867	10,270	52,337	76,474
Other	1,267	595	10,931	12,793
Total revenues	48,165	26,801	180,320	255,286
Expenses:				
Shopping center and operating expenses	14,477	8,290	67,927	90,694
Interest expense	13,402	3,073	48,352	64,827
Depreciation and amortization	10,403	5,068	40,840	56,311
Total operating expenses	38,282	16,431	157,119	211,832
Loss on sale/remeasurement of assets	—	—	(94)	(94)
Gain on extinguishment of debt	—	—	77	77
Net income	$ 9,883	$ 10,370	$ 23,184	$ 43,437
Company's equity in net income	$ 5,025	$ 4,011	$ 11,003	$ 20,039

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

	Pacific Premier Retail LP	Tysons Corner LLC	Other Joint Ventures	Total
Nine Months Ended September 30, 2012				
Revenues:				
Minimum rents	$ 98,812	$ 47,149	$ 251,599	$ 397,560
Percentage rents	2,571	866	10,531	13,968
Tenant recoveries	41,967	32,969	121,825	196,761
Other	3,665	1,964	27,775	33,404
Total revenues	147,015	82,948	411,730	641,693
Expenses:				
Shopping center and operating expenses	43,385	25,834	155,014	224,233
Interest expense	39,405	8,902	108,784	157,091
Depreciation and amortization	31,926	15,279	91,214	138,419
Total operating expenses	114,716	50,015	355,012	519,743
(Loss) gain on sale/remeasurement of assets	(10)	—	22,948	22,938
Net income	$ 32,289	$ 32,933	$ 79,666	$ 144,888
Company's equity in net income	$ 16,422	$ 12,721	$ 39,481	$ 68,624
Nine Months Ended September 30, 2011				
Revenues:				
Minimum rents	$ 97,185	$ 45,947	$ 326,156	$ 469,288
Percentage rents	3,292	1,186	11,940	16,418
Tenant recoveries	41,134	30,748	157,309	229,191
Other	3,323	2,025	29,787	35,135
Total revenues	144,934	79,906	525,192	750,032
Expenses:				
Shopping center and operating expenses	43,683	24,972	199,898	268,553
Interest expense	36,826	10,891	146,130	193,847
Depreciation and amortization	30,884	14,974	116,533	162,391
Total operating expenses	111,393	50,837	462,561	624,791
Gain on sale/remeasurement of assets	—	—	24,451	24,451
Gain on extinguishment of debt	—	—	15,583	15,583
Net income	$ 33,541	$ 29,069	$ 102,665	$ 165,275
Company's equity in net income	$ 17,058	$ 11,209	$ 47,254	$ 75,521

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

(Dollars in thousands, except per share amounts)

5. Derivative Instruments and Hedging Activities:

The Company recorded other comprehensive income related to the marking-to-market of interest rate agreements of $0 and $68 for the three months ended September 30, 2012 and 2011, respectively, and $0 and $6,256 for the nine months ended September 30, 2012 and 2011, respectively. There were no derivatives outstanding at September 30, 2012.

6. Property:

Property consists of the following:

	September 30, 2012	December 31, 2011
Land	$ 1,228,267	$ 1,273,649
Buildings and improvements	5,234,773	5,440,394
Tenant improvements	443,625	442,862
Equipment and furnishings	124,560	123,098
Construction in progress	385,619	209,732
	7,416,844	7,489,735
Less accumulated depreciation	(1,474,703)	(1,410,692)
	$ 5,942,141	$ 6,079,043

Depreciation expense was $57,861 and $53,165 for the three months ended September 30, 2012 and 2011, respectively, and $172,798 and $154,826 for the nine months ended September 30, 2012 and 2011, respectively.

The gain on remeasurement, sale or write down of assets, net includes the write off of development costs of $2,626 and $1,011 during the three months ended September 30, 2012 and 2011, respectively, and $7,884 and $526 during the nine months ended September 30, 2012 and 2011, respectively.

The Company recognized a gain of $1,734 on the purchase of Superstition Springs Land (See Note 15—Acquisitions) in connection with the GGP Exchange (See Note 4—Investments in Unconsolidated Joint Ventures) during the three and nine months ended September 30, 2011. In addition, the Company recognized a gain of $30 and $1,868 on the purchase of a 50% ownership interest in Desert Sky Mall (See Note 15—Acquisitions) during the three and nine months ended September 30, 2011, respectively.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

7. Marketable Securities:

Marketable securities consist of the following:

	September 30, 2012	December 31, 2011
Government debt securities, at par value	$ 24,359	$ 25,147
Less discount	(150)	(314)
	24,209	24,833
Unrealized gain	967	1,803
Fair value (Level 1 measurement)	$ 25,176	$ 26,636

The future contractual maturities of marketable securities is one year or less. The proceeds from maturities and interest receipts from the marketable securities are restricted to the service of the Greeley Note (See Note 11—Bank and Other Notes Payable).

8. Tenant and Other Receivables, net:

Included in tenant and other receivables, net, is an allowance for doubtful accounts of $3,407 and $4,626 at September 30, 2012 and December 31, 2011, respectively. Also included in tenant and other receivables, net, are accrued percentage rents of $2,214 and $7,583 at September 30, 2012 and December 31, 2011, respectively.

Included in tenant and other receivables, net, are the following notes receivable:

On March 31, 2006, the Company received a note receivable that is secured by a deed of trust, bears interest at 5.5% and matures on March 31, 2013. At September 30, 2012 and December 31, 2011, the note had a balance of $8,547 and $8,743, respectively.

On August 18, 2009, the Company received a note receivable from J&R Holdings XV, LLC ("Pederson") that matures on December 31, 2013. Pederson is considered a related party because it has an ownership interest in Promenade at Casa Grande. The note is secured by Pederson's interest in Promenade at Casa Grande. The balance on the note at September 30, 2012 and December 31, 2011 was $3,445. The interest rate on the note was 15% and 12% at September 30, 2012 and December 31, 2011, respectively. Interest income on the note was $130 and $104 for the three months ended September 30, 2012 and 2011, respectively, and $388 and $310 for the nine months ended September 30, 2012 and 2011, respectively.

On March 27, 2012, the Company received two notes receivable from principals of AWE Talisman for a total of $12,500 that bear interest at 5.0% and mature upon the completion, refinancing or sale of Fashion Outlets of Chicago. The notes are collateralized by the principals' interests in Fashion Outlets of Chicago. AWE Talisman is considered a related party because it has an ownership interest in Fashion Outlets of Chicago. Interest income earned on the notes was $158 and $321 for the three and nine months ended September 30, 2012, respectively.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

9. Deferred Charges and Other Assets, net:

Deferred charges and other assets, net, consist of the following:

	September 30, 2012	December 31, 2011
Leasing	$ 210,286	$ 281,340
Financing	32,784	40,638
Intangible assets:		
In-place lease values	102,904	121,320
Leasing commissions and legal costs	28,150	32,242
Other assets	178,495	198,596
	552,619	674,136
Less accumulated amortization(1)	(193,391)	(190,373)
	$ 359,228	$ 483,763

(1) Accumulated amortization includes $54,648 and $56,946 relating to intangible assets at September 30, 2012 and December 31, 2011, respectively. Amortization expense for intangible assets was $6,323 and $4,171 for the three months ended September 30, 2012 and 2011, respectively, and $22,529 and $11,154 for the nine months ended September 30, 2012 and 2011, respectively.

The allocated values of above-market leases included in deferred charges and other assets, net, and below-market leases included in other accrued liabilities, consist of the following:

	September 30, 2012	December 31, 2011
Above-Market Leases		
Original allocated value	$ 98,153	$ 97,297
Less accumulated amortization	(44,944)	(39,057)
	$ 53,209	$ 58,240
Below-Market Leases		
Original allocated value	$ 136,166	$ 156,778
Less accumulated amortization	(80,417)	(91,400)
	$ 55,749	$ 65,378

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

10. Mortgage Notes Payable:

Mortgage notes payable at September 30, 2012 and December 31, 2011 consist of the following:

	Carrying Amount of Mortgage Notes(1)						
	September 30, 2012		December 31, 2011				
	Related Party	Other	Related Party	Other	Interest Rate(2)	Monthly Debt Service(3)	Maturity Date(4)
Chandler Fashion Center(5)(6)	$ —	$ 200,000	$ —	$ 155,489	3.77%	$ 625	2019
Chesterfield Towne Center(7)	—	110,000	—	—	4.80%	573	2022
Danbury Fair Mall	120,475	120,476	122,382	122,381	5.53%	1,538	2020
Deptford Mall	—	172,500	—	172,500	5.41%	778	2013
Deptford Mall	—	14,860	—	15,030	6.46%	101	2016
Eastland Mall	—	168,000	—	168,000	5.79%	811	2016
Fashion Outlets of Niagara Falls USA	—	127,212	—	129,025	4.89%	727	2020
Fiesta Mall	—	84,000	—	84,000	4.98%	341	2015
Flagstaff Mall	—	37,000	—	37,000	5.03%	151	2015
Freehold Raceway Mall(5)	—	232,900	—	232,900	4.20%	805	2018
Fresno Fashion Fair	80,891	80,892	81,733	81,734	6.76%	1,104	2015
Great Northern Mall	—	36,617	—	37,256	5.19%	234	2013
Northgate, The Mall at(8)	—	64,000	—	38,115	3.11%	132	2017
Oaks, The(9)	—	219,064	—	257,264	4.14%	1,064	2022
Pacific View(10)	—	138,985	—	—	4.08%	668	2022
Paradise Valley Mall(11)	—	81,750	—	84,000	6.30%	625	2014
Prescott Gateway(12)	—	—	—	60,000	—	—	—
Promenade at Casa Grande(13)	—	74,629	—	76,598	5.21%	280	2013
Salisbury, Center at	—	115,000	—	115,000	5.83%	555	2016
SanTan Village Regional Center(14)	—	138,087	—	138,087	2.63%	268	2013
South Plains Mall	—	101,710	—	102,760	6.56%	648	2015
South Towne Center	—	85,574	—	86,525	6.39%	555	2015
Towne Mall(15)	—	12,376	—	12,801	4.99%	100	2012
Tucson La Encantada(16)	74,505	—	75,315	—	4.23%	368	2022
Twenty Ninth Street(17)	—	107,000	—	107,000	3.07%	255	2016
Valley Mall	—	43,070	—	43,543	5.85%	280	2016
Valley River Center	—	120,000	—	120,000	5.59%	558	2016
Valley View Center(18)	—	—	—	125,000	—	—	—
Victor Valley, Mall of(19)	—	93,700	—	97,000	2.08%	142	2013
Vintage Faire Mall(20)	—	135,000	—	135,000	3.52%	363	2015
Westside Pavilion(21)	—	155,000	—	175,000	4.49%	783	2022
Wilton Mall(22)	—	40,000	—	40,000	1.23%	30	2013
	$ 275,871	$ 3,109,402	$ 279,430	$ 3,049,008			

(1) The mortgage notes payable balances include the unamortized debt premiums (discounts). Debt premiums (discounts) represent the excess (deficiency) of the fair value of debt over (under) the principal value of debt assumed in various acquisitions and are amortized to interest expense over the remaining term of the related debt in a manner that approximates the effective interest method.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

10. Mortgage Notes Payable: (Continued)

Debt premiums (discounts) consist of the following:

Property Pledged as Collateral	September 30, 2012	December 31, 2011
Deptford Mall	$ (21)	$ (25)
Fashion Outlets of Niagara Falls USA	7,502	8,198
Great Northern Mall	(35)	(55)
Towne Mall	18	88
Valley Mall	(328)	(365)
	$ 7,136	$ 7,841

(2) The interest rate disclosed represents the effective interest rate, including the debt premiums (discounts) and deferred finance costs.

(3) The monthly debt service represents the payment of principal and interest.

(4) The maturity date assumes that all extension options are fully exercised and that the Company does not opt to refinance the debt prior to these dates. These extension options are at the Company's discretion, subject to certain conditions, which the Company believes will be met.

(5) A 49.9% interest in the loan has been assumed by a third party in connection with a co-venture arrangement (See Note 12—Co-Venture Arrangement).

(6) On June 29, 2012, the Company replaced the existing loan on the property with a new $200,000 loan that bears interest at 3.77% and matures on July 1, 2019.

(7) On September 17, 2012, the Company placed a $110,000 loan on the property that bears interest at 4.80% and matures on October 1, 2022.

(8) On March 23, 2012, the Company borrowed an additional $25,885 and modified the loan to bear interest at LIBOR plus 2.25% with a maturity of March 1, 2017. At September 30, 2012 and December 31, 2011, the total interest rate was 3.11% and 7.00%, respectively.

(9) On May 17, 2012, the Company replaced the existing loan on the property with a new $220,000 loan that bears interest at 4.14% and matures on June 5, 2022.

(10) On March 30, 2012, the Company placed a new $140,000 loan on the property that bears interest at 4.08% and matures on April 1, 2022.

(11) The loan bears interest at LIBOR plus 4.0% with a total interest rate floor of 5.50% and matures on August 31, 2014. At September 30, 2012 and December 31, 2011, the total interest rate was 6.30%.

(12) On May 31, 2012, the Company conveyed the property to the lender by a deed-in-lieu of foreclosure. As a result, the Company has been discharged from this non-recourse loan. (See Note 16—Discontinued Operations).

(13) The loan bears interest at LIBOR plus 4.0% with a LIBOR rate floor of 0.50% and matures on December 30, 2013. At September 30, 2012 and December 31, 2011, the total interest rate was 5.21%.

(14) The loan bears interest at LIBOR plus 2.10% and matures on June 13, 2013. At September 30, 2012 and December 31, 2011, the total interest rate was 2.63% and 2.69%, respectively.

(15) On October 25, 2012, the Company replaced the existing loan on the property with a new $23,400 loan that bears interest at 4.39% and matures on November 1, 2022.

(16) On February 1, 2012, the Company replaced the existing loan on the property with a new $75,135 loan that bears interest at 4.23% and matures on March 1, 2022.

10. Mortgage Notes Payable: (Continued)

(17) The loan bears interest at LIBOR plus 2.63% and matures on January 18, 2016. At September 30, 2012 and December 31, 2011, the total interest rate was 3.07% and 3.12%, respectively.

(18) On April 23, 2012, the property was sold by a court appointed receiver. As a result, the Company was discharged from this non-recourse loan (See Note 16—Discontinued Operations).

(19) The loan bears interest at LIBOR plus 1.60% and was to mature on May 6, 2013. On October 5, 2012, the Company modified and extended the loan to November 6, 2014 with an interest rate of LIBOR plus 2.25% during the extension period. At September 30, 2012 and December 31, 2011, the total interest rate was 2.08% and 2.13%, respectively.

(20) The loan bears interest at LIBOR plus 3.0% and matures on April 27, 2015. At September 30, 2012 and December 31, 2011, the total interest rate was 3.52% and 3.56%, respectively.

(21) On September 6, 2012, the Company replaced the existing loan on the property with a new $155,000 loan that bears interest at 4.49% and matures on October 1, 2022.

(22) The loan bears interest at LIBOR plus 0.675% and matures on August 1, 2013. As additional collateral for the loan, the Company is required to maintain a deposit of $40,000 with the lender, which has been included in restricted cash. The interest on the deposit is not restricted. At September 30, 2012 and December 31, 2011, the total interest rate was 1.23% and 1.28%, respectively.

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

The Company expects that all loan maturities during the next twelve months will be refinanced, restructured, extended and/or paid-off from the Company's line of credit or with cash on hand.

Total interest expense capitalized was $2,984 and $2,979 during the three months ended September 30, 2012 and 2011, respectively, and $7,899 and $9,598 during the nine months ended September 30, 2012 and 2011, respectively.

Related party mortgage notes payable are amounts due to affiliates of NML. See Note 18—Related Party Transactions for interest expense associated with loans from NML.

The fair value of mortgage notes payable at September 30, 2012 and December 31, 2011 was $3,531,796 and $3,477,483, respectively, based on current interest rates for comparable loans. The method for computing fair value (Level 2 measurement) was determined using a present value model and an interest rate that included a credit value adjustment based on the estimated value of the property that serves as collateral for the underlying debt.

11. Bank and Other Notes Payable:

Bank and other notes payable consist of the following:

Senior Notes:

On March 16, 2007, the Company issued $950,000 in Senior Notes that matured on March 15, 2012. The Senior Notes bore interest at 3.25%, payable semiannually, were senior to unsecured debt of the Company and were guaranteed by the Operating Partnership. Prior to December 14, 2011, upon the occurrence of certain specified events, the Senior Notes were convertible at the option of the holder into cash, shares of the Company's common stock or a combination of cash and shares of the

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

11. Bank and Other Notes Payable: (Continued)

Company's common stock, at the election of the Company, at an initial conversion rate of 8.9702 shares per $1 principal amount. On or after December 15, 2011, the Senior Notes were convertible at any time prior to March 13, 2012. The conversion right was not exercised prior to the maturity date of the Senior Notes.

On March 15, 2012, the Company paid-off in full the $439,318 of Senior Notes then outstanding. The carrying value of the Senior Notes at December 31, 2011 was $437,788, which included an unamortized discount of $1,530. The unamortized discount was amortized into interest expense over the term of the Senior Notes in a manner that approximated the effective interest method. As of December 31, 2011, the effective interest rate was 5.41%. The fair value of the Senior Notes at December 31, 2011 was $439,318 (Level 1 measurement) based on the quoted market price.

Line of Credit:

The Company had a $1,500,000 revolving line of credit that bore interest at LIBOR plus a spread of 0.75% to 1.10% that matured on April 25, 2011. On May 2, 2011, the Company obtained a new $1,500,000 revolving line of credit that bears interest at LIBOR plus a spread of 1.75% to 3.0% depending on the Company's overall leverage and matures on May 2, 2015 with a one-year extension option. Based on the Company's current leverage levels, the borrowing rate on the new facility is LIBOR plus 2.0%. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2,000,000 less the outstanding balance of the $125,000 unsecured term loan as described below. As of September 30, 2012 and December 31, 2011, borrowings under the line of credit were $255,000 and $290,000, respectively, at an average interest rate of 2.76% and 2.96%, respectively. The fair value (Level 2 measurement) of the line of credit at September 30, 2012 and December 31, 2011 was $256,132 and $292,366, respectively, based on a present value model using a credit interest rate spread offered to the Company for comparable debt.

Term Loan:

On December 8, 2011, the Company obtained a seven-year, $125,000 unsecured term loan under the line of credit that bears interest at LIBOR plus a spread of 1.95% to 3.20% depending on the Company's overall leverage and matures on December 8, 2018. Based on the Company's current leverage levels, the borrowing rate is LIBOR plus 2.20%. As of September 30, 2012 and December 31, 2011, the total interest rate was 2.57% and 2.42%, respectively. The fair value (Level 2 measurement) of the term loan at September 30, 2012 and December 31, 2011 was $123,163 and $120,019, respectively, based on a present value model using a credit interest rate spread offered to the Company for comparable debt.

Greeley Note:

On July 27, 2006, concurrent with the sale of Greeley Mall, the Company provided marketable securities to replace Greeley Mall as collateral for the mortgage note payable on the property (See Note 7—Marketable Securities). As a result of this transaction, the mortgage note payable was reclassified to bank and other notes payable. This note bears interest at an effective rate of 6.34% and

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11. Bank and Other Notes Payable: (Continued)

matures in September 2013. At September 30, 2012 and December 31, 2011, the Greeley Note had a balance outstanding of $24,239 and $24,848, respectively. The fair value (Level 2 measurement) of the note at September 30, 2012 and December 31, 2011 was $25,138 and $26,510, respectively, based on current interest rates for comparable loans. The method for computing fair value was determined using a present value model and an interest rate that included a credit value adjustment based on the estimated value of the collateral for the underlying debt.

As of September 30, 2012 and December 31, 2011, the Company was in compliance with all applicable financial loan covenants.

12. Co-Venture Arrangement:

On September 30, 2009, the Company formed a joint venture, whereby a third party acquired a 49.9% interest in Freehold Raceway Mall and Chandler Fashion Center. As part of this transaction, the Company issued a warrant in favor of the third party to purchase 935,358 shares of common stock of the Company at an exercise price of $46.68 per share. See Note 14—Stockholders' Equity. The Company received approximately $174,650 in cash proceeds for the overall transaction, of which $6,496 was attributed to the warrants.

As a result of the Company having certain rights under the agreement to repurchase the assets after the seventh year of the venture formation, the transaction did not qualify for sale treatment. The Company, however, is not obligated to repurchase the assets. The transaction has been accounted for as a profit-sharing arrangement, and accordingly the assets, liabilities and operations of the properties remain on the books of the Company and a co-venture obligation was established for the amount of $168,154, representing the net cash proceeds received from the third party less costs allocated to the warrant. The co-venture obligation is increased for the allocation of income to the co-venture partner and decreased for distributions to the co-venture partner. The co-venture obligation was $95,018 and $125,171 at September 30, 2012 and December 31, 2011, respectively.

13. Noncontrolling Interests:

The Company allocates net income of the Operating Partnership based on the weighted average ownership interest during the period. The net income of the Operating Partnership that is not attributable to the Company is reflected in the consolidated statements of operations as noncontrolling interests. The Company adjusts the noncontrolling interests in the Operating Partnership at the end of each period to reflect its ownership interest in the Company. The Company had a 93% and 92% ownership interest in the Operating Partnership as of September 30, 2012 and December 31, 2011, respectively. The remaining 7% and 8% limited partnership interest as of September 30, 2012 and December 31, 2011, respectively, was owned by certain of the Company's executive officers and directors, certain of their affiliates, and other third party investors in the form of OP Units. The OP Units may be redeemed for shares of stock or cash, at the Company's option. The redemption value for each OP Unit as of any balance sheet date is the amount equal to the average of the closing price per share of the Company's common stock, par value $0.01 per share, as reported on the New York Stock Exchange for the 10 trading days ending on the respective balance sheet date. Accordingly, as of

13. Noncontrolling Interests: (Continued)

September 30, 2012 and December 31, 2011, the aggregate redemption value of the then-outstanding OP Units not owned by the Company was $632,918 and $554,341, respectively.

The Company issued common and preferred units of MACWH, LP in April 2005 in connection with the acquisition of the Wilmorite portfolio. The common and preferred units of MACWH, LP are redeemable at the election of the holder, the Company may redeem them for cash or shares of the Company's stock at the Company's option and they are classified as permanent equity.

Included in permanent equity are outside ownership interests in various consolidated joint ventures. The joint ventures do not have rights that require the Company to redeem the ownership interests in either cash or stock.

The outside ownership interests in the Company's joint venture in Shoppingtown Mall had a purchase option for $11,366. In addition, under certain conditions as defined by the partnership agreement, these partners had the right to "put" their partnership interests to the Company. Due to the redemption feature of the ownership interest in Shoppingtown Mall, these noncontrolling interests were included in temporary equity as redeemable noncontrolling interests. The Company exercised its right to redeem the outside ownership interests in the partnership for cash and the redemption closed on September 14, 2011. On December 30, 2011, the Company conveyed Shoppingtown Mall to the mortgage note lender by a deed-in-lieu of foreclosure (See Note 10—Mortgage Notes Payable).

14. Stockholders' Equity:

At-The-Market Stock Offering Program ("ATM Program"):

On August 17, 2012, the Company entered into an equity distribution agreement ("Distribution Agreement") with a number of sales agents to issue and sell, from time to time, shares of common stock, par value $0.01 per share, having an aggregate offering price of up to $500,000 (the "Shares"). Sales of the Shares, if any, may be made in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an "at the market" offering, which includes sales made directly on the New York Stock Exchange or sales made to or through a market maker other than on an exchange. The Company will pay each sales agent a commission that will not exceed, but may be lower than, 2% of the gross proceeds of the Shares sold through such sales agent under the Distribution Agreement.

During the three months ended September 30, 2012, the Company sold 2,961,903 shares of common stock under the ATM Program in exchange for aggregate gross proceeds of $177,896 and net proceeds of $175,869 after commissions and other transaction costs. The proceeds from the sales were used to pay down the Company's line of credit. As of September 30, 2012, $322,104 remained available to be sold under the ATM Program. Actual future sales will depend upon a variety of factors including but not limited to market conditions, the trading price of the Company's common stock and the Company's capital needs. The Company has no obligation to sell the remaining shares available for sale under the ATM Program.

14. Stockholders' Equity: (Continued)

Warrants:

On September 30, 2009, the Company issued a warrant in connection with its formation of a co-venture to own and operate Freehold Raceway Mall and Chandler Fashion Center (See Note 12—Co-Venture Arrangement). The warrant provided for the purchase of 935,358 shares of the Company's common stock. The warrant was valued at $6,496 and recorded as a credit to additional paid-in capital. The warrant was immediately exercisable upon its issuance and was scheduled to expire on December 1, 2012. The warrant had an exercise price of $46.68 per share, with such price subject to anti-dilutive adjustments. The warrant allowed for either gross or net issue settlement at the option of the warrant holder. In the event that the warrant holder elected a net issue settlement, the Company could have elected to settle the warrant in cash or shares; provided, however, that in the event the Company elected to deliver cash, the holder could have elected to instead have the exercise of the warrant satisfied in shares. In addition, the Company had entered into a registration rights agreement with the warrant holders requiring the Company to provide certain registration rights regarding the resale of shares of common stock underlying the warrant. In December 2011, the holders requested a net issue exercise of 311,786 shares of the warrant and the Company elected to deliver a cash payment of $1,278 in exchange for the portion of the warrant exercised. On April 10, 2012, the holders requested a net exercise of an additional 311,786 shares of the warrant and the Company elected to deliver a cash payment of $3,448 in exchange for the portion of the warrant exercised. On October 24, 2012, the holders requested a net exercise of the remaining 311,786 shares of the warrant and the Company elected to deliver a cash payment of $3,922 in exchange for the final portion of the warrant exercised.

The issuance of the warrants was exempt from registration under the Securities Act of 1933, as amended ("Securities Act"), pursuant to Section 4(2) of the Securities Act. Each investor represented that it was an accredited investor, as defined in Rule 501 of Regulation D, and that it was acquiring the securities for its own account, not as nominee or agent, and not with a view to the resale or distribution of any part thereof in violation of the Securities Act.

15. Acquisitions:

Desert Sky Mall:

On February 28, 2011, the Company acquired the additional 50% ownership interest in Desert Sky Mall, an 893,000 square foot regional shopping center in Phoenix, Arizona, that it did not own for $27,625. The acquisition was completed in order to gain 100% ownership and control over this well located asset. The purchase price was funded by a cash payment of $1,875 and the assumption of the third party's pro rata share of the mortgage note payable on the property of $25,750. Concurrent with the purchase of the partnership interest, the Company paid off the $51,500 loan on the property. Prior to the acquisition, the Company had accounted for its investment under the equity method (See Note 4—Investments in Unconsolidated Joint Ventures).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

15. Acquisitions: (Continued)

The following is a summary of the allocation of the fair value of Desert Sky Mall:

Property	$ 46,603
Deferred charges, net	5,474
Cash and cash equivalents	6,057
Tenant receivables	202
Other assets, net	4,481
Total assets acquired	62,817
Mortgage note payable	51,500
Accounts payable	33
Other accrued liabilities	3,017
Total liabilities assumed	54,550
Fair value of acquired net assets (at 100% ownership)	$ 8,267

The Company determined that the purchase price represented the fair value of the additional ownership interest in Desert Sky Mall that was acquired. Accordingly, the Company also determined that the fair value of the acquired ownership interest in Desert Sky Mall equaled the fair value of the Company's existing ownership interest.

Fair value of existing ownership interest (at 50% ownership)	$ 4,164
Carrying value of investment in Desert Sky Mall	(2,296)
Gain on remeasurement	$ 1,868

Since the date of acquisition, the Company has included Desert Sky Mall in its consolidated financial statements.

Superstition Springs Land:

On June 3, 2011, the Company acquired the additional 50% ownership interest in Superstition Springs Land that it did not own in connection with the GGP Exchange (See Note 4—Investments in Unconsolidated Joint Ventures). Prior to the acquisition, the Company had accounted for its investment in Superstition Springs Land under the equity method. As a result of this transaction, the Company obtained 100% ownership of the land.

The Company recorded the fair value of Superstition Springs Land at $12,914. As a result of obtaining control of this property, the Company recognized a gain of $1,734, which is included in gain on remeasurement, sale or write down of assets, net for the nine months ended September 30, 2011. Since the date of acquisition, the Company has included Superstition Springs Land in its consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

15. Acquisitions: (Continued)

Fashion Outlets of Niagara Falls USA:

On July 22, 2011, the Company acquired Fashion Outlets of Niagara Falls USA, a 530,000 square foot outlet center in Niagara Falls, New York. The initial purchase price of $200,000 was funded by a cash payment of $78,579 and the assumption of the mortgage note payable with a carrying value of $121,421. The cash purchase price was funded from borrowings under the Company's line of credit.

The purchase and sale agreement includes contingent consideration based on the performance of Fashion Outlets of Niagara Falls USA from the acquisition date through July 21, 2014 that could increase the purchase price from the initial $200,000 up to a maximum of $218,667. The Company estimated the fair value of the contingent consideration as of September 30, 2012 to be $15,747, which has been included in other accrued liabilities as part of the fair value of the total liabilities assumed.

The following is a summary of the allocation of the fair value of Fashion Outlets of Niagara Falls USA:

Property	$ 228,720
Restricted cash	5,367
Deferred charges, net	10,383
Other assets, net	3,090
Total assets acquired	247,560
Mortgage note payable	130,006
Accounts payable	231
Other accrued liabilities	38,037
Total liabilities assumed	168,274
Fair value of acquired net assets	$ 79,286

The Company determined that the purchase price, including the estimated fair value of contingent consideration, represented the fair value of the assets acquired and liabilities assumed. Since the date of the acquisition, the Company has included Fashion Outlets of Niagara Falls USA in its consolidated financial statements.

SDG Acquisition Properties:

On December 31, 2011, the Company acquired the SDG Acquisition Properties as a result of the SDG Transaction. The Company completed the SDG Transaction in order to gain 100% control of the SDG Acquisition Properties. In connection with the acquisition, the Company assumed the mortgage notes payable on Eastland Mall and Valley Mall. Prior to the acquisition, the Company had accounted for its investment in SDG Macerich under the equity method (See Note 4—Investments in Unconsolidated Joint Ventures).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

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15. Acquisitions: (Continued)

The following is a summary of the allocation of the fair value of the SDG Acquisition Properties:

Property	$ 371,344
Deferred charges, net	30,786
Tenant receivables	10,048
Other assets, net	32,826
Total assets acquired	445,004
Mortgage notes payable	211,543
Accounts payable	10,416
Other accrued liabilities	18,578
Total liabilities assumed	240,537
Fair value of acquired net assets	$ 204,467

The Company determined that the purchase price represented the fair value of the assets acquired and liabilities assumed. Since the date of the acquisition, the Company has included the SDG Acquisition Properties in its consolidated financial statements.

Capitola Kohl's:

On April 29, 2011, the Company purchased a fee interest in a freestanding Kohl's store at Capitola Mall for $28,500. The purchase price was paid from cash on hand. Since the date of acquisition, the Company has included Capitola Kohl's in its consolidated financial statements.

500 North Michigan Avenue:

On February 29, 2012, the Company acquired a 326,000 square foot mixed-use retail/office building in Chicago, Illinois ("500 North Michigan Avenue") for $70,925. The purchase price was funded from borrowings under the Company's line of credit. The acquisition was completed in order to gain control over the property adjacent to The Shops at North Bridge.

The following is a summary of the allocation of the fair value of 500 North Michigan Avenue:

Property	$ 66,033
Deferred charges, net	7,450
Other assets, net	2,143
Total assets acquired	75,626
Other accrued liabilities	4,701
Total liabilities assumed	4,701
Fair value of acquired net assets	$ 70,925

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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15. Acquisitions: (Continued)

The Company determined that the purchase price represented the fair value of the assets acquired and liabilities assumed.

Since the date of acquisition, the Company has included 500 North Michigan Avenue in its consolidated financial statements. The property has generated incremental revenue of $5,309 and incremental loss of $392.

16. Discontinued Operations:

On March 4, 2011, the Company sold a former Mervyn's store in Santa Fe, New Mexico, for $3,732, resulting in a loss of $1,913. The proceeds from the sale were used for general corporate purposes.

On June 3, 2011, the Company disposed of six anchor stores at centers not owned by the Company (collectively referred to as the "GGP Anchor Stores"), including five former Mervyn's stores, as part of the GGP Exchange (See Note 4—Investments in Unconsolidated Joint Ventures). The Company determined that the fair value received in exchange for the GGP Anchor Stores was equal to their carrying value.

On October 14, 2011, the Company sold a former Mervyn's store in Salt Lake City, Utah for $8,061, resulting in a gain of $3,783. The proceeds from the sale were used for general corporate purposes.

On November 30, 2011, the Company sold a former Mervyn's store in West Valley City, Utah for $2,300, resulting in a loss of $200. The proceeds from the sale were used for general corporate purposes.

In June 2011, the Company recorded an impairment charge of $35,729 related to Shoppingtown Mall. As a result of the maturity default on the mortgage note payable and the corresponding reduction of the estimated holding period, the Company wrote down the carrying value of the long-lived assets to its estimated fair value of $38,968. The Company had classified the estimated fair value as a Level 3 measurement due to the highly subjective nature of the computation, which involved estimates of holding period, market conditions, future occupancy levels, rental rates, capitalization rates, lease-up periods and capital improvements. On December 30, 2011, the Company conveyed Shoppingtown Mall to the mortgage note lender by a deed-in-lieu of foreclosure. As a result of the conveyance, the Company recognized an additional $3,929 loss on the disposal of the property.

In March 2012, the Company recorded an impairment charge of $54,306 related to Valley View Center. As a result of the sale of the property on April 23, 2012, the Company wrote down the carrying value of the long-lived assets to its estimated fair value of $33,450 (Level 1 measurement), which was equal to the sales price of the property. On April 23, 2012, the property was sold by a court appointed receiver, which resulted in a gain on the extinguishment of debt of $104,033 (See Note 10—Mortgage Notes Payable).

16. Discontinued Operations: (Continued)

On April 30, 2012, the Company sold The Borgata, a 93,693 square foot community center in Scottsdale, Arizona, for $9,150, resulting in a loss of $1,275. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On May 11, 2012, the Company sold a former Mervyn's store in Montebello, California for $20,750, resulting in a loss on the sale of $407. The Company used the proceeds from the sale for general corporate purposes.

On May 17, 2012, the Company sold Hilton Village, a 79,814 square foot community center in Scottsdale, Arizona, for $24,820, resulting in a gain of $3,127. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On May 31, 2012, the Company conveyed Prescott Gateway, a 583,959 square foot regional shopping center in Prescott, Arizona, to the mortgage note lender by a deed-in-lieu of foreclosure. As a result of the conveyance, the Company recognized a gain on the extinguishment of debt of $16,296 (See Note 10—Mortgage Notes Payable).

On June 28, 2012, the Company sold Carmel Plaza, a 111,945 square foot community center, for $52,000, resulting in a gain of $7,844. The Company used the proceeds from the sale to pay down its line of credit.

The Company has classified the results of operations and gain or loss on sale for all of the above dispositions as discontinued operations for the three and nine months ended September 30, 2012 and 2011.

Revenues from discontinued operations consisted of $1 and $9,364 for the three months ended September 30, 2012 and 2011, respectively, and $10,599 and $30,641 for the nine months ended September 30, 2012 and 2011, respectively. (Loss) income from discontinued operations was $(263) and $(4,556) for the three months ended September 30, 2012 and 2011, respectively, and $69,447 and $(50,508) for the nine months ended September 30, 2012 and 2011, respectively.

17. Commitments and Contingencies:

The Company has certain properties that are subject to non-cancelable operating ground leases. The leases expire at various times through 2098, subject in some cases to options to extend the terms of the leases. Certain leases provide for contingent rent payments based on a percentage of base rental income, as defined in the lease. Ground rent expense was $2,244 and $2,091 for the three months ended September 30, 2012 and 2011, respectively, and $6,329 and $6,475 for the nine months ended September 30, 2012 and 2011, respectively. No contingent rent was incurred during the three and nine months ended September 30, 2012 or 2011.

As of September 30, 2012 and December 31, 2011, the Company was contingently liable for $4,224 and $19,721, respectively, 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.

(Dollars in thousands, except per share amounts)

17. Commitments and Contingencies: (Continued)

The Company has entered into a number of construction agreements related to its redevelopment and development activities. Obligations under these agreements are contingent upon the completion of the services within the guidelines specified in the agreements. At September 30, 2012, the Company had $66,310 in outstanding obligations which it believes will be settled in the next twelve months.

18. Related-Party Transactions:

Certain unconsolidated joint ventures and third-parties have engaged the Management Companies to manage the operations of the Centers. Under these arrangements, the Management Companies are reimbursed for compensation paid to on-site employees, leasing agents and project managers at the Centers, as well as insurance costs and other administrative expenses. The following are fees charged to unconsolidated joint ventures and third-party managed properties:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Management Fees	$ 5,861	$ 6,661	$ 17,862	$ 19,472
Development and Leasing Fees	3,677	2,344	9,764	6,094
	$ 9,538	$ 9,005	$ 27,626	$ 25,566

Certain mortgage notes on the properties are held by NML (See Note 10—Mortgage Notes Payable). Interest expense in connection with these notes was $3,815 and $4,081 for the three months ended September 30, 2012 and 2011, respectively, and $11,588 and $12,656 for the nine months ended September 30, 2012 and 2011, respectively. Included in accounts payable and accrued expenses is interest payable on these notes of $1,270 and $1,379 at September 30, 2012 and December 31, 2011, respectively.

As of September 30, 2012 and December 31, 2011, the Company had loans to unconsolidated joint ventures of $3,334 and $3,995, respectively. Interest income associated with these notes was $63 and $67 for the three months ended September 30, 2012 and 2011, respectively, and $191 and $210 for the nine months ended September 30, 2012 and 2011, respectively. These loans represent initial funds advanced to development stage projects prior to construction loan funding. Accordingly, loan payables in the same amount have been accrued as an obligation by the various joint ventures.

Due from affiliates of $7,595 and $3,387 at September 30, 2012 and December 31, 2011, respectively, represents unreimbursed costs and fees due from unconsolidated joint ventures under management agreements.

19. Share and Unit-Based Plans:

On February 23, 2012, the Company granted 190,000 limited partnership units of the Operating Partnership ("LTIP Units") under the Long-Term Incentive Plan ("LTIP") to four executive officers at a weighted average grant date fair value of $37.77 per LTIP Unit. On April 16, 2012, the Company granted 10,000 LTIP Units to a new executive officer at a weighted average grant date fair value of

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19. Share and Unit-Based Plans: (Continued)

$54.97 per LTIP Unit. The new grants vest over a service period ending January 31, 2013 based on the percentile ranking of the Company in terms of total return to stockholders (the "Total Return") per common stock share relative to the Total Return of a group of peer REITs, as measured at the end of the measurement period. Upon the occurrence of specified events and subject to the satisfaction of applicable vesting conditions, LTIP Units (after conversion into OP Units) are ultimately redeemable for common stock of the Company on a one-unit for one-share basis.

The fair value of the Company's LTIP Units granted in 2012 was estimated on the date of grant using a Monte Carlo Simulation model. The stock price of the Company, along with the stock prices of the group of peer REITs, was assumed to follow the Multivariate Geometric Brownian Motion Process. Multivariate Geometric Brownian Motion Process modeling is commonly used in financial markets, as it allows the modeled quantity (in this case, the stock price) to vary randomly from its current value based on the stock price's expected volatility and current market interest rates. The volatilities of the returns on the price of the Company and the peer group REITs were estimated based on a 0.92-year look-back period. The expected growth rate of the stock prices over the derived service period was determined with consideration of the risk free rate as of the grant date.

The following summarizes the compensation cost under the share and unit-based plans:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
LTIP Units	$ 2,778	$ 2,239	$ 6,646	$ 6,716
Stock awards	125	85	345	663
Stock units	383	891	2,991	6,634
Stock options	18	—	18	—
SARs	210	3	291	626
Phantom stock units	211	243	721	726
	$ 3,725	$ 3,461	$ 11,012	$ 15,365

The Company capitalized share and unit-based compensation costs of $436 and $609 for the three months ended September 30, 2012 and 2011, respectively, and $2,209 and $5,621 for the nine months ended September 30, 2012 and 2011, respectively. Unrecognized compensation cost of share and unit-based plans at September 30, 2012 consisted of $3,427 from LTIP Units, $637 from stock awards, $2,947 from stock units, $80 from stock options, $291 from SARs and $118 from phantom stock units.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(Unaudited)

19. Share and Unit-Based Plans: (Continued)

The following table summarizes the activity of the non-vested LTIP Units, stock awards, phantom stock units and stock units:

	LTIP Units		Stock Awards		Phantom Stock		Stock Units	
	Units	Value(1)	Shares	Value(1)	Units	Value(1)	Units	Value(1)
Balance January 1, 2012	190,000	$ 43.30	21,130	$ 40.68	15,745	$ 34.84	576,340	$ 11.71
Granted(2)	315,000	40.53	9,639	54.43	5,930	57.50	72,322	54.43
Vested(2)	(305,000)	44.85	(9,845)	35.69	(16,844)	45.81	(533,985)	15.24
Forfeited	—	—	—	—	(1,462)	33.74	—	—
Balance at September 30, 2012	200,000	$ 38.63	20,924	$ 49.36	3,369	$ 34.84	114,677	$ 52.19

(1) Value represents the weighted-average grant date fair value.

(2) On February 7, 2012, the compensation committee determined that the LTIP Units granted under the LTIP on February 28, 2011 had vested at the 150% level based on the Company's percentile ranking in terms of Total Return per common stock share to the Total Return of a group of peer REITs during the period of February 1, 2011 to January 31, 2012. As a result, the compensation committee granted an additional 95,000 LTIP Units, which vested as of January 31, 2012.

The following table summarizes the activity of the SARs and stock options outstanding:

	SARs		Stock Options	
	Shares	Value(1)	Shares	Value(1)
Balance January 1, 2012	1,156,985	$ 56.55	13,500	$ 30.08
Granted	39,932	59.57	10,068	59.57
Exercised	(32,732)	56.63	(8,100)	28.47
Forfeited	—	—	—	—
Balance at September 30, 2012	1,164,185	$ 56.65	15,468	$ 50.12

(1) Value represents the weighted-average exercise price.

20. Income Taxes:

The Company has made taxable REIT subsidiary elections for all of its corporate subsidiaries other than its qualified REIT subsidiaries. The elections, effective for the year beginning January 1, 2001 and future years, were made pursuant to section 856(l) of the Code. The Company's Taxable REIT Subsidiaries ("TRSs") are subject to corporate level income taxes which are provided for in the Company's consolidated financial statements. The Company's primary TRSs include Macerich Management Company and Macerich Arizona Partners LLC.

(Dollars in thousands, except per share amounts)

20. Income Taxes: (Continued)

The income tax benefit of the TRSs is as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Current	$ —	$ —	$ —	$ —
Deferred	934	1,566	2,159	5,811
Income tax benefit	$ 934	$ 1,566	$ 2,159	$ 5,811

The net operating loss carryforwards are currently scheduled to expire through 2032, beginning in 2021. Net deferred tax assets of $31,342 and $26,829 were included in deferred charges and other assets, net at September 30, 2012 and December 31, 2011, respectively.

The tax returns for the years 2008-2011 remain open to examination by the taxing jurisdictions to which the Company is subject. The Company does not expect that the total amount of unrecognized tax benefits will materially change within the next twelve months.

21. Subsequent Events:

On October 3, 2012, the Company acquired the 75% ownership interest in FlatIron Crossing, a 1,481,000 square foot regional shopping center in Broomfield, Colorado, that it did not own for a cash payment of $195,900 plus its pro rata share of the mortgage loan payable of $126,795.

On October 21, 2012, the Company entered into an agreement to acquire Kings Plaza, a 1,200,000 square foot regional shopping center in Brooklyn, New York, for a purchase price of $751,000 of which the seller has the option to receive up to $30,000 of the purchase price in the form of restricted common shares of the Company. Concurrently, the Company entered into an agreement to acquire Green Acres Mall, a 1,800,000 square foot regional shopping center in Valley Stream, New York, for a purchase price of $500,000. The Company expects to fund both acquisitions from borrowings under its line of credit and from the placement of mortgage notes payable on the properties. The Company expects to complete the acquisition of Kings Plaza during the three months ended December 31, 2012 and Green Acres Mall during the three months ended March 31, 2013. The Company's obligation to acquire Green Acres Mall is subject to the completion of the Kings Plaza acquisition, other than by reason of a default by the Company.

On October 25, 2012, the Company announced a dividend/distribution of $0.58 per share for common stockholders and OP Unit holders of record on November 12, 2012. All dividends/distributions will be paid 100% in cash on December 7, 2012.

On October 26, 2012, the Company acquired the 33.3% ownership interest in Arrowhead Towne Center, a 1,196,000 square foot regional shopping center in Glendale, Arizona, that it did not own for $144,400. The Company funded the purchase price by a cash payment of $69,026 and the assumption of the third party's pro rata share of the mortgage note payable on the property of $75,374.

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

IMPORTANT INFORMATION RELATED TO FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q of The Macerich Company (the "Company") contains or incorporates statements that constitute forward-looking statements within the meaning of the federal securities laws. Any statements that do not relate to historical or current facts or matters are forward-looking statements. You can identify some of the forward-looking statements by the use of forward-looking words, such as "may," "will," "could," "should," "expects," "anticipates," "intends," "projects," "predicts," "plans," "believes," "seeks," "estimates," "scheduled" and variations of these words and similar expressions. Statements concerning current conditions may also be forward-looking if they imply a continuation of current conditions. Forward-looking statements appear in a number of places in this Form 10-Q and include statements regarding, among other matters:

- expectations regarding the Company's growth;
- the Company's beliefs regarding its acquisition, redevelopment, development, leasing and operational activities and opportunities, including the performance of its retailers;
- the Company's acquisition, disposition and other strategies;
- regulatory matters pertaining to compliance with governmental regulations;
- the Company's capital expenditure plans and expectations for obtaining capital for expenditures;
- the Company's expectations regarding income tax benefits;
- the Company's expectations regarding its financial condition or results of operations; and
- the Company's expectations for refinancing its indebtedness, entering into and servicing debt obligations and entering into joint venture arrangements.

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 the industry to differ materially from the Company's future results, performance or achievements, or those of the industry, expressed or implied in such forward-looking statements. You are urged to carefully review the disclosures we make concerning risks and other factors that may affect our business and operating results, including those made in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011, as well as our other reports filed with the Securities and Exchange Commission (the "SEC"), which disclosures are incorporated herein by reference. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. The Company does not intend, and undertakes no obligation, to update any forward-looking information to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, unless required by law to do so.

Management's Overview and Summary

The Company is involved in the acquisition, ownership, development, 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 Operating Partnership. As of September 30, 2012, the Operating Partnership owned or had an ownership interest in 59 regional shopping centers and ten community shopping centers totaling approximately 62 million square feet of gross leasable area. These 69 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 REIT and conducts all of its operations through the Operating Partnership and the Management Companies.

The following discussion is based primarily on the consolidated financial statements of the Company for the three and nine months ended September 30, 2012 and 2011. It compares the results of operations for the three months ended September 30, 2012 to the results of operations for the three months ended September 30, 2011, and it compares the results of operations and cash flows for the nine months ended September 30, 2012 to the results of operations and cash flows for the nine months ended September 30, 2011. This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Acquisitions and Dispositions:

On February 24, 2011, the Company's joint venture in Kierland Commons Investment LLC ("KCI") acquired an additional ownership interest in PHXAZ/Kierland Commons, L.L.C. ("Kierland Commons"), a 433,000 square foot regional shopping center in Scottsdale, Arizona. As a result of this transaction, the Company's ownership interest in KCI increased from 24.5% to 50.0%. The Company's share of the purchase price consisted of a cash payment of $34.2 million and the assumption of a pro rata share of debt of $18.6 million.

On February 28, 2011, the Company, in a 50/50 joint venture, acquired The Shops at Atlas Park, a 376,000 square foot community center in Queens, New York, for a total purchase price of $53.8 million. The Company's share of the purchase price was $26.9 million and was funded from the Company's cash on hand.

On February 28, 2011, the Company acquired the additional 50% ownership interest in Desert Sky Mall, an 893,000 square foot regional shopping center in Phoenix, Arizona, that it did not own. The total purchase price was $27.6 million, which included the assumption of the third party's pro rata share of the mortgage note payable on the property of $25.8 million. Concurrent with the purchase of the partnership interest, the Company paid off the $51.5 million loan on the property.

On April 29, 2011, the Company purchased a fee interest in a freestanding Kohl's store at Capitola Mall in Capitola, California for $28.5 million. The purchase price was paid from cash on hand.

On June 3, 2011, the Company acquired an additional 33.3% ownership interest in Arrowhead Towne Center, a 1,196,000 square foot regional shopping center in Glendale, Arizona, an additional 33.3% ownership interest in Superstition Springs Center, a 1,205,000 square foot regional shopping center in Mesa, Arizona and an additional 50% ownership interest in the land under Superstition Springs Center ("Superstition Springs Land") in exchange for the Company's ownership interest in six anchor stores, including five former Mervyn's stores and a cash payment of $75.0 million. The cash purchase price was funded from borrowings under the Company's line of credit. This transaction is referred to herein as the "GGP Exchange".

On July 22, 2011, the Company acquired Fashion Outlets of Niagara Falls USA, a 530,000 square foot outlet center in Niagara Falls, New York. The initial purchase price of $200.0 million was funded by a cash payment of $78.6 million and the assumption of the mortgage note payable of $121.4 million. The cash purchase price was funded from borrowings under the Company's line of credit. The purchase and sale agreement includes contingent consideration based on the performance of Fashion Outlets of Niagara Falls USA from the acquisition date through July 21, 2014 that could increase the purchase price from the initial $200.0 million up to a maximum of $218.7 million. As of September 30, 2012, the Company estimated the fair value of the contingent consideration as $15.7 million, which has been included in other accrued liabilities.

On December 31, 2011, the Company and its joint venture partner reached agreement for the distribution and conveyance of interests in SDG Macerich that owned 11 regional malls in a 50/50 partnership. Six of the eleven assets were distributed to the Company on December 31, 2011. The Company received 100% ownership of Eastland Mall in Evansville, Indiana, Lake Square Mall in

Leesburg, Florida, SouthPark Mall in Moline, Illinois, Southridge Mall in Des Moines, Iowa, NorthPark Mall in Davenport, Iowa and Valley Mall in Harrisonburg, Virginia (collectively referred to herein as the "SDG Acquisition Properties"). These wholly-owned assets were recorded at fair value at the date of transfer, which resulted in a gain to the Company of $188.3 million. The gain reflected the fair value of the net assets received in excess of the book value of the Company's interest in SDG Macerich. The distribution and conveyance of the properties from SDG Macerich to the Company is referred to herein as the "SDG Transaction".

On February 29, 2012, the Company acquired a 326,000 square foot mixed-use retail/office building ("500 North Michigan Avenue") in Chicago, Illinois for $70.9 million. The building is adjacent to The Shops at North Bridge. The purchase price was paid from borrowings under the Company's line of credit.

On March 30, 2012, the Company sold its 50% ownership interest in Chandler Village Center, a 273,439 square foot community center in Chandler, Arizona, for a total sales price of $14.8 million, resulting in a gain on the sale of assets of $8.2 million. The sales price was funded by a cash payment of $6.0 million and the assumption of the Company's share of the mortgage note payable on the property of $8.8 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes.

On March 30, 2012, the Company sold its 50% ownership interest in Chandler Festival, a 500,426 square foot community center in Chandler, Arizona, for a total sales price of $31.0 million, resulting in a gain on the sale of assets of $12.3 million. The sales price was funded by a cash payment of $16.2 million and the assumption of the Company's share of the mortgage note payable on the property of $14.8 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes.

On March 30, 2012, the Company's joint venture in SanTan Village Power Center, a 491,037 square foot community center in Gilbert, Arizona, sold the property for $54.8 million, resulting in a gain on the sale of assets of $23.3 million for the joint venture. The Company's pro rata share of the gain recognized was $7.9 million.

On April 30, 2012, the Company sold The Borgata, a 93,693 square foot community center in Scottsdale, Arizona, for $9.2 million, resulting in a loss on the sale of $1.3 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On May 17, 2012, the Company sold Hilton Village, a 79,814 square foot community center in Scottsdale, Arizona, for $24.8 million, resulting in a gain on the sale of assets of $3.1 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On May 31, 2012, the Company sold its 50% ownership interest in Chandler Gateway, a 259,535 square foot community center in Chandler, Arizona, for a total sales price of $14.3 million, resulting in a gain on the sale of assets of $3.4 million. The sales price was funded by a cash payment of $4.9 million and the assumption of the Company's share of the mortgage note payable on the property of $9.4 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes.

On June 28, 2012, the Company sold Carmel Plaza, a 111,945 square foot community center in Carmel, California, for $52.0 million, resulting in a gain on the sale of assets of $7.8 million. The Company used the proceeds from the sale to pay down its line of credit.

On August 10, 2012, the Company was bought out of its ownership interest in NorthPark Center, a 1,946,178 square foot regional shopping center in Dallas, Texas, for $118.8 million, resulting in a gain of $24.6 million. The Company used the cash proceeds to pay down its line of credit.

On October 3, 2012, the Company acquired the 75% ownership interest in FlatIron Crossing, a 1,481,000 square foot regional shopping center in Broomfield, Colorado, that it did not own for a cash payment of $195.9 million plus its pro rata share of the mortgage loan payable of $126.8 million.

On October 21, 2012, the Company entered into an agreement to acquire Kings Plaza, a 1,200,000 square foot regional shopping center in Brooklyn, New York, for a purchase price of $751.0 million, of which the seller has the option to receive up to $30.0 million of the purchase price in the form of restricted shares of common stock of the Company. Concurrently, the Company entered into an agreement to acquire Green Acres Mall, a 1,800,000 square foot regional shopping center in Valley Stream, New York, for a purchase price of $500.0 million. The Company expects to fund both acquisitions from borrowings under its line of credit and from the placement of mortgage notes payable on the properties. The Company expects to complete the acquisition of Kings Plaza during the three months ended December 31, 2012 and Green Acres Mall during the three months ended March 31, 2013. The Company's obligation to acquire Green Acres Mall is subject to the completion of the Kings Plaza acquisition, other than by reason of a default by the Company.

On October 26, 2012, the Company acquired the 33.3% ownership interest in Arrowhead Towne Center, a 1,196,000 square foot regional shopping center in Glendale, Arizona, that it did not own for $144.4 million. The Company funded the purchase price by a cash payment of $69.0 million and the assumption of the third party's pro rata share of the mortgage note payable on the property of $75.4 million.

Mervyn's:

In December 2007, the Company purchased a portfolio of ground leasehold interests and/or fee interests in 39 freestanding Mervyn's stores located in the Southwest United States. In January 2008, the Company purchased a ground leasehold interest in a freestanding Mervyn's store located in Hayward, California and in February 2008, the Company purchased a fee simple interest in a freestanding Mervyn's store located in Monrovia, California. These former Mervyn's stores are referred to herein as the "Mervyn's Properties." Mervyn's filed for bankruptcy protection in July 2008 and rejected all of its leases during the remainder of the year.

On March 4, 2011, the Company sold a fee interest in a former Mervyn's store in Santa Fe, New Mexico, for $3.7 million, resulting in a loss on the sale of $1.9 million. The Company used the proceeds from the sale for general corporate purposes.

On June 3, 2011, the Company disposed of five former Mervyn's stores in connection with the GGP Exchange (See "Acquisitions and Dispositions").

On October 14, 2011, the Company sold a former Mervyn's store in Salt Lake City, Utah, for $8.1 million, resulting in a gain on the sale of $3.8 million. The proceeds from the sale were used for general corporate purposes.

On November 30, 2011, the Company sold a former Mervyn's store in West Valley City, Utah, for $2.3 million, resulting in a loss on the sale of $0.2 million. The proceeds from the sale were used for general corporate purposes.

On May 11, 2012, the Company sold a former Mervyn's store in Montebello, California for $20.8 million, resulting in a loss on the sale of $0.4 million. The proceeds from the sale were used for general corporate purposes.

Currently, four former Mervyn's stores in the Company's portfolio remain vacant. The Company is actively seeking replacement tenants for these spaces.

Other Transactions and Events:

On July 15, 2010, a court appointed receiver assumed operational control of Valley View Center and responsibility for managing all aspects of the property. In March 2012, the Company recorded an impairment charge of $54.3 million to write down the carrying value of the long-lived assets to its estimated fair value. On April 23, 2012, the property was sold by the receiver for $33.5 million, which resulted in a gain on the extinguishment of debt of $104.0 million.

On April 1, 2011, the Company's joint venture in SDG Macerich conveyed Granite Run Mall to the mortgage note lender by a deed-in-lieu of foreclosure. The mortgage note was non-recourse. The Company's pro rata share of gain on extinguishment of debt was $7.8 million.

On May 11, 2011, the non-recourse mortgage note payable on Shoppingtown Mall went into maturity default. As a result of the maturity default and the corresponding reduction of the estimated holding period, the Company recognized an impairment charge of $35.7 million to write-down the carrying value of the long-lived assets to its estimated fair value. On September 14, 2011, the Company exercised its right and redeemed the outside ownership interests in the Center for a cash payment of $11.4 million. On December 30, 2011, the Company conveyed the property to the mortgage note lender by a deed-in-lieu of foreclosure. As a result of the conveyance, the Company recognized an additional $3.9 million loss on the disposal of the property.

On May 31, 2012, the Company conveyed Prescott Gateway, a 583,959 square foot regional shopping center in Prescott, Arizona, to the mortgage note lender by a deed-in-lieu of foreclosure. The mortgage loan was non-recourse. As a result of the conveyance, the Company recognized a gain on extinguishment of debt of $16.3 million.

Redevelopment and Development Activity:

In August 2011, the Company entered into a joint venture agreement with a subsidiary of AWE/Talisman for the development of Fashion Outlets of Chicago in the Village of Rosemont, Illinois. The Company will own 60% of the joint venture and AWE/Talisman will own 40%. The Center will be a fully enclosed two level, 528,000 square foot outlet center. The site is located within a mile of O'Hare International Airport. The project broke ground in November 2011 and is expected to be completed in Summer 2013. The total estimated project cost is approximately $200.0 million. As of September 30, 2012, the joint venture has incurred $61.8 million of development costs. On March 2, 2012, the joint venture obtained a construction loan on the property that allows for borrowings up to $140.0 million, bears interest at LIBOR plus 2.50% and matures March 2, 2017. As of September 30, 2012, no borrowings have been made under the loan. Fashion Outlets of Chicago is referred to herein as the Development Property.

The Company's joint venture in Tysons Corner, a 1,985,000 square foot regional shopping center in McLean, Virginia, is currently expanding the property to include a 500,000 square foot office building, a 450 unit residential tower and a 300 room hotel. The joint venture started the expansion project in October 2011 and expects it to be completed in Fall 2014. The total cost of the project is estimated at $600.0 million, of which $300.0 million is estimated to be the Company's pro rata share. The Company has funded $48.6 million of the total of $97.2 million incurred by the joint venture as of September 30, 2012.

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 an annual multiple of increases in the Consumer Price Index ("CPI"). In addition, about 6% to 15% 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. The Company has generally entered into leases that require tenants to pay a stated amount for operating expenses, generally excluding property taxes, regardless of the expenses actually incurred at any Center, which places the burden of cost control on the Company. Additionally, certain leases require the tenants to pay their pro rata share of operating expenses.

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, earnings are generally higher in the fourth quarter.

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") 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 judgments on revenue recognition, estimates for common area maintenance and real estate tax accruals, provisions for uncollectible accounts, impairment of long-lived assets, the allocation of purchase price between tangible and intangible assets, and estimates for environmental matters. The Company's significant accounting policies are described in more detail in Note 2—Summary of Significant Accounting Policies in the Company's Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K. However, the following policies are deemed to be critical.

Revenue Recognition:

Minimum rental revenues are recognized on a straight-line basis over the term 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 line rent adjustment." Currently, approximately 62% of the mall store and freestanding store leases contain provisions for CPI rent increases periodically throughout the term of the lease. The Company believes that using an annual multiple of 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 when the tenants' specified sales targets have been met. Estimated recoveries from certain tenants for their pro rata share of real estate taxes, insurance and other shopping center operating expenses are recognized as revenues in the period the applicable expenses are incurred. Other tenants pay a fixed rate and these tenant recoveries' revenues are recognized on a straight-line basis over the term of the related leases.

Property:

Maintenance and repair 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. 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	5 - 7 years
Equipment and furnishings	5 - 7 years

Capitalization of Costs:

The Company capitalizes costs incurred in redevelopment, development, renovation and improvement of properties. The capitalized costs include pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. These capitalized costs include direct and certain indirect costs clearly associated with the project. Indirect costs include real estate taxes, insurance and certain shared administrative costs. In assessing the amounts of direct and indirect costs to be capitalized, allocations are made to projects based on estimates of the actual amount of time spent on each activity. Indirect costs not clearly associated with specific projects are expensed as period costs. Capitalized indirect costs are allocated to development and redevelopment activities based on the square footage of the portion of the building not held available for immediate occupancy. If costs and activities incurred to ready the vacant space cease, then cost capitalization is also discontinued until such activities are resumed. Once work has been completed on a vacant space, project costs are no longer capitalized. For projects with extended lease-up periods, the Company ends the capitalization when significant activities have ceased, which does not exceed the shorter of a one-year period after the completion of the building shell or when the construction is substantially complete.

Accounting for Acquisitions:

The Company first determines the value of land and buildings utilizing an "as if vacant" methodology. The Company then assigns the fair value to any debt assumed at acquisition. The Company then allocates the purchase price based on fair value of the land, building, tenant improvements and identifiable intangible assets received and liabilities assumed. Tenant improvements represent the tangible assets associated with the existing leases valued on a fair value basis at the acquisition date prorated over the remaining lease terms. The tenant improvements are classified as an asset under property and are depreciated over the remaining lease terms. Identifiable intangible assets and liabilities relate to the value of in-place operating leases which come in three forms: (i) leasing commissions and legal costs, which represent the value associated with "cost avoidance" of acquiring in-place leases, such as lease commissions paid under terms generally experienced in the Company's markets; (ii) value of in-place leases, which represents the estimated loss of revenue and of costs incurred for the period required to lease the "assumed vacant" property to the occupancy level when purchased; and (iii) above or below market value of in-place leases, which represents the difference between the contractual rents and market rents at the time of the acquisition, discounted for tenant credit risks. Leasing commissions and legal costs are recorded in deferred charges and other assets and are amortized over the remaining lease terms. The value of in-place leases are recorded in deferred charges and other assets and are amortized over the remaining lease terms plus an estimate of renewal of the acquired leases. Above or below market leases are classified in deferred charges and other assets or in other accrued liabilities, depending on whether the contractual terms are above or below market.

The allocated values of above and below-market leases are amortized into minimum rents on a straight-line basis over the individual remaining lease terms. The remaining lease terms of below-market leases may include certain below-market fixed-rate renewal periods. In considering whether or not a lessee will execute a below-market fixed-rate lease renewal option, the Company evaluates economic factors and certain qualitative factors at the time of acquisition such as tenant mix in the center, the Company's relationship with the tenant and the availability of competing tenant space.

The Company immediately expenses costs associated with business combinations as period costs.

Asset Impairment:

The Company assesses whether an indicator of impairment in the value of its properties exists by considering expected future operating income, trends and prospects, as well as the effects of demand, competition and other economic factors. Such factors include projected rental revenue, operating costs and capital expenditures as well as estimated holding periods and capitalization rates. If an impairment indicator exists, the determination of recoverability is made based upon the estimated undiscounted future net cash flows, excluding interest expense. The amount of impairment loss, if any, is determined by comparing the fair value, as determined by a discounted cash flows analysis, with the carrying value of the related assets. The Company generally holds and operates its properties long-term, which decreases the likelihood of their carrying values not being recoverable. Properties classified as held for sale are measured at the lower of the carrying amount or fair value less cost to sell.

The Company reviews its investments in unconsolidated joint ventures for a series of operating losses and other factors that may indicate that a decrease in the value of its investments has occurred which is other-than-temporary. The investment in each unconsolidated joint venture is evaluated periodically, and as deemed necessary, for recoverability and valuation declines that are other than temporary.

Fair Value of Financial Instruments:

The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions.

Level 1 inputs utilize quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The Company calculates the fair value of financial instruments and includes this additional information in the notes to consolidated financial statements when the fair value is different than the carrying value of those financial instruments. When the fair value reasonably approximates the carrying value, no additional disclosure is made.

Deferred Charges:

Costs relating to obtaining tenant leases are deferred and amortized over the initial term of the agreement using the straight-line method. As these deferred leasing costs represent productive assets incurred in connection with the Company's provision of leasing arrangements at the Centers, the related cash flows are classified as investing activities within the Company's Consolidated Statements of Cash Flows. Costs 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. In-place lease values are amortized over the remaining lease term plus an estimate of the renewal term. Leasing commissions and legal costs are amortized on a straight-line basis over the individual remaining lease years. The ranges of the terms of the agreements are as follows:

Deferred lease costs	1 - 15 years
Deferred financing costs	1 - 15 years
In-place lease values	Remaining lease term plus an estimate for renewal
Leasing commissions and legal costs	1 - 10 years

Results of Operations

Many of the variations in the results of operations, discussed below, occurred because of the transactions affecting the Company's properties described above, including the Acquisition Properties (as defined below) and the Development Property.

For purposes of the discussion below, the Company defines "Same Centers" as those Centers that are substantially complete and in operation for the entirety of both periods of the comparison. Non-Same Centers for comparison purposes include recently acquired properties ("Acquisition Properties") and those Centers or properties that are going through a substantial redevelopment often resulting in the closing of a portion of the Center ("Development Properties"). The Company moves a Center in and out of Same Centers based on whether the Center is substantially complete and in operation for the entirety of both periods of the comparison. Accordingly, the Same Centers consists of all consolidated centers, excluding the Acquisition Properties and the Development Properties for the periods of comparison.

For comparison of the three months ended September 30, 2012 to the three months ended September 30, 2011, the Acquisition Properties include Fashion Outlets of Niagara Falls USA, the SDG Acquisition Properties and 500 North Michigan Avenue. For comparison of the nine months ended September 30, 2012 to the nine months ended September 30, 2011, the Acquisition Properties include Desert Sky Mall, the Kohl's store at Capitola Mall, Superstition Springs Land, Fashion Outlets of Niagara Falls USA, the SDG Acquisition Properties and 500 North Michigan Avenue. The increase in revenues and expenses of the Acquisition Properties during the three and nine months ended September 30, 2012 in comparison to the three and nine months ended September 30, 2011 is primarily due to the inclusion of the SDG Acquisition Properties in the results of operations in 2012. (See "Acquisitions and Dispositions" in Management's Overview and Summary).

Unconsolidated joint ventures are reflected using the equity method of accounting. The Company's pro rata share of the results from these Centers is reflected in the Consolidated Statements of Operations as equity in income of unconsolidated joint ventures.

The Company considers tenant annual sales per square foot (for tenants in place for a minimum of 12 months and 10,000 square feet and under) for regional shopping centers, occupancy rates (excluding large retail stores or "Anchors") for the Centers and releasing spreads (i.e. a comparison of average base rent per square foot on leases executed during the trailing twelve months to average base rent per square foot on leases expiring during the year based on spaces 10,000 square feet and under) to be key performance indicators of the Company's internal growth.

Tenant sales per square foot increased from $467 for the twelve months ended September 30, 2011 to $511 for the twelve months ended September 30, 2012. Occupancy rate increased from 91.9% at September 30, 2011 to 93.0% at September 30, 2012. Releasing spreads increased 18.5% for the twelve months ended September 30, 2012. These calculations exclude Valley View Center, Granite Run Mall, Shoppingtown Mall, Prescott Gateway and Centers under development or redevelopment.

The Company's recent trend of retail sales growth continued during the twelve months ended September 30, 2012 with tenant sales per square foot and releasing spreads increasing compared to the twelve months ended September 30, 2011. The Company expects that releasing spreads will continue to be positive during the remainder of 2012 as it renews or relets leases that are scheduled to expire during the year. The Company's occupancy rate as of September 30, 2012 also increased compared to September 30, 2011. Although certain aspects of the U.S. economy, the retail industry as well as the Company's operating results have continued to improve, economic and political uncertainty remains in various parts of the world. In addition, the U.S. economy is still experiencing weakness, high levels of unemployment have persisted and rental rates and valuations for retail space have not fully recovered to pre-recession levels. Any further continuation of these adverse conditions could harm the Company's business, results of operations and financial condition.

Comparison of Three Months Ended September 30, 2012 and 2011

Revenues:

Minimum and percentage rents (collectively referred to as "rental revenue") increased $12.3 million, or 11.0%, from 2011 to 2012. The increase in rental revenue is attributed to an increase of $12.3 million from the Acquisition Properties. Rental revenue includes the amortization of above and below-market leases, the amortization of straight-line rents and lease termination income. The amortization of above and below-market leases decreased from $2.6 million in 2011 to $0.5 million in 2012. The amortization of straight-line rents decreased from $2.4 million in 2011 to $1.8 million in 2012. Lease termination income remained constant at $1.3 million in 2011 and 2012.

Tenant recoveries increased $5.0 million, or 7.8%, from 2011 to 2012. This increase in tenant recoveries is attributed to an increase of $5.6 million from the Acquisition Properties offset in part by a decrease of $0.6 million from the Same Centers.

Management Companies' revenue increased from $9.8 million in 2011 to $9.9 million in 2012 due primarily to an increase in development fees.

Shopping Center and Operating Expenses:

Shopping center and operating expenses increased $4.6 million, or 7.3%, from 2011 to 2012. The increase in shopping center and operating expenses is attributed to an increase of $7.1 million from the Acquisition Properties offset in part by a decrease of $2.5 million from the Same Centers. The decrease from the Same Centers is primarily attributed to a decrease in utilities, property taxes and other operating expenses.

Management Companies' Operating Expenses:

Management Companies' operating expenses increased $0.5 million from 2011 to 2012 due to an increase in compensation costs in 2012.

REIT General and Administrative Expenses:

REIT general and administrative expenses increased by $0.6 million from 2011 to 2012 due to an increase in compensation costs in 2012.

Depreciation and Amortization:

Depreciation and amortization increased $7.9 million from 2011 to 2012. The increase in depreciation and amortization is primarily attributed to an increase of $8.0 million from the Acquisition Properties offset in part by a decrease of $0.1 million from the Same Centers.

Interest Expense:

Interest expense decreased $1.1 million from 2011 to 2012. The decrease in interest expense was primarily attributed to decreases of $8.0 million from the Senior Notes which were paid off in full in March 2012 (See Liquidity and Capital Resources) offset in part by increases of $3.5 million from the Acquisition Properties, $1.3 million from the borrowings under the Company's line of credit, $1.1 million from the Same Centers, $0.8 million from the term loan (See Liquidity and Capital Resources) and $0.2 million from the Development Property.

The above interest expense items are net of capitalized interest, which was $3.0 million in 2011 and 2012.

Equity in Income of Unconsolidated Joint Ventures:

Equity in income of unconsolidated joint ventures decreased $0.7 million from 2011 to 2012.

Gain on Remeasurement, Sale or Write Down of Assets, net:

Gain on remeasurement, sale or write down of assets increased $20.9 million from 2011 to 2012. The increase is primarily attributed to the $24.6 million gain on the buyout of the Company's ownership interest in NorthPark Center in 2012 offset in part by the write down of certain development costs.

Income (Loss) From Discontinued Operations:

Income from discontinued operations increased $4.3 million from 2011 to 2012. The increase in income from discontinued operations is primarily due to the $4.0 million loss from operations at Valley View Center in 2011 (See "Other Transactions and Events" in Management's Overview and Summary).

Net Income:

Net income increased $33.0 million from 2011 to 2012. The increase is primarily attributed to the increase in gain on remeasurement, sale or write down of assets, net of $20.9 million and the increase in income from discontinued operations of $4.3 million as discussed above.

Funds From Operations ("FFO"):

Primarily as a result of the factors mentioned above, FFO—diluted increased 8.3% from $104.2 million in 2011 to $112.9 million in 2012. For a reconciliation of FFO and FFO—diluted to net income available to the common stockholders, the most directly comparable GAAP financial measure, see "Funds from Operations and Adjusted Funds from Operations."

Comparison of Nine Months Ended September 30, 2012 and 2011

Revenues:

Rental revenue increased by $43.5 million, or 13.4%, from 2011 to 2012. The increase in rental revenue is attributed to an increase of $45.5 million from the Acquisition Properties offset in part by a decrease of $2.0 million from the Same Centers. The amortization of above and below-market leases decreased from $6.7 million in 2011 to $4.3 million in 2012. The amortization of straight-line rents increased from $3.9 million in 2011 to $4.4 million in 2012 primarily because of the Acquisition Properties. Lease termination income decreased from $4.4 million in 2011 to $3.6 million in 2012.

Tenant recoveries increased $18.1 million, or 10.1%, from 2011 to 2012. This increase in tenant recoveries is attributed to an increase of $18.7 million from the Acquisition Properties offset in part by a decrease of $0.6 million from the Same Centers.

Management Companies revenue increased from $28.5 million in 2011 to $30.7 million in 2012 due primarily to an increase in development fees.

Shopping Center and Operating Expenses:

Shopping center and operating expenses increased $19.0 million, or 10.6%, from 2011 to 2012. The increase in shopping center and operating expenses is attributed to an increase of $23.2 million from the Acquisition Properties offset in part by a decrease of $4.2 million from the Same Centers. The decrease at the Same Centers is primarily attributed to a decrease in utilities and other operating expenses.

Management Companies' Operating Expenses:

Management Companies' operating expenses decreased $0.1 million from 2011 to 2012.

REIT General and Administrative Expenses:

REIT general and administrative expenses decreased by $0.6 million from 2011 to 2012.

Depreciation and Amortization:

Depreciation and amortization increased $32.6 million from 2011 to 2012. The increase in depreciation and amortization is primarily attributed to an increase of $28.3 million from the Acquisition Properties and $4.3 million from the Same Centers.

Interest Expense:

Interest expense decreased $8.0 million from 2011 to 2012. The decrease in interest expense was primarily attributed to decreases of $19.3 million from the Senior Notes, which were paid off in full in March 2012 (See Liquidity and Capital Resources), $5.3 million from the Same Centers and $0.2 million from the Development Property offset in part by increases of $13.4 million from the Acquisition Properties, $2.4 million from the term loan (See Liquidity and Capital Resources) and $1.0 million from the borrowings under the Company's line of credit. The decrease in interest expense at the Same Centers is primarily attributed to the maturity of a $400.0 million interest rate swap agreement in April 2011.

The above interest expense items are net of capitalized interest, which decreased from $9.6 million in 2011 to $7.9 million in 2012, primarily due to a decrease in interest rates.

Loss on Early Extinguishment of Debt:

The loss on early extinguishment of debt of $9.1 million in 2011 is attributed to the prepayment of the mortgage note payable on Chesterfield Towne Center.

Equity in Income of Unconsolidated Joint Ventures:

Equity in income of unconsolidated joint ventures decreased $6.9 million from 2011 to 2012. The decrease is primarily attributed to the $7.8 million pro rata share of the gain on extinguishment of debt on Granite Run Mall in 2011 (See "Other Transactions and Events" in Management's Overview and Summary).

Gain on Remeasurement, Sale or Write Down of Assets:

Gain on remeasurement, sale or write down of assets increased $36.5 million from 2011 to 2012. The increase is primarily attributed to the buyout of the Company's ownership interest in NorthPark Center in 2012 and the sales of the Company's ownership interests in Chandler Festival, Chandler Village Center and Chandler Gateway in 2012 (See "Acquisitions and Dispositions" in Management's Overview and Summary).

Income (Loss) From Discontinued Operations:

Income from discontinued operations increased $120.0 million from 2011 to 2012. The increase in income from discontinued operations is primarily due to the gain on extinguishment of debt of $104.0 million on Valley View Center and $16.3 million on Prescott Gateway in 2012, the $7.8 million gain on the sale of Carmel Plaza in 2012 and the impairment charge of $35.7 million on Shoppingtown Mall in 2011 offset in part by the impairment charge of $54.3 million on Valley View Center in 2012 (See "Other Transactions and Events" in Management's Overview and Summary).

Net Income (Loss):

Net income increased $186.7 million from 2011 to 2012. The increase is primarily attributed to the increases in income from discontinued operations of $120.0 million and the gain on remeasurement, sale or write down of assets of $36.5 million as discussed above.

Funds From Operations ("FFO"):

Primarily as a result of the factors mentioned above, FFO—diluted increased 58.6% from $280.8 million in 2011 to $445.3 million in 2012. For a reconciliation of FFO and FFO—diluted to net income (loss) available to the common stockholders, the most directly comparable GAAP financial measure, see "Funds from Operations and Adjusted Funds from Operations."

Operating Activities:

Cash provided by operating activities increased from $180.5 million in 2011 to $256.2 million in 2012. The increase was primarily due to changes in assets and liabilities and the results at the Acquisition Properties as discussed above.

Investing Activities:

Cash provided by investing activities increased from a deficit of $184.5 million in 2011 to a surplus of $91.5 million in 2012. The increase in cash provided by investing activities was primarily due to an increase of $124.4 million in proceeds from the sale of assets and a decrease of $102.3 million in contributions to unconsolidated joint ventures offset in part by a decrease of $38.0 million in acquisitions of property, development, redevelopment, expansion, renovations and property improvements. The increase in proceeds from the sale of assets is primarily due to the buyout of the Company's ownership interest in NorthPark Center and the sales of The Borgata, Carmel Plaza, Chandler Festival, Chandler Village Center, Chandler Gateway, Hilton Village and a former Mervyn's store in 2012 (See "Acquisitions and Dispositions" in Management's Overview and Summary).

Financing Activities:

Cash used in financing activities increased from $302.2 million in 2011 to $338.4 million in 2012. The increase in cash used in financing activities was primarily due to an increase in payments on mortgages, bank and other notes payable of $1.4 billion offset in part by an increase in proceeds from mortgages, bank and other notes payable of $1.1 billion and the net proceeds from the ATM Program of $175.9 million (See Liquidity and Capital Resources).

Liquidity and Capital Resources

The Company anticipates meeting its liquidity needs for its operating expenses and debt service and dividend requirements for the next twelve months through cash generated from operations, working capital reserves and/or borrowings under its unsecured line of credit.

The following tables summarize capital expenditures incurred at the Centers:

(Dollars in thousands)	For the Nine Months Ended September 30, 2012	2011
Consolidated Centers:		
Acquisitions of property and equipment	$ 86,424	$ 294,980
Development, redevelopment, expansion and renovations	101,584	73,544
Tenant allowances	12,577	15,200
Deferred leasing charges	17,644	22,884
	$ 218,229	$ 406,608
Joint Venture Centers (at Company's pro rata share):		
Acquisitions of property and equipment	$ 3,064	$ 139,116
Development, redevelopment, expansion and renovations	54,330	27,379
Tenant allowances	4,841	5,475
Deferred leasing charges	3,407	4,104
	$ 65,642	$ 176,074

The Company expects amounts to be incurred during the next twelve months for tenant allowances and deferred leasing charges to be comparable or less than 2011 and that capital for those expenditures will be available from working capital, cash flow from operations, borrowings on property specific debt or unsecured corporate borrowings. The Company expects to incur between $200 million and $300 million during the next twelve months for development, redevelopment, expansion and renovations. Capital for these major expenditures, developments and/or redevelopments has been, and is expected to continue to be obtained from a combination of debt or equity financings, which are expected to include borrowings under the Company's line of credit and construction loans. The Company has also generated liquidity in the past through equity offerings, property refinancings, joint venture transactions and the sale of non-core assets. Furthermore, the Company has filed a shelf registration statement which registered an unspecified amount of common stock, preferred stock, depositary shares, debt securities, warrants, rights and units.

The capital and credit markets can fluctuate, and at times, limit access to debt and equity financing for companies. As demonstrated by the Company's recent activity, including its new $500 million ATM

Program discussed below and its $1.5 billion line of credit, the Company has recently been able to access capital; however, there is no assurance the Company will be able to do so in future periods or on similar terms and conditions. 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. In the event that the Company has significant tenant defaults as a result of the overall economy and general market conditions, the Company could have a decrease in cash flow from operations, which could result in borrowings under its line of credit. These events could result in an increase in the Company's proportion of floating rate debt, which would cause it to be subject to interest rate fluctuations in the future.

On August 17, 2012, the Company entered into an equity distribution agreement ("Distribution Agreement") with a number of sales agents to issue and sell, from time to time, shares of common stock, having an aggregate offering price of up to $500 million (the "Shares"). Sales of the Shares, if any, may be made in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an "at the market" offering, which includes sales made directly on the New York Stock Exchange or sales made to or through a market maker other than on an exchange. This offering is referred to herein as the "ATM Program." During the three months ended September 30, 2012, the Company sold 2,961,903 shares of common stock under this ATM Program in exchange for aggregate gross proceeds of $177.9 million and net proceeds of $175.9 million, after commissions and other transaction costs. The proceeds from the sales were used to pay down the Company's line of credit. As of September 30, 2012, $322.1 million remained available to be sold under the ATM Program. Actual future sales will depend upon a variety of factors including but not limited to market conditions, the trading price of the Company's common stock and our capital needs. The Company has no obligation to sell the remaining shares available for sale under the ATM Program.

The Company's total outstanding loan indebtedness at September 30, 2012 was $5.5 billion (including $380.0 million of unsecured debt and $1.7 billion of its pro rata share of joint venture debt). The majority of the Company's debt consists of fixed-rate conventional mortgage notes collateralized by individual properties. The Company expects that all of the maturities during the next twelve months will be refinanced, restructured, extended and/or paid off from the Company's line of credit or cash on hand. The Company's loan obligations regarding Valley View Center and Prescott Gateway were discharged on April 23, 2012 and May 31, 2012, respectively (See "Other Transactions and Events" in Management's Overview and Summary).

On March 15, 2012, the Company paid off in full the $439.3 million of outstanding senior convertible notes ("Senior Notes") that had matured. The repayment was funded by borrowings under the Company's line of credit.

The Company has a $1.5 billion revolving line of credit that bears interest at LIBOR plus a spread of 1.75% to 3.0% depending on the Company's overall leverage and matures on May 2, 2015 with a one-year extension option. Based on the Company's current leverage levels, the borrowing rate on the new facility is LIBOR plus 2.0%. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2.0 billion less the outstanding balance of the $125.0 million unsecured term loan, as discussed below. All obligations under the line of credit are unconditionally guaranteed by the Company and certain of its direct and indirect subsidiaries and are secured, subject to certain exceptions, by pledges of direct and indirect ownership interests in certain of the subsidiary guarantors. At September 30, 2012, total borrowings under the line of credit were $255.0 million with an average effective interest rate of 2.76%.

The Company has a $125 million unsecured term loan under the Company's line of credit that bears interest at LIBOR plus a spread of 1.95% to 3.20% depending on the Company's overall leverage and matures on December 8, 2018. Based on the Company's current leverage levels, the borrowing rate is LIBOR plus 2.20%. As of September 30, 2012, the total interest rate was 2.57%.

At September 30, 2012, the Company was in compliance with all applicable loan covenants under its agreements.

At September 30, 2012, the Company had cash and cash equivalents available of $76.6 million.

Off-Balance Sheet Arrangements:

The Company accounts for its investments in joint ventures that it does not have a controlling interest in or is not the primary beneficiary of, using the equity method of accounting and those investments are reflected on the Consolidated Balance Sheets of the Company as "Investments in unconsolidated joint ventures" and "Distributions in excess of investments in unconsolidated joint ventures".

In addition, certain joint ventures also have secured debt that could become recourse debt to the Company or its subsidiaries, in excess of the Company's pro rata share, should the joint ventures be unable to discharge the obligations of the related debt. At September 30, 2012, the balance of the debt that could be recourse to the Company was $370.5 million offset in part by indemnity agreements from joint venture partners for $177.8 million. The maturities of the recourse debt, net of indemnification, are $167.0 million in 2013, $16.7 million in 2015 and $9.0 million in 2016.

Additionally, as of September 30, 2012, the Company is contingently liable for $4.2 million 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.

Long-term Contractual Obligations:

The following is a schedule of long-term contractual obligations as of September 30, 2012 for the consolidated Centers over the periods in which they are expected to be paid (in thousands):

	Payment Due by Period				
Contractual Obligations	**Total**	**Less than 1 year**	**1 - 3 years**	**3 - 5 years**	**More than five years**
Long-term debt obligations (includes expected interest payments)	$ 3,960,679	$ 503,658	$ 788,124	$ 1,099,523	$ 1,569,374
Operating lease obligations(1)	293,560	8,428	14,373	12,728	258,031
Purchase obligations(1)	66,310	66,310	—	—	—
Other long-term liabilities	271,135	228,000	2,835	3,137	37,163
	$ 4,591,684	$ 806,396	$ 805,332	$ 1,115,388	$ 1,864,568

(1) See Note 17—Commitments and Contingencies of the Company's Consolidated Financial Statements.

Funds From Operations and Adjusted Funds From Operations

The Company uses FFO in addition to net income to report its operating and financial results and considers FFO and FFO—diluted as supplemental measures for the real estate industry and a supplement to Generally Accepted Accounting Principles ("GAAP") measures. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from extraordinary items and sales of depreciated operating properties, plus real estate related depreciation and amortization, impairment write-downs of real estate and write-downs of investments in an affiliate where the write-downs have been driven by a decrease in the value of real estate held by the affiliate and after adjustments for unconsolidated joint ventures. Adjustments for unconsolidated joint ventures are calculated to reflect FFO on the same basis.

Adjusted FFO ("AFFO") excludes the FFO impact of Shoppingtown Mall and Valley View Center for the three and nine months ended September 30, 2012 and 2011. In December 2011, the Company conveyed Shoppingtown Mall to the lender by a deed-in-lieu of foreclosure. In July 2010, a court-appointed receiver assumed operational control of Valley View Center and responsibility for managing all aspects of the property. Valley View Center was sold by the receiver on April 23, 2012, and the related non-recourse mortgage loan obligation was fully extinguished on that date. On May 31, 2012, the Company conveyed Prescott Gateway to the lender by a deed-in-lieu of foreclosure and the debt was forgiven resulting in a gain on the extinguishment of debt of $16.3 million. AFFO also excludes the gain on the extinguishment of debt on Prescott Gateway for the three and nine months ended September 30, 2012.

FFO and FFO on a diluted basis are useful to investors in comparing operating and financial results between periods. This is especially true since FFO excludes real estate depreciation and amortization, as the Company believes real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. The Company believes that AFFO and AFFO on a diluted basis provide useful supplemental information regarding the Company's performance as they show a more meaningful and consistent comparison of the Company's operating performance and allow investors to more easily compare the Company's results without taking into account non-cash credits and charges on properties controlled by either a receiver or loan servicer. FFO and AFFO on a diluted basis are measures investors find most useful in measuring the dilutive impact of outstanding convertible securities.

FFO and AFFO do not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income as defined by GAAP, and are not indicative of cash available to fund all cash flow needs. The Company also cautions that FFO and AFFO, as presented, may not be comparable to similarly titled measures reported by other real estate investment trusts.

Management compensates for the limitations of FFO and AFFO by providing investors with financial statements prepared according to GAAP, along with this detailed discussion of FFO and AFFO and a reconciliation of FFO and AFFO and FFO and AFFO-diluted to net income available to common stockholders. Management believes that to further understand the Company's performance, FFO and AFFO should be compared with the Company's reported net income and considered in addition to cash flows in accordance with GAAP, as presented in the Company's Consolidated Financial Statements.

The following reconciles net income (loss) available to common stockholders to FFO and FFO-diluted for the three and nine months ended September 30, 2012 and 2011 and FFO and FFO—diluted to AFFO and AFFO—diluted for the same periods (dollars and shares in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Net income (loss) available to common stockholders	$ 43,893	$ 12,941	$ 163,179	$ (6,241)
Adjustments to reconcile net income (loss) to FFO—basic:				
Noncontrolling interest in the Operating Partnership	3,469	1,163	13,575	(544)
(Gain) loss on remeasurement, sale or write-down of consolidated assets, net	(21,765)	(1,389)	4,449	33,514
Add: gain on undepreciated assets—consolidated assets	—	—	—	2,277
Add: noncontrolling interest share of (loss) gain on remeasurement, sale or write down of consolidated joint ventures	(3)	—	3,535	(4)
Gain on remeasurement, sale or write-down of assets from unconsolidated joint ventures, net(1)	(135)	(23)	(11,292)	(12,583)
Add: gain on sale of undepreciated assets—from unconsolidated joint ventures(1)	—	20	—	71
Depreciation and amortization on consolidated assets	72,220	67,997	222,188	198,454
Less: depreciation and amortization attributable to noncontrolling interest on consolidated joint ventures	(4,523)	(4,534)	(13,952)	(13,520)
Depreciation and amortization on unconsolidated joint ventures(1)	22,927	31,355	73,237	90,061
Less: depreciation on personal property	(3,185)	(3,329)	(9,636)	(10,711)
FFO—basic and diluted	112,898	104,201	445,283	280,774
Shoppingtown Mall	—	290	396	312
Valley View Center	—	2,886	(101,116)	6,102
Prescott Gateway	54	—	(16,296)	—
AFFO and AFFO—diluted	$ 112,952	$ 107,377	$ 328,267	$ 287,188
Weighted average number of FFO shares outstanding for:				
FFO—basic(2)	144,990	143,151	144,160	142,925
Adjustments for impact of dilutive securities in computing FFO—diluted:				
Stock warrants	64	—	78	—
Share and unit based compensation plans	46	—	18	—
FFO—diluted(3)	145,100	143,151	144,256	142,925

(1) Unconsolidated joint ventures are presented at the Company's pro rata share.

(2) As of September 30, 2012 and 2011, 10.8 million and 11.0 million OP Units were outstanding, respectively.

(3) The computation of FFO and AFFO—diluted shares outstanding includes the effect of share and unit-based compensation plans and the Senior Notes using the treasury stock method. It also assumes the conversion of MACWH, LP common and preferred units to the extent that they are dilutive to the FFO and AFFO—diluted computation.

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 ratio of fixed rate, long-term debt to total debt such that floating rate exposure is kept at an acceptable level, (2) reducing interest rate exposure on certain long-term floating rate debt through the use of interest rate caps and/or swaps 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 September 30, 2012 concerning the Company's long-term debt obligations, including principal cash flows by scheduled maturity, weighted average interest rates and estimated fair value ("FV") (dollars in thousands):

	For the years ended September 30,							
	2013	2014	2015	2016	2017	Thereafter	Total	FV
CONSOLIDATED CENTERS:								
Long-term debt:								
Fixed rate	$ 210,500	$ 88,509	$ 367,530	$ 562,890	$ 66,080	$ 1,379,837	$ 2,675,346	$ 2,805,314
Average interest rate	5.35%	5.41%	6.14%	5.75%	5.33%	4.44%	5.08%	
Floating rate	275,613	157,264	133,809	103,480	319,000	125,000	1,114,166	1,130,915
Average interest rate	2.28%	5.71%	3.51%	3.07%	2.83%	2.57%	3.18%	
Total debt—Consolidated Centers	$ 486,113	$ 245,773	$ 501,339	$ 666,370	$ 385,080	$ 1,504,837	$ 3,789,512	$ 3,936,229
UNCONSOLIDATED JOINT VENTURE CENTERS:								
Long-term debt (at Company's pro rata share):								
Fixed rate	$ 490,393	$ 229,936	$ 235,717	$ 253,212	$ 54,035	$ 276,810	$ 1,540,103	$ 1,630,587
Average interest rate	6.20%	5.24%	5.97%	6.39%	6.75%	4.44%	5.76%	
Floating rate	349	69,119	13,599	25,295	69,970		178,332	181,292
Average interest rate	3.15%	4.75%	3.18%	3.47%	2.89%		3.71%	
Total debt—Unconsolidated Joint Venture Centers	$ 490,742	$ 299,055	$ 249,316	$ 278,507	$ 124,005	$ 276,810	$ 1,718,435	$ 1,811,879

The consolidated Centers' total fixed rate debt at September 30, 2012 and December 31, 2011 was $2.7 billion and $2.6 billion, respectively. The average interest rate on fixed rate debt at September 30, 2012 and December 31, 2011 was 5.08% and 5.53%, respectively. The consolidated Centers' total floating rate debt at September 30, 2012 and December 31, 2011 was $1.1 billion and $1.6 billion, respectively. The average interest rate on floating rate debt at September 30, 2012 and December 31, 2011 was 3.18% and 3.09%, respectively.

The Company's pro rata share of the Unconsolidated Joint Venture Centers' fixed rate debt at September 30, 2012 and December 31, 2011 was $1.5 billion and $1.8 billion, respectively. The average interest rate on fixed rate debt at September 30, 2012 and December 31, 2011 was 5.76% and 5.92%, respectively. The Company's pro rata share of the Unconsolidated Joint Venture Centers' floating rate debt at September 30, 2012 and December 31, 2011 was $178.3 million and $161.2 million, respectively. The average interest rate on the floating rate debt at September 30, 2012 and December 31, 2011 was 3.71% and 3.88%, respectively.

In addition, the Company has assessed the market risk for its floating rate debt and believes that a 1% increase in interest rates would decrease future earnings and cash flows by approximately $12.9 million per year based on $1.3 billion of floating rate debt outstanding at September 30, 2012.

The fair value of the Company's long-term debt is estimated based on a present value model utilizing interest rates that reflect the risks associated with long-term debt of similar risk and duration.

In addition, the method of computing fair value for mortgage notes payable included a credit value adjustment based on the estimated value of the property that serves as collateral for the underlying debt (See Note 10—Mortgage Notes Payable and Note 11—Bank and Other Notes Payable in the Company's Notes to the Consolidated Financial Statements).

Item 4. Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, management carried out an evaluation, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on their evaluation as of September 30, 2012, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) were effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is (a) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (b) is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In addition, there has been no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15(d)-15(f) under the Securities Exchange Act of 1934) that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

None of the Company, the Operating Partnership, the Management Companies or their respective affiliates are currently involved in any material legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors relating to the Company set forth under the caption "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On October 10, 2012, the Company, as general partner of the Operating Partnership, issued 500,000 shares of common stock of the Company upon the redemption of 500,000 common partnership units of the Operating Partnership. These shares of common stock were issued in a private placement to two limited partners of the partnership pursuant to Section 4(2) of the Securities Act of 1933, as amended.

Item 3. Defaults Upon Senior Securities

Not Applicable

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

Not Applicable

Item 6. Exhibits

Exhibit Number	Description
3.1	Articles of Amendment and Restatement of the Company (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-11, as amended (No. 33-68964)).
3.1.1	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 30, 1995).
3.1.2	Articles Supplementary of the Company (with respect to the first paragraph) (incorporated by reference as an exhibit to the Company's 1998 Form 10-K).
3.1.3	Articles Supplementary of the Company (Series D Preferred Stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 26, 2002).
3.1.4	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-3, as amended (No. 333-88718)).
3.1.5	Articles of Amendment (declassification of Board) (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
3.1.6	Articles Supplementary (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date February 5, 2009).
3.1.7	Articles of Amendment (increased authorized shares) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date January 26, 2012).
10.1*	Amendment Number 3 to Amended and Restated Deferred Compensation Plan for Executives (September 27, 2012).
10.2*	Amendment Number 3 to Amended and Restated Deferred Compensation Plan for Senior Executives (September 27, 2012).
10.3*	2013 Deferred Compensation Plan for Executives.
10.4*	Deferred Compensation Plan Rabbi Trust between the Company and Wilmington Trust, National Association, effective as of October 1, 2012.
10.5*	Management Continuity Agreement between the Company and Thomas J. Leanse, effective as of January 1, 2013.
10.6*	Employment Agreement between the Company, The Macerich Partnership, L.P. and Thomas J. Leanse, effective as of September 1, 2012.
31.1	Section 302 Certification of Arthur Coppola, Chief Executive Officer
31.2	Section 302 Certification of Thomas O'Hern, Chief Financial Officer
32.1	Section 906 Certifications of Arthur Coppola and Thomas O'Hern
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document

Exhibit Number	Description
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Represents a management contract, or compensatory plan, contract or arrangement required to be filed pursuant to Regulation S-K.

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Signature

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.

THE MACERICH COMPANY

By: /s/ THOMAS E. O'HERN

Thomas E. O'Hern
Senior Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: November 5, 2012

AMENDMENT NUMBER 3
TO
THE MACERICH COMPANY
DEFERRED COMPENSATION PLAN
FOR EXECUTIVES
(As Amended and Restated Effective as of January 1, 2003)

WHEREAS, The Macerich Company (the "Company") has established and maintains The Macerich Company Deferred Compensation Plan for Executives (As Amended and Restated Effective as of January 1, 2003) (the "Plan") to provide supplemental retirement income benefits through deferrals of salary and bonuses for certain Eligible Employees (as defined in the Plan); and

WHEREAS, the Plan was frozen December 31, 2004, so that the benefits provided thereunder would be exempt from application of Section 409A of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, Treasury Regulations and Internal Revenue Service guidance under Section 409A of the Code promulgated since the adoption of the Plan allow for the amendment of the Plan to permit the establishment of and contributions to a trust from which Plan benefits are to be paid and to change notional investment measures under the Plan without affecting the Plan's status under Section 409A of the Code; and

WHEREAS, the Company has determined that it is appropriate and desirable to amend the Plan to provide for payment of benefits through a rabbi trust and to provide greater flexibility in the selection of Plan Funds in a manner that complies with such regulations and guidance.

NOW, THEREFORE, the Plan is hereby amended as set forth below, effective October 1, 2012.

1. Section 3.2 of the Plan is amended to read as follows:

3.2 Investment Elections.

(a) *Participant Designation*. At the time of entering the Plan and/or of making the deferral election under the Plan, the Participant shall designate, on a Participant Election provided by the Committee, the Funds in which the Participant's Account or Accounts shall be deemed to be invested for purposes of determining the amount of earnings and losses to be credited to each Account. The Participant may specify that all or any percentage of his or her Account or Accounts shall be deemed to be invested, in whole percentage increments, in one or more of the Funds selected as alternative investments under the Plan from time to time by the Committee pursuant to subsection (b) of this Section 3.2. A Participant may change the designation made under this Section by filing a revised election in accordance with procedures established by the Committee, on a Participant Election provided by the Committee.

(b) *Investment Funds*. From time to time, the Committee may select, in its sole and absolute discretion, each of the types of commercially available investments to be the Funds to be communicated to the Participants pursuant to subsection (a) of this Section 3.2. The Earnings Rate of each such commercially available investment shall be used to determine the amount of earnings or losses to be credited or charged to Participants' Accounts under Article IV. A Participant's choice among investments shall be solely for purposes of calculation of the amount of earnings or losses to be credited or charged to the Participant's Accounts. The Company shall have no obligation to set aside or invest amounts as elected by the Participant. Participants shall have no more right to or interest in any investments that may be made by the Company in the Funds or otherwise than any other unsecured general creditor of the Company.

2. Article IV of the Plan is amended by adding a new Section 4.3 thereto, to read as follows:

4.3 Trust.

The Company shall be responsible for the payment of all benefits under the Plan. The Company shall establish one or more grantor trusts for the purpose of providing for payment of benefits under the Plan and shall contribute to such grantor trust(s) an amount equal to the aggregate of all Account balances for all Participants under the Plan as of October 1, 2012. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. Benefits paid to a Participant from any such trust or trusts shall be considered paid by the Company for purposes of meeting the obligations of the Company under the Plan.

3. The second sentence of Section 9.1 of the Plan is amended to read as follows:

No assets of the Company shall be held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan.

IN WITNESS WHEREOF, the Company has caused its duly authorized officers to execute this amendment this 27th day of September, 2012.

THE MACERICH COMPANY

By /s/ Richard A. Bayer
Richard A. Bayer
Senior Executive Vice President,
Chief Legal Officer and Secretary

Exhibit 10.2

AMENDMENT NUMBER 3
TO
THE MACERICH COMPANY
DEFERRED COMPENSATION PLAN
FOR SENIOR EXECUTIVES
(As Amended and Restated Effective as of January 1, 2003)

WHEREAS, The Macerich Company (the "Company") has established and maintains The Macerich Company Deferred Compensation Plan for Senior Executives (As Amended and Restated Effective as of January 1, 2003) (the "Plan") to provide supplemental retirement income benefits through deferrals of salary and bonuses for certain Eligible Employees (as defined in the Plan); and

WHEREAS, the Plan was frozen December 31, 2004, so that the benefits provided thereunder would be exempt from application of Section 409A of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, Treasury Regulations and Internal Revenue Service guidance under Section 409A of the Code promulgated since the adoption of the Plan allow for the amendment of the Plan to permit the establishment of and contributions to a trust from which Plan benefits are to be paid and to change notional investment measures under the Plan without affecting the Plan's status under Section 409A of the Code; and

WHEREAS, the Company has determined that it is appropriate and desirable to amend the Plan to provide for payment of benefits through a rabbi trust and to provide greater flexibility in the selection of Plan Funds in a manner that complies with such regulations and guidance.

NOW, THEREFORE, the Plan is hereby amended as set forth below, effective October 1, 2012.

1. Section 3.2 of the Plan is amended to read as follows:

3.2 *Investment Elections*.

(a) *Participant Designation*. At the time of entering the Plan and/or of making the deferral election under the Plan, the Participant shall designate, on a Participant Election provided by the Committee, the Funds in which the Participant's Account or Accounts shall be deemed to be invested for purposes of determining the amount of earnings and losses to be credited to each Account. The Participant may specify that all or any percentage of his or her Account or Accounts shall be deemed to be invested, in whole percentage increments, in one or more of the Funds selected as alternative investments under the Plan from time to time by the Committee pursuant to subsection (b) of this Section 3.2. A Participant may change the designation made under this Section by filing a revised election in accordance with procedures established by the Committee, on a Participant Election provided by the Committee.

(b) *Investment Funds*. From time to time, the Committee may select, in its sole and absolute discretion, each of the types of commercially available investments to be the Funds to be communicated to the Participants pursuant to subsection (a) of this Section 3.2. The Earnings Rate of each such commercially available investment shall be used to determine the amount of earnings or losses to be credited or charged to Participants' Accounts under Article IV. A Participant's choice among investments shall be solely for purposes of calculation of the amount of earnings or losses to be credited or charged to the Participant's Accounts. The Company shall have no obligation to set aside or invest amounts as elected by the Participant. Participants shall have no more right to or interest in any investments that may be made by the Company in the Funds or otherwise than any other unsecured general creditor of the Company.

2. Article IV of the Plan is amended by adding a new Section 4.3 thereto, to read as follows:

4.3 *Trust*.

The Company shall be responsible for the payment of all benefits under the Plan. The Company shall establish one or more grantor trusts for the purpose of providing for payment of benefits under the Plan and shall contribute to such grantor trust(s) an amount equal to the aggregate of all Account balances for all Participants under the Plan as of October 1, 2012. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. Benefits paid to a Participant from any such trust or trusts shall be considered paid by the Company for purposes of meeting the obligations of the Company under the Plan.

3. The second sentence of Section 10.1 of the Plan is amended to read as follows:

No assets of the Company shall be held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan.

IN WITNESS WHEREOF, the Company has caused its duly authorized officers to execute this amendment this 27th day of September, 2012.

THE MACERICH COMPANY

By /s/ Richard A. Bayer
Richard A. Bayer
Senior Executive Vice President,
Chief Legal Officer and Secretary

Exhibit 10.3

THE MACERICH COMPANY

2013 DEFERRED COMPENSATION PLAN

FOR EXECUTIVES

THE MACERICH COMPANY
2013 DEFERRED COMPENSATION PLAN
FOR EXECUTIVES

The Macerich Company, a Maryland corporation, previously has adopted The Macerich Company 2005 Deferred Compensation Plan For Executives, as amended (the "**2005 Executive Plan**") and The Macerich Company 2005 Deferred Compensation Plan For Senior Executives, as amended (the "**2005 Senior Executive Plan**," and together with the 2005 Executive Plan, the "**2005 Plans**"), to provide supplemental retirement income benefits for Company executives and senior executives through deferrals of salary and bonuses. By this document, and pursuant to Section 9.4 of the 2005 Executive Plan and Section 10.4 of the 2005 Senior Executive Plan, The Macerich Company hereby amends and restates the 2005 Plans as The Macerich Company 2013 Deferred Compensation Plan (the "**Plan**"), generally effective January 1, 2013 (the "**Effective Date**"), except as otherwise set forth herein, and except that Sections 3.3 and 4.3 of the Plan shall be effective October 1, 2012. The Plan is intended, and shall be interpreted, to comply in all respects with Code Section 409A and those provisions of ERISA applicable to an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly compensated employees."

ARTICLE I
<u>TITLE AND DEFINITIONS</u>

1.1 "**Account**" or "**Accounts**" shall mean the bookkeeping account or accounts established under this Plan pursuant to Article 4.

1.2 **"Alternate Payee"** shall mean a spouse, former spouse, child or other dependent of a Participant, who has the right to receive all or a portion of the Participant's Accounts under this Plan pursuant to a Domestic Relations Order.

1.3 "**Base Salary**" shall mean a Participant's base salary, excluding incentive and discretionary bonuses, commissions, reimbursements and other non-regular remuneration, received from the Company before reduction for any contributions to or deferrals under this Plan or any other pension, deferred compensation or benefit plan sponsored by the Company, including but not limited to, plans described in Code Section 125 and Code Section 401(k).

1.4 "**Beneficiary**" or "**Beneficiaries**" shall mean the person, persons or entity designated as such pursuant to Section 7.1.

1.5 "**Board**" shall mean the Board of Directors of The Macerich Company.

1.6 "**Bonus**" shall mean any amount paid to the Participant by the Company in the form of discretionary or incentive compensation before reduction for any contributions to or deferrals under this Plan or any other pension, deferred compensation or benefit plan sponsored by the Company, including but not limited to, plans described in Code Section 125 and Code Section 401(k), and before reduction for any cash bonus amount elected to be received in the form of an equity award and without regard to any premium for electing any such equity award.

1.7 "**Change in Control**" shall mean the first occurrence of any of the following events on or after the Effective Date:

(a) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (such individual, entity, or group, a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of stock possessing 33% or more of the combined voting power of the then-outstanding voting securities of The Macerich Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control; (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliate of the Company or successor or (D) any acquisition by a Person having beneficial ownership of more than 50% of the Outstanding Company Voting Securities prior to the acquisition;

(b) individuals who, as of any date (the "Initial Date") on or after the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason, at any time within 12 months following the Initial Date, to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Initial Date whose election, or nomination for election by the stockholders of The Macerich Company, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (including for these purposes, the new members whose election or nomination was so approved, without counting the member and his predecessor twice) shall be considered as though such individual were a member of the Incumbent Board;

(c) consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving The Macerich Company or any of its subsidiaries, or the acquisition of assets or stock of another entity by The Macerich Company or any of its subsidiaries (each, a "Business Combination"), in each case if, following such Business Combination, any Person (excluding any entity resulting from such Business Combination or a parent of any such entity or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination or parent of any such entity) beneficially owns, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that the ownership in excess of 50% existed prior to the Business Combination; or

(d) consummation of a sale or other disposition of all or substantially all of the assets of The Macerich Company (an "Asset Transfer"), other than a transfer to (A) one or more of the beneficial owners (immediately before the Asset Transfer) of the then-outstanding shares of stock of The Macerich Company ("Outstanding Company Stock") in exchange for or with respect to such Outstanding Company Stock of such beneficial owners, or (B) an entity, 50% or more of the total value

or voting power of which is owned, directly or indirectly, by The Macerich Company, or (C) a Person that owns, directly or indirectly, 50% or more of the total value or voting power of the Outstanding Company Stock, or (D) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by a Person described in the preceding clause (C).

Each event comprising a Change in Control is intended to constitute a "change in ownership," a "change in effective control" or a "change in the ownership of a substantial portion of the assets" of The Macerich Company as such terms are defined for purposes of Section 409A of the Code and such definition of "Change in Control" as used herein shall be interpreted consistently therewith.

1.8 "**Code**" shall mean the Internal Revenue Code of 1986, as amended, as interpreted by Treasury regulations and other applicable authorities promulgated thereunder.

1.9 "**Committee**" shall mean the person or persons appointed by the Board to administer the Plan in accordance with Article 8.

1.10 **"Company"** shall mean The Macerich Company, its subsidiaries and successors and, where the context warrants, The Macerich Partnership, L.P.; Macerich Management Company; Macerich Partners of Colorado LLC; Queens Mall Limited Partnership; Queens Mall Expansion Limited Partnership; WMAP, L.L.C.; Great Northern SPE, LLC; Rotterdam Square, LLC; and Wilton Mall, LLC.

1.11 "**Company Matching Amounts**" shall mean the amounts, if any, determined by the Company, in its compete and sole discretion, pursuant to Section 3.2.

1.12 "**Company Matching Accounts**" shall mean the Accounts maintained for each Participant pursuant to Section 4.2, which are credited with Company Matching Amounts, if any, pursuant to Section 4.2(a) and adjusted for earnings and losses and distributions pursuant to Section 4.2(b).

1.13 "**Compensation**" shall mean Base Salary and Bonus for services rendered by the Participant in a particular Plan Year.

1.14 "**Deferral Accounts**" shall mean the Accounts maintained for a Participant pursuant to Section 4.1, which, as elected by the Participant pursuant to Section 3.1, are credited with the Participant's deferrals pursuant to Section 4.1(a) and adjusted for earnings and losses and distributions pursuant to Section 4.1(b).

1.15 "**Distributable Amount**" shall mean the balance in the applicable Account as determined under Article 4.

1.16 **"Domestic Relations Order"** shall mean a "domestic relations order" as such term is defined in Section 414(p)(1)(B) of the Code.

1.17 "**Earnings Rate**" shall mean, for each Fund, an amount equal to the net rate of gain or loss on the assets of such Fund, as determined for each business day.

1.18 "**Eligible Executive**" shall mean a highly compensated or management level employee of the Company meeting such criteria as the Committee may establish for a Plan Year and selected by the Committee to be eligible to participate in the Plan for such Plan Year.

1.19 "**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended, including Department of Labor and Treasury regulations and other applicable authorities promulgated thereunder.

1.20 "**Financial Hardship**" shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary or a dependent (as defined in Code Section 152(a)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, (but shall in all events correspond to the meaning of the term "unforeseeable emergency" under Code Section 409A(a)(2)(A)(vi)).

1.21 "**Fund**" or "**Funds**" shall mean one or more of the investments selected by the Committee pursuant to Section 3.3 of the Plan.

1.22 "**Hardship Distribution**" shall mean an accelerated distribution of benefits pursuant to Section 6.4 to a Participant who has suffered a Financial Hardship.

1.23 **"Key Employee"** shall mean any Participant who is a "key employee" of the Company as defined in Code Section 416(i).

1.24 "**Participant**" shall mean any Eligible Executive who elects to defer Compensation under this Plan in accordance with Article 2.

1.25 "**Participant Elections**" shall mean the forms or procedures by which a Participant makes elections with respect to (1) voluntary deferrals of his/her Compensation, (2) the investment Funds which shall act as the basis for crediting of earnings on Account balances, and (3) the form and timing of distributions from Accounts. Participant Elections may take the form of an electronic communication followed by appropriate confirmation according to specifications established by the Committee.

1.26 "**Payment Date**" shall mean the date on which a total distribution of the Distributable Amount shall be made or the date on which installment payments of the Distributable Amount shall commence. A Participant's Payment Date shall be determined as set forth in Section 6.2.

1.27 "**Plan Year**" shall mean the calendar year.

1.28 "**Scheduled Distribution**" shall mean distribution on or commencing on a Payment Date elected by the Participant for distribution of amounts from a specified Deferral Account, as provided under Section 6.2(b).

1.29 "**Separation from Service**" shall mean the date of the cessation of the Participant's provision of services to the Company as defined under Code Section 409A for any

reason whatsoever, whether voluntary or involuntary, including as a result of the Participant's Retirement, death or Disability.

ARTICLE II
PARTICIPATION

An Eligible Executive shall become a Participant in the Plan by completing and submitting to the Committee the appropriate Participant Elections, including such other documentation and information as the Committee may reasonably request, during the enrollment period established by the Committee and ending prior to the beginning of a Plan Year in which the Eligible Executive shall be eligible to participate in the Plan. Notwithstanding the foregoing, an individual who becomes an Eligible Executive during a Plan Year may elect to participate in the Plan during such Plan Year by completing and submitting to the Committee the appropriate Participant Elections during an enrollment period established by the Committee ending no later than the 30th day following the date on which such individual first becomes an Eligible Executive. An election filed in accordance with the preceding sentence shall be effective solely with respect to Base Salary.

ARTICLE III
ELECTIONS

3.1 Elections to Defer Compensation.

(a) Form of Deferral Elections. A Participant may only elect to defer Compensation attributable to services provided after the time an election to defer is made. Elections to defer shall take the form of a whole percentage of Base Salary and/or a whole percentage Bonuses or a whole percentage of Bonuses in excess of a fixed dollar amount for a Plan Year, with the percentage in each case not to exceed

(1) 85% of Base Salary, and

(2) 85% of Bonuses (or Bonuses in excess of a fixed dollar amount).

(b) Duration of Compensation Deferral Election. An Eligible Executive's initial election to defer Compensation shall be made during the applicable enrollment period specified in Article II. A Participant may increase, decrease, terminate or recommence a deferral election with respect to Compensation for any subsequent Plan Year by filing a Participant Election during the enrollment period established by the Committee prior to the beginning of such subsequent Plan Year, which election shall be effective on the first day of such subsequent Plan Year. In the absence of an affirmative election by the Participant to the contrary, the deferral election for a Plan Year shall continue in effect for each subsequent Plan Year. After the beginning of the Plan Year, deferral elections with respect to Compensation for services performed during such Plan Year shall be irrevocable, except that a Participant may cancel such a deferral election (in a manner that shall comply with the requirements of Code Section 409A and applicable authorities) in the event of Financial Hardship.

(c) 401(k) Hardship Withdrawal Cancellation of Election. Notwithstanding the foregoing, in the event that an Eligible Employee who has elected to defer Compensation for

a Plan Year pursuant to this Section 3.1 receives a hardship withdrawal during such Plan Year from a qualified cash or deferred arrangement described in Section 401(k) of the Code (a "401(k) Plan") maintained by the Company, the Eligible Employee's election to defer Compensation hereunder shall be cancelled immediately upon such Eligible Employee's receipt of such hardship withdrawal. No Eligible Employee may elect to defer Compensation pursuant to this Section 3.1, and no such election shall take effect, if the election would result in the deferral of Compensation within six (6) months after the Eligible Employee has received a hardship withdrawal from a 401(k) Plan maintained by the Company.

3.2 Company Matching Amounts. The Company, in its complete and sole discretion, may provide Company Matching Amounts under the Plan on behalf of the Participants for any Plan Year based on a percentage of the amount of Compensation deferred by Participants under the Plan for such Plan Year. The Company shall determine and advise Participants of such percentage for a Plan Year no later than the December 31 immediately preceding such Plan Year.

3.3 Investment Elections.

(a) Participant Designation. At the time of entering the Plan and/or of making the deferral election under the Plan, the Participant shall designate, on a Participant Election provided by the Committee, the Funds in which the Participant's Account or Accounts shall be deemed to be invested for purposes of determining the amount of earnings and losses to be credited to each Account. The Participant may specify that all or any percentage of his or her Account or Accounts shall be deemed to be invested, in whole percentage increments, in one or more of the Funds selected as alternative investments under the Plan from time to time by the Committee pursuant to subsection (b) of this Section 3.3. A Participant may change the designation made under this Section by filing a revised election in accordance with procedures established by the Committee, on a Participant Election provided by the Committee.

(b) Investment Funds. From time to time, the Committee may select, in its sole and absolute discretion, each of the types of commercially available investments to be the Funds to be communicated to the Participants pursuant to subsection (a) of this Section 3.3. The Earnings Rate of each such commercially available investment shall be used to determine the amount of earnings or losses to be credited or charged to Participants' Accounts under Article IV. A Participant's choice among investments shall be solely for purposes of calculation of the amount of earnings or losses to be credited or charged to the Participant's Accounts. The Company shall have no obligation to set aside or invest amounts as elected by the Participant. Participants shall have no more right to or interest in any investments that may be made by the Company in the Funds or otherwise than any other unsecured general creditor of the Company.

3.4 Distribution Elections.

(a) Initial Election. At the time of making a deferral election under the Plan, the Participant shall designate the Deferral Account to which such deferrals are to be credited, and, if the Participant has not previously done so, the Participant shall at such time designate the time and form of distribution of all amounts credited to such Deferral Account and any corresponding Company Matching Account (in each case, including all subaccounts thereof and

as adjusted for any earnings and losses thereon) from among the alternatives specified in Sections 6.1 and 6.2.

(b) New Election for Subsequent Deferrals. A new Deferral Account may be designated at the time of subsequent deferral elections with respect to deferrals in Plan Years beginning after the election is made, and, if the Participant has not previously done so, the Participant shall at such time designate the time and form of distribution of amounts credited to such new Deferral Account from among the alternatives specified in Sections 6.1 and 6.2.

(c) Election Change. A distribution election with respect to a previously established Deferral Account may be changed only under the terms and conditions specified in Code Section 409A. Except as expressly provided in Article VI, no acceleration of a distribution is permitted. A subsequent election that delays payment or changes the form of payment of a Deferral Account shall be permitted if and only if all of the following requirements are met:

(1) the new election does not take effect until at least twelve (12) months after the date on which the new election is made;

(2) in the case of payments made on account of Separation from Service or a Scheduled Distribution, the new election delays payment for at least five (5) years from the date that payment would otherwise have been made, absent the new election; and

(3) in the case of payments made according to a Scheduled Distribution, the new election is made not less than twelve (12) months before the date on which payment would have been made (or, in the case of installment payments, the first installment payment would have been made) absent the new election.

For purposes of application of the above change limitations, installment payments shall be treated as a single payment. Election changes made pursuant to this Section shall be made in accordance with rules established by the Committee, and shall comply with all requirements of Code Section 409A and applicable authorities.

ARTICLE IV
ACCOUNTS

4.1 Deferral Accounts. The Committee shall establish and maintain up to five (5) Deferral Accounts for each Participant under the Plan. If, under the Plan, a Participant has deferred Compensation relating to services performed prior to the Effective Date, one such Deferral Account shall be designated the "pre-2013 Deferral Account," which shall include the Participant's entire Deferral Account balance immediately prior to the Effective Date and any deferred Compensation thereafter credited for services performed by the Participant during any Plan Year beginning before the Effective Date, in each case as adjusted for earnings and losses. No amounts shall be credited to the pre-2013 Deferral Account with respect to any Compensation for services performed during any Plan Year beginning on or after the Effective Date. The pre-2013 Deferral Account shall be distributed at the time and in the form determined under the terms of the 2005 Plans prior to their amendment and restatement as of the Effective Date and applicable elections made under the 2005 Plans prior to the Effective Date, subject to any election modification made thereafter pursuant to Section 3.4(b). Each Participant's Deferral

Accounts shall be further divided into separate subaccounts ("Fund Subaccounts"), each of which corresponds to a Fund elected by the Participant pursuant to Section 3.3, and may be divided into other subaccounts for administrative purposes. A Participant's Deferral Account shall be credited as follows:

(a) As soon as reasonably possible after amounts are withheld and deferred from a Participant's Compensation, the Committee shall credit the Fund Subaccounts of the Participant's applicable Deferral Account with an amount equal to Compensation deferred by the Participant in accordance with the Participant's election under Section 3.3; that is, the portion of the Participant's deferred Compensation that the Participant has elected to be deemed to be invested in a Fund shall be credited to the Fund Subaccount to be invested in that Fund; and

(b) Each business day, each investment fund subaccount of a Participant's Deferral Account shall be credited with earnings or losses in an amount equal to that determined by multiplying the balance credited to such Fund Subaccount as of the prior day, less any distributions valued as of the end of the prior day, by the Earnings Rate for the corresponding Fund as determined by the Committee pursuant to Section 3.3(b).

4.2 Company Matching Account. The Committee shall establish and maintain a Company Matching Account for each Participant Deferral Account under the Plan. The Company Matching Account corresponding to the pre-2013 Deferral Account shall be designated the "pre-2013 Matching Account," which shall include the Participant's entire Company Matching Account balance immediately prior to the Effective Date and any Company Matching Amount thereafter credited pertaining to deferred Compensation for services performed by the Participant during any Plan Year beginning before the Effective Date, in each case as adjusted for earnings and losses. No amounts shall be credited to the pre-2013 Matching Account with respect to any Compensation for services performed during any Plan Year beginning on or after the Effective Date. The pre-2013 Matching Account shall be distributed at the time and in the form determined under the terms of the 2005 Plans prior to their amendment and restatement as of the Effective Date and applicable elections made under the 2005 Plans prior to the Effective Date, subject to any election modification made thereafter pursuant to Section 3.4(b). A Participant's Company Matching Accounts shall be further divided into separate Fund Subaccounts corresponding to the investment Fund elected by the Participant pursuant to Section 3.3(a). A Participant's Company Matching Account shall be credited as follows:

(a) As soon as reasonably possible after amounts are withheld and deferred from a Participant's Compensation, the Company shall credit the Fund Subaccounts of the Participant's applicable Company Matching Account with an amount equal to the Company Matching Amount, if any, applicable to the Participant's Compensation so deferred, that is, the proportion of the Company Matching Amount, if any, which the Participant has elected to be deemed to be invested in a certain Fund shall be credited to the Fund Subaccount to be invested in that Fund; and

(b) Each business day, each Fund Subaccount of a Participant's Company Matching Account shall be credited with earnings or losses in an amount equal to that determined by multiplying the balance credited to such Fund Subaccount as of the prior day, less

any distributions valued as of the end of the prior day, by the Earnings Rate for the corresponding Fund as determined by the Committee pursuant to Section 3.3(b).

4.3 Trust. The Company shall be responsible for the payment of all benefits under the Plan. The Company shall establish one or more grantor trusts for the purpose of providing for payment of benefits under the Plan and shall contribute to such grantor trust(s) each year an amount equal to the aggregate Compensation deferred by all Participants under the Plan during such year. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. Benefits paid to a Participant from any such trust or trusts shall be considered paid by the Company for purposes of meeting the obligations of the Company under the Plan.

4.4 Statement of Accounts. The Committee shall furnish each Participant with statements (electronic or otherwise) at least quarterly setting forth the Participant's Account balance as of the end of each calendar quarter.

ARTICLE V
VESTING

5.1 Vesting of Deferral Accounts. Each Participant shall be 100% vested at all times in amounts credited to the Participant's Deferral Account or Accounts.

5.2 Vesting of Company Matching Accounts. Each Participant shall be 100% vested at all times in amounts credited to the Participant's Company Matching Account or Accounts.

ARTICLE VI
DISTRIBUTIONS

6.1 Forms of Distribution. The Distributable Amount in each of the Participant's Accounts shall be distributed in one of the following forms:

(a) A cash lump sum payable on the Payment Date;

(b) A specified number of substantially equal annual installments, not exceeding fifteen (15) annual installments, payable on the Payment Date and each succeeding anniversary of the Payment Date during the payment term;

(c) Such other form as may be adopted by the Committee in its sole and absolute discretion (which may include restricted stock units under an equity incentive plan maintained by the Company), provided that such form shall not apply to any Account in which all or any portion of the balance in the Account relates to Compensation deferred with respect to any Plan Year(s) commencing prior to the adoption of such form by the Committee.

6.2 Payment Date. The Payment Date shall be determined for each of a Participant's Accounts as follows:

(a) Separation From Service. Except to the extent otherwise specified in an election properly made by the Participant for one or more of the Participant's Account, the

Payment Date for each of the Participant's Accounts shall be the first day of the month immediately following the Participant's Separation from Service; provided, however, that if the Participant is a Key Employee and his or her employment terminates for any reason other than death, then the Payment Date shall be the first day of the seventh (7^{th}) month commencing after the Participant's Separation from Service occurs.

(b) Scheduled Distribution Date. A Participant may specify an alternative Payment Date for one or more of the Participant's Deferral Accounts and the corresponding Company Matching Account pursuant to an election or elections made pursuant to Section 3.4; provided that deferrals of Compensation for a given Plan Year may not be made to a Deferral Account with a specified Payment Date that is earlier than two (2) years from the last day of the Plan Year for which the deferrals are credited to the Participant's Account.

6.3 Death Benefits. In the event that a Participant dies prior to the complete distribution of all amounts in the Participant's Accounts, the Company shall pay to the Participant's Beneficiary a death benefit equal to the Distributable Amount of such Accounts in a cash lump sum on the Payment Date following the Participant's death. This Section 6.3 shall not apply to any pre-2013 Account.

6.4 Hardship Distribution. Upon a finding that a Participant has suffered a Financial Hardship, subject to compliance with Code Section 409A the Committee may, at the request of the Participant, accelerate distribution of benefits under the Plan in the amount reasonably necessary to alleviate such Financial Hardship subject to the following conditions:

(a) The request to take a Hardship Distribution shall be made by filing a form provided by and filed with the Committee, and providing such other information as the Committee may request.

(b) The amount distributed pursuant to this Section with respect to a Financial Hardship shall not exceed the amount necessary to meet the immediate financial need created by such financial hardship plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

(c) The amount determined by the Committee as a Hardship Distribution shall be paid in a single cash lump sum as soon as practicable after the end of the calendar month in which the Hardship Distribution request is made and approved by the Committee.

6.5 Domestic Relations Order. Notwithstanding any other provision of the Plan, an Alternate Payee may receive payment of all or any portion of a Participant's Accounts at such time and in such form (from among those set forth in Sections 6.1 and 6.2 or in an immediate lump sum payment) as may be specified in or elected in accordance with a Domestic Relations Order.

6.6 Change in Control. In the event that a Change in Control occurs before a Participant's Account has been fully distributed, the Participant's Distributable Amount shall be

paid in a single lump sum distribution on the first day of the fourteenth (14th) month commencing after the month in which the Change in Control occurs; provided that, the Participant may make a timely election to change the time and form of distribution of one or more Accounts pursuant to Section 3.4(b), no later than the last day of the month immediately following such Change in Control. This Section 6.6 shall not apply to any pre-2013 Account.

6.7 Small Benefit Exceptions.

(a) Notwithstanding anything herein contained to the contrary, if on the date that any installment payment is to be made to a Participant (or to such a Participant's Beneficiary) from the Participant's pre-2013 Account the total Distributable Amount in the Participant's pre-2013 Account is less than $10,000, then the entire Distributable Amount remaining in the Participant's pre-2013 Account shall be paid in the form of a cash lump sum to the Participant (or the Participant's Beneficiary) on the date scheduled for such installment payment. This provision is intended to comply with Treasury Regulations Section 1.409A-2(b)(2)(iii) and shall be administered and interpreted accordingly.

(b) Notwithstanding anything herein contained to the contrary, at the sole discretion of the Committee exercised in writing as to one or more Participants or categories of Participants, the total remaining balance in all of the Participant's Accounts of each such Participant shall be paid in the form of a cash lump sum to the Participant (or, if applicable, the Participant's Beneficiary or Beneficiaries) on the date for such payment specified in the Committee's written exercise of such discretion (which payment date shall be on or after the date of the Committee's written exercise of such discretion). The Committee may exercise such discretion with respect to a Participant's Accounts only if the total remaining balance in all of such Participant's Accounts on the payment date is not greater than the then applicable dollar amount under Code Section 402(g)(1)(B) ($17,000 for payment to be made in 2012). This provision is intended to comply with Treasury Regulations Section 1.409A-3(j)(4)(v) and shall be administered and interpreted accordingly.

ARTICLE VII
PAYEE DESIGNATIONS AND LIMITATIONS

7.1 Beneficiaries.

(a) Beneficiary Designation. The Participant shall have the right, at any time, to designate any person or persons, including a trustee, personal representative or other fiduciary, as Beneficiary (both primary and contingent) to whom payment under the Plan shall be made in the event of the Participant's death. The Beneficiary designation last submitted to and acknowledged by the Committee during the Participant's lifetime in the format prescribed by the Committee shall be effective upon the Participant's death.

(b) Absence of Valid Designation. If a Participant fails to designate a Beneficiary as provided above as to all or any portion of the Participant's Accounts, or if every person designated as Beneficiary as to all or any portion of the Participant's Accounts predeceases the Participant or dies prior to complete distribution of the Participant's Accounts,

then the Committee shall direct the distribution of such benefits to the Participant's surviving spouse, if any. If the Participant has no surviving spouse to receive any benefits payable in accordance with the preceding sentence, then the Committee shall direct the distribution of such benefits to the duly appointed and currently acting personal representative of the Participant's estate (which shall include either the Participant's probate estate or the Participant's living trust). In any case where there is no such personal representative of the Participant's estate duly appointed and acting in that capacity within 90 days after the Participant's death (or such extended period as the Committee determines is reasonably necessary to allow such personal representative to be appointed, but not to exceed 180 days after the Participant's death), then the Committee shall direct the distribution of such benefits to the person or persons who can verify by affidavit or court order to the satisfaction of the Committee that they are legally entitled to receive the benefits specified hereunder.

7.2 Payments to Minors. In the event any amount is payable under the Plan to a minor, payment shall not be made to the minor, but instead be paid (a) to that person's living parent(s) to act as custodian, (b) if that person's parents are then divorced, and one parent is the sole custodial parent, to such custodial parent, to act as custodian, or (c) if no parent of that person is then living, to a custodian selected by the Committee to hold the funds for the minor under the Uniform Transfers or Gifts to Minors Act in effect in the jurisdiction in which the minor resides. If no parent is living and the Committee decides not to select another custodian to hold the funds for the minor, then payment shall be made to the duly appointed and currently acting guardian of the estate for the minor or, if no guardian of the estate for the minor is duly appointed and currently acting within 60 days after the date the amount becomes payable, payment shall be deposited with the court having jurisdiction over the estate of the minor.

7.3 Payments on Behalf of Persons Under Incapacity. In the event that any amount becomes payable under the Plan to a person who, in the sole judgment of the Committee, is considered by reason of physical or mental condition to be unable to give a valid receipt therefore, the Committee may direct that such payment be made to any person found by the Committee, in its sole judgment, to have assumed the care of such person. Any payment made pursuant to such determination shall constitute a full release and discharge of any and all liability of the Committee and the Company under the Plan.

7.4 Inability to Locate Payee. In the event that the Committee is unable to locate a Participant or Beneficiary within two years following Payment Date specified for a Participant's Deferral Account, the amount allocated to the Participant's Deferral Account shall be forfeited. If, after such forfeiture, the Participant or Beneficiary later claims such benefit, such benefit shall be reinstated without interest or earnings.

ARTICLE VIII
LIFE INSURANCE FOR ELIGIBLE EXECUTIVES

8.1 Life Insurance Coverage. In addition to (and apart from) eligibility to defer Compensation under this Plan, each Eligible Executive who undergoes such life insurance underwriting procedures as may be required by the insurer and is determined to be insurable shall be eligible for life insurance coverage in an amount equal to two times his or her annual Base Salary (which amount may be offset by any group term life insurance coverage provided by

the Company). Such coverage shall be pursuant and subject to the provisions of Article VIII of the Company's Deferred Compensation Plan for Senior Executives (As Amended and Restated Effective as of January 1, 2003).

ARTICLE IX
ADMINISTRATION

9.1 Committee. The Plan shall be administered by a Committee appointed by the Board, which shall have the exclusive right and full discretion (a) to appoint agents to act on its behalf, (b) to select and establish Funds, (c) to interpret the Plan, (d) to decide any and all matters arising hereunder (including the right to remedy possible ambiguities, inconsistencies, or admissions), (e) to make, amend and rescind such rules as it deems necessary for the proper administration of the Plan and (f) to make all other determinations and resolve all questions of fact necessary or advisable for the administration of the Plan, including determinations regarding eligibility for benefits payable under the Plan. All interpretations of the Committee with respect to any matter hereunder shall be final, conclusive and binding on all persons affected thereby, including but not limited to the Company and any Participant or Beneficiary. The Committee shall interpret and administer terms and provisions of the Plan in a uniform and nondiscriminatory manner and in full accordance with any and all laws applicable to the Plan. No member of the Committee or agent thereof shall be liable for any determination, decision, or action made in good faith with respect to the Plan.

9.2 Company Support. To enable the Committee to perform its functions, the Company shall supply full and timely information to the Committee on all matters relating to the Compensation of all Participants, their death or other cause of termination, and such other pertinent facts as the Committee may require. The Committee is authorized at the expense of the Company to employ such legal counsel as it may deem advisable to assist in the performance of its duties hereunder. Expenses and fees in connection with the administration of the Plan shall be paid by the Company.

9.3 Committee Action. The Committee shall act at meetings by affirmative vote of a majority of the members of the Committee. Any action permitted to be taken at a meeting may be taken without a meeting if, prior to such action, a written consent to the action is signed by all members of the Committee and such written consent is filed with the minutes of the proceedings of the Committee. A member of the Committee shall not vote or act upon any matter which relates solely to himself or herself as a Participant. The Chairman or any other member or members of the Committee designated by the Chairman may execute any certificate or other written direction on behalf of the Committee.

9.4 Indemnification. To the extent permitted by applicable state law, the Company shall indemnify and save harmless the Committee and each member thereof, the Board of Directors and any delegate of the Committee who is an employee of the Company against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising out of their discharge in good faith of responsibilities under or incident to the Plan, other than expenses and liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the

Company or provided by the Company under any bylaw, agreement or otherwise, as such indemnities are permitted under state law.

ARTICLE X
CLAIMS PROCEDURE

10.1 Claims. A person who believes that he or she is being denied a benefit to which he or she is entitled under this Plan (hereinafter referred to as "Claimant") may file a written request for such benefit with the Committee, setting forth his or her claim. The request must be addressed to the Committee at the Company's then principal place of business. Within a reasonable period of time, but not later than 90 days after receipt of a claim for benefits, the Committee or its delegate shall notify the Claimant of any adverse benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 90 days from the end of the initial 90-day period. If an extension is necessary, the Committee or its delegate shall provide the Claimant with a written notice to this effect prior to the expiration of the initial 90-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a determination on the claim.

10.2 Claim Decision. In the case of an adverse benefit determination, the Committee or its delegate shall provide to the Claimant written or electronic notification setting forth in a manner calculated to be understood by the Claimant: (i) the specific reason or reasons for the adverse benefit determination, (ii) reference to the specific Plan provisions on which the adverse benefit determination is based, (iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why the material or information is necessary, and (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review.

10.3 Request for Review. Within 60 days after receipt by the Claimant of notification of the adverse benefit determination, the Claimant or his duly authorized representative, upon written application to the Committee, may request that the Committee fully and fairly review the adverse benefit determination. On review of an adverse benefit determination, upon request and free of charge, the Claimant shall have reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits. The Claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Committee's (or delegate's) review shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously considered in the initial adverse benefit determination.

10.4 Review of Decision. Within a reasonable period of time, but not later than 60 days after receipt of such request for review, the Committee or its delegate shall notify the Claimant of any final benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 60 days from the end of the initial 60-day period. If an extension is necessary, the Committee or its delegate shall provide the Claimant with a written notice to this effect prior to the expiration of

the initial 60-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a final determination on the request for review. In the case of an adverse final benefit determination, the Committee or its delegate shall provide to the Claimant written or electronic notification setting forth in a manner calculated to be understood by the Claimant: (i) the specific reason or reasons for the adverse final benefit determination; (ii) reference to the specific Plan provisions on which the adverse final benefit determination is based; (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits; and (iv) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review.

ARTICLE XI
MISCELLANEOUS

11.1 Amendment or Termination of Plan. The Company may, at any time, amend, modify, suspend or terminate the Plan in whole or in part. The Committee may amend the Plan to (a) ensure the Plan complies with the requirements of Code Section 409A for the deferral of taxation on deferred compensation to the time of distribution and (b) add provisions for changes to the deferral elections and elections as to the time and manner of distributions that comply with such requirements of Code Section 409A. Notwithstanding the foregoing rights of the Company and the Committee to amend the Plan, no amendment, modification, suspension or termination shall reduce any Participant's Account balances. If the Company terminates the Plan, no further amounts shall be deferred hereunder, and amounts previously deferred or contributed to the Plan shall be paid in accordance with the provisions of the Plan as scheduled and in effect prior to the Plan termination. Notwithstanding the forgoing, to the extent permitted under Code Section 409A and applicable authorities, upon termination of the Plan the Company, in its sole discretion, may accelerate distributions under such terms and conditions as may be specifically authorized by Code Section 409A and applicable authorities. In the event that this Plan is terminated in accordance with the provisions of either paragraph (A) or (B) of Treasury Regulations Section 1.409A-3(j)(4)(ix), each Participant's Distributable Amount shall be distributed to the Participant or, in the event of his or her death, to his or her Beneficiary in a lump sum within thirty (30) days following the date of termination; provided, however, if the Plan is terminated under circumstances to which such provisions do not apply, distributions to the Participants or their Beneficiaries shall be made on the dates on which the Participants or their Beneficiaries would receive benefits hereunder without regard to the termination of the Plan or as otherwise required or permitted by applicable law. Notwithstanding the foregoing, if amounts deferred under the Plan have become taxable to Participants as of the date of the Plan termination, distributions shall be made as soon as practicable following the termination of the Plan.

11.2 Unsecured General Creditor. The benefits paid under the Plan shall be paid from the general assets of the Company, and the Participant and any Beneficiary or their heirs or successors shall be no more than unsecured general creditors of the Company with no special or prior right to any assets of the Company for payment of any obligations hereunder. It is the intention of the Company that this Plan be unfunded for purposes of ERISA and the Code.

11.3 Restriction Against Assignment. The Company shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or entity. No part of a Participant's Accounts shall be liable for the debts, contracts, or engagements of any Participant, Beneficiary, or their successors in interest, nor shall a Participant's Accounts be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, sell, transfer, commute, pledge, encumber, or assign any benefits or payments hereunder in any manner whatsoever. If any Participant, Beneficiary or successor in interest is adjudicated bankrupt or purports to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any distribution or payment from the Plan, voluntarily or involuntarily, the Committee, in its discretion, may cancel such distribution or payment (or any part thereof) to or for the benefit of such Participant, Beneficiary or successor in interest in such manner as the Committee shall direct.

11.4 Withholding. The Participant shall make appropriate arrangements with the Company for satisfaction of any federal, state or local income tax withholding requirements, Social Security and other employee tax or other requirements applicable to the granting, crediting, vesting or payment of benefits under the Plan. There shall be deducted from each payment made under the Plan or any other Compensation payable to the Participant (or Beneficiary) all taxes which are required to be withheld by the Company in respect to such payment or this Plan. The Company shall have the right to reduce any payment (or other Compensation) by the amount of cash sufficient to provide the amount of said taxes.

11.5 Receipt or Release. Any payment made in good faith to a Participant or the Participant's Beneficiary shall, to the extent thereof, be in full satisfaction of all claims against the Committee, its members and the Company. The Committee may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect.

11.6 Errors in Account Statements, Deferrals or Distributions. In the event an error is made in an Account statement, such error shall be corrected on the next statement following the date such error is discovered. In the event of an error in deferral amount, consistent with and as permitted by any correction procedures established under Code Section 409A, the error shall be corrected immediately upon discovery by, in the case of an excess deferral, distribution of the excess amount to the Participant, or, in the case of an under deferral, reduction of other compensation payable to the Participant. In the event of an error in a distribution, the over or under payment shall be corrected by payment to or collection from the Participant consistent with any correction procedures established under Code Section 409A, immediately upon the discovery of such error. In the event of an overpayment, the Company may, at its discretion, offset other amounts payable to the Participant from the Company (including but not limited to salary, bonuses, expense reimbursements, severance benefits or other employee compensation benefit arrangements, as and to the extent allowed by law and subject to compliance with Code Section 409A) to recoup the amount of such overpayment(s).

11.7 Employment Not Guaranteed. Nothing contained in the Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to continue the provision of services in any capacity whatsoever to the Company.

11.8 Successors of the Company. The rights and obligations of the Company under the Plan shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Company.

11.9 Notice. Any notice or filing required or permitted to be given to the Company or the Participant under this Agreement shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, in the case of the Company, to the principal office of the Company, directed to the attention of the Committee, and in the case of the Participant, to the last known address of the Participant indicated on the employment records of the Company. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Notices to the Company may be permitted by electronic communication according to specifications established by the Committee.

11.10 Headings. Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

11.11 Gender, Singular and Plural. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

11.12 Governing Law. The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of “management or highly compensated employees” within the meaning of Sections 201, 301 and 401 of ERISA and therefore to be exempt from Parts 2, 3 and 4 of Title I of ERISA. The Plan is intended to meet and to be operated in accordance with the requirements of Code Section 409A(a)(2), (3) and (4) and shall be construed and interpreted in a manner consistent with such intent. The Plan shall be governed by and construed in accordance with the laws of the State of California to the extent such laws are not preempted by federal law.

IN WITNESS WHEREOF, the Executive Committee of the Board of Directors of the Company has approved the adoption of this Plan as of the Effective Date and has caused the Plan to be executed by its duly authorized representative this 27th day of September, 2012.

THE MACERICH COMPANY

By /s/ Richard A. Bayer
Richard A. Bayer
Senior Executive Vice President,
Chief Legal Officer and Secretary

Exhibit 10.4

THE MACERICH COMPANY
DEFERRED COMPENSATION PLAN
RABBI TRUST DOCUMENT

This Agreement made this 1st day of October 2012, by and between THE MACERICH COMPANY (hereinafter referred to as "Company"), a Maryland corporation, and WILMINGTON TRUST, NATIONAL ASSOCIATION, a Delaware corporation, as trustee (hereinafter referred to as "Trustee");

WHEREAS, Company has adopted the nonqualified deferred compensation plans (hereinafter referred to as the "Plans") as listed in Appendix A;

WHEREAS, Company has incurred or expects to incur liability under the terms of such Plans with respect to the individuals participating in such Plans;

WHEREAS, Company wishes to establish a trust (hereinafter called "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of Company's creditors in the event of Company's Insolvency, as herein defined, until paid to Plan participants and their beneficiaries in such manner and at such times as specified in the Plans;

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plans as an unfunded plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended;

WHEREAS, it is the intention of Company to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plans;

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

Section 1. Establishment of Trust

(a) Company hereby deposits with Trustee in trust an amount, which shall become the principal of the Trust to be held, administered and disposed of by Trustee as provided in this Trust Agreement.

(b) The Trust hereby established shall be irrevocable.

(c) The Trust is intended to be a grantor trust, of which Company is the grantor, within the meaning of subpart E, part I subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.

(d) The principal of the Trust, and any earnings thereon, shall be held separate and apart from other funds of Company and shall be used exclusively for the uses and purposes of Plan participants and general creditors as herein set forth. Plan participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plans and this Trust Agreement shall be mere unsecured contractual rights of Plan participants and their beneficiaries against Company. Any assets held by the Trust will be subject to the claims of Company's general creditors under federal and state law in the event of Insolvency, as defined in Section 3(a) herein.

(e) Company, in its sole discretion, may at any time, or from time to time, make additional deposits of cash or other property in trust with Trustee to augment the principal to be held, administered and disposed of by Trustee as provided in this Trust Agreement. Neither Trustee nor any Plan participant or beneficiary shall have any right to compel such additional deposits.

Section 2. Payments to Plan Participants and Their Beneficiaries

(a) Company shall deliver to Trustee a schedule (the "Payment Schedule") that indicates the amounts payable in respect of each Plan participant (and his or her beneficiaries), that provides a formula or other instructions acceptable to Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plans), and the time of commencement for payment of such amounts. Except as otherwise provided herein, Trustee shall make payments to the Plan participants and their beneficiaries in accordance with the Payment Schedule. In accordance with the terms of its fee schedule, Trustee shall make provision for the reporting and withholding of any federal or state taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of the Plans and shall pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by Company.

(b) The entitlement of a Plan participant or his or her beneficiaries to benefits under the Plans shall be determined by Company or such party as it shall designate under the Plans, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plans.

(c) Company may make payment of benefits directly to Plan participants or their beneficiaries as they become due under the terms of the Plan. Either directly or through the Recordkeeper (as defined in Section 7), Company shall notify Trustee of its decision to make payment of benefits directly prior to the time amounts are payable to Plan participants or their beneficiaries. If Company makes payments according to this subsection, Company shall make provision for the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of the Plan and shall pay amounts withheld to the appropriate taxing authorities. If the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of the Plan as reflected on the Payment Schedule or as otherwise directed by Company or its designee, Company shall make the balance of each such payment as it falls due. Trustee shall notify Company where principal and earnings are not sufficient to make payments as directed.

Section 3. Trustee Responsibility Regarding Payments to Trust Beneficiary When Company is Insolvent.

(a) Trustee shall cease payment of benefits to Plan participants and their beneficiaries if Company is Insolvent. Company shall be considered "Insolvent" for purposes of this Trust Agreement if (i) Company is unable to pay its debts as they become due, or (ii) Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

(b) At all times during the continuance of this Trust, as provided in Section 1(d) hereof, the principal and income of the Trust shall be subject to claims of general creditors of Company under federal and state law as set forth below.

(1) The Board of Directors of Company (the "Board") and the Chief Executive Officer of Company shall have the duty to inform Trustee in writing of Company's Insolvency. If a person claiming to be a creditor of Company alleges in writing to Trustee that Company has become Insolvent, Trustee shall determine whether Company is Insolvent and, pending such determination, Trustee shall discontinue payment of benefits to Plan participants or their beneficiaries.

(2) Unless Trustee has actual knowledge of Company's Insolvency, or has received notice from Company or a person claiming to be a creditor alleging that Company is Insolvent, Trustee shall have no duty to inquire whether Company is Insolvent. Trustee may in all events rely on such evidence concerning Company's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Company's solvency.

(3) If at any time Trustee has determined that Company is Insolvent, Trustee shall discontinue payments to Plan participants or their beneficiaries and shall hold the assets of the Trust for the benefit of Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Plan participants or their beneficiaries to pursue their rights as general creditors of Company with respect to benefits due under the Plans or otherwise.

(4) Trustee shall resume the payment of benefits to Plan participants or their beneficiaries in accordance with Section 2 of this Trust Agreement only after Trustee has determined that Company is not Insolvent (or is no longer Insolvent).

(c) Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to Section 3(b) hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Plan participants or their beneficiaries under the terms of the Plans for the period of such discontinuance, less the aggregate amount of any payments made to Plan participants or their beneficiaries by Company in lieu of the payments provided for hereunder during any such period of discontinuance.

Section 4. Payments to Company.

Except as provided in Section 3 hereof, Company shall have no right or power to direct Trustee to return to Company or to divert to others any of the Trust assets before all payments of benefits have been made to Plan participants and their beneficiaries pursuant to the terms of the Plans; provided, however, that in the event the Trust holds Excess Assets, Company, at its option, may direct Trustee in writing to return to Company, or to divert to others, any of the Excess Assets of the Trust, and upon such direction Trustee shall return or divert such Excess Assets as directed. Any such direction shall include a certification by Company of the amount of Excess Assets then held in the Trust. Trustee may rely on such certification and shall have no obligation for otherwise verifying the amount of any Excess Assets. For this purpose, "Excess Assets" means the assets of the Trust that exceed one hundred twenty-five percent (125%) of the sum of the aggregate liabilities to Plan participants and their beneficiaries pursuant to the terms of the Plans. Additionally, Company may request reimbursement from the Trust for any amounts paid directly by Company to Plan participants pursuant to Section 2(c) hereof by providing a certification of the amounts paid and satisfactory evidence of such payments to Trustee, and upon such request Trustee shall pay such amounts to Company from the Trust. Trustee may rely on such certification and evidence and shall have no obligation for otherwise verifying payment to the Plan participants.

Section 5. Investment Authority.

(a) The Trust may hold assets of any kind, including shares of any registered investment company, whether or not Trustee or any of its affiliates is an advisor to, or other service provider to, such investment company and receives compensation from such investment company for the services provided (which compensation shall be in addition to the compensation of Trustee under this Trust.) Company acknowledges that shares in any such investment company are not obligations of Trustee or any other bank, are not deposits and are not insured by the Federal Deposit Insurance Corporation (the "FDIC"), the Federal Reserve or any other governmental agency. Notwithstanding the foregoing, in no event may Trustee invest in securities (including stock or rights to acquire stock) or obligations issued by Company, other than a de minimis amount held in common investment vehicles in which Trustee invests. All rights associated with assets of the Trust shall be exercised by Trustee or the person designated by Trustee, and shall in no event be exercisable by or rest with Plan participants, except that voting and dividend rights with respect to Trust assets will be exercised by Company.

(b) Company shall have the right, at any time and from time to time, in its sole discretion, to direct Trustee as to the investment and reinvestment of all or specified portions of Trust assets and the income therefrom and to appoint an investment manager or investment managers to direct Trustee as to the investment and reinvestment of all or specified portions thereof. As of the execution of this Trust Agreement, and until Trustee is notified otherwise in writing, Company shall be solely responsible for directing the investment and reinvestment of all Trust assets.

(c) Trustee shall have no responsibility for the selection of investment options, if applicable, under the Trust and shall not render investment advice to any person in connection with the selection of such options. Company shall direct Trustee as to the investment options in which the Trust shall be invested during the term of the Trust.

(d) Unless directed otherwise by Company or a duly-appointed investment manager, Trustee is specifically authorized to invest idle, or otherwise uninvested, cash in a money market mutual fund selected by Trustee in its sole discretion, including in the Service class shares of the Wilmington Prime Money Market Fund (the "Prime MM Portfolio"), a money market mutual fund managed by an affiliate of Trustee. Company acknowledges that the Prime MM Portfolio is an entity separate from Wilmington Trust, National Association; and that shares in the Prime MM Portfolio are not obligations of

Wilmington Trust, National Association, are not deposits and are not insured by the FDIC, the Federal Reserve or any other governmental agency. Wilmington Trust, National Association or its affiliates are compensated by the Prime MM Portfolio for investment advisory, custodian, shareholder servicing, distribution and other services, and such compensation is described in detail in the prospectus for the Prime MM Portfolio and is in addition to the compensation paid to Trustee hereunder with respect to that portion of the Trust assets, if any, invested in the Prime MM Portfolio.

(e) Trustee may hold that portion of the Trust assets as is appropriate, for the ordinary administration and for the disbursement of funds in cash, without liability for interest notwithstanding Trustee's receipt of "float" from such uninvested cash, by depositing the same in any bank (including deposits which bear a reasonable rate of interest in a bank or similar financial institution supervised by the United States or a State, even where a bank or financial institution is the trustee, or is otherwise a fiduciary of the Plan(s)) subject to the rules and regulations governing such deposits, and without regard to the amount of such deposit.

(f) Company shall have the right, at anytime, and from time to time in its sole discretion, to substitute assets of equal fair market value for any asset held by the Trust.

Section 6. Disposition of Income

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

Section 7. Accounting by Trustee

Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between Company and Trustee. Within 60 days following the close of each calendar year and within 60 days after the removal or resignation of Trustee, Trustee shall deliver to Company a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of

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all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be. Such account statements shall be mailed to Company or, if Company agrees, delivered via e-mail or other electronic means. Notwithstanding anything in this Section 7 to the contrary, Trustee shall be entitled to rely on the records maintained by any recordkeeper appointed by Company for the maintenance and provision of all records specified in this Section 7. The current recordkeeper appointed by Company for the Plan is MullinTBG, and MullinTBG and each such other entity subsequently appointed by Company as recordkeeper for the Plan are hereafter collectively referred to as "Recordkeeper."

Section 8. Responsibility of Trustee.

(a) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; provided, however, that Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by Company or an investment manager duly appointed by Company which is contemplated by, and in conformity with, the terms of the Plans or this Trust and is given in writing by Company or such investment manager. In the event of a dispute between Company and a third party, Trustee may apply to a court of competent jurisdiction to resolve the dispute.

(b) If Trustee undertakes or defends any litigation arising in connection with this Trust in the name of or on behalf of the Trust, Company agrees to indemnify Trustee against Trustee's costs, expenses and liabilities (including, without limitation, reasonable attorneys' fees and expenses) relating thereto and to be primarily liable for such payments, except to the extent the litigation is the result of Trustee's action or inaction for which it is not entitled to indemnification pursuant to Section 9. If Company does not pay such costs, expenses and liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust. In no event shall Trustee have any liability or responsibility to undertake, defend or continue any litigation in the name of or on behalf of the Trust unless payment of related fees and expenses is ensured to the reasonable satisfaction of Trustee.

(c) Trustee, at the expense of the Trust or Company, may consult with legal counsel (who may also be counsel for Company generally) with respect to any of its duties or obligations hereunder.

(d) Trustee, at the expense of the Trust or Company, may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder.

(e) Trustee shall have, without exclusion, all powers conferred on trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form)

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other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.

(f) However, notwithstanding the provisions of Section 8(e) above, Trustee may loan to Company the proceeds of any borrowing against an insurance policy held as an asset of the Trust.

(g) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

(h) Trustee shall have no responsibility or liability respect to: (i) the truth or accuracy of any representation or warranty made in any application or related document provided to the insurer in connection with the issuance or renewal of any insurance policies or insurance contracts, including any representation that the person on whose life an application is being made is eligible to have a contract issued on his or her life; (ii) the selection or monitoring (ongoing or periodic) of any insurance policies or insurance contracts held in the Trust or the insurers issuing such policies or contracts; (iii) the payment of premiums with respect to such policies or contracts; or (iv) the exercise of any rights relating to any such policies or contracts except as directed in writing by Company.

(i) To the extent permitted by applicable law, upon the expiration of one hundred twenty (120) days from the date of Trustee's annual, quarterly or any other account, the Trustee shall be forever released and discharged from all liability and further accountability to Company or any other person with respect to the accuracy of such accounting and all acts and failures to act of Trustee reflected in such account, except to the extent that Company shall, within such 120-day period, file with Trustee specific written objections to the account. Neither Company, any participant nor any other person shall be entitled to any additional or different accounting by Trustee and Trustee shall not be compelled to file in any court any additional or different accounting. For purposes of regulations promulgated by the FDIC, Trustee's account statements shall be sufficient information concerning securities transactions effected for the Trust, provided that Company, upon written request, shall have the right to receive at no additional cost written confirmations of such securities transactions, which shall be mailed or otherwise furnished by Trustee within the timeframe required by applicable regulations.

(j) Trustee shall have no duty or responsibility not expressly set forth in this Trust Agreement. By way of example, but without limiting the matters subject to the foregoing sentence, Trustee shall have no responsibility with respect to the administration or interpretation of the Plan, payment of Plan benefits other than from the assets of the Trust, (if agreed to pursuant to the fee schedule) the withholding, remitting, or reporting to taxing authorities of taxes other than from payments made with Trust assets to Plan participants and other than as directed by Company, or maintaining participant records with respect to the Plan.

Section 9. Compensation and Expenses of Trustee.

(a) Company shall pay all administrative and Trustee's fees and expenses. If not so paid in a timely manner, Trustee shall be entitled to deduct such fees and expenses from the Trust.

(b) To the extent permitted by applicable law, Company shall indemnify and hold Trustee harmless from and against any and all losses, costs, damages and expenses (including attorney's fees and disbursements) of any kind or nature (collectively, "Losses") imposed on or incurred by Trustee by reason of its service pursuant to this Trust Agreement, including any Losses arising out of any threatened, pending or completed claim, action, suit or proceeding, except to the extent such Losses are caused by the gross negligence, willful misconduct, or bad faith of Trustee. To the extent not paid by Company, Trustee shall be entitled to deduct such amounts from the Trust.

(c) The provisions of Section 9(b) shall survive termination of this Trust Agreement.

Section 10. Resignation and Removal of Trustee.

(a) Trustee may resign at any time by written notice to Company, which shall be effective thirty (30) days after receipt of such notice unless Company and Trustee agree otherwise.

(b) Trustee may be removed by Company on thirty (30) days notice or upon shorter notice accepted by Trustee.

(c) Upon resignation or removal of Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. To the extent possible, the transfer shall be completed within thirty (30) days after receipt of notice of resignation, removal or transfer, unless Company extends the time limit.

(d) If Trustee resigns or is removed, a successor Trustee shall be appointed, in accordance with Section 11 hereof, by the effective date of resignation or removal under this section. If no such appointment has been made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

Section 11. Appointment of Successor.

(a) If Trustee resigns or is removed in accordance with Section 10, other than within two (2) years following a Change in Control (as defined below), Company may appoint any third party, including any individual, bank trust department or other party that may be granted corporate trustee powers under state law, as a successor to replace Trustee upon resignation or removal.

(b) If Trustee resigns or is removed in accordance with Section 10 within two (2) years following a Change in Control (as defined below), the three (3) Plan participants with the largest Plan accounts (aggregated among all of the Plans) shall select a successor Trustee by majority vote,

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which successor Trustee shall be a bank trust department or other corporate entity that has been granted corporate trustee powers under applicable state law. Company shall be responsible for communicating with and securing such vote from such participants and shall provide satisfactory evidence of the same to Trustee.

(c) The appointment of a successor Trustee shall be effective when accepted in writing by the new Trustee. The new Trustee shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument(s) necessary or reasonably requested by Company or the successor Trustee to evidence the transfer.

(d) A successor Trustee need not examine the records and acts of any prior Trustee and may retain or dispose of existing Trust assets, subject to Sections 5, 7 and 8 hereof. The successor Trustee shall not be responsible for, and Company shall indemnify and defend the successor Trustee from, any claim or liability resulting from any action or inaction of any prior Trustee or from any other past event, or any condition existing at the time it becomes successor Trustee.

Section 12. Amendment or Termination.

(a) This Trust Agreement may be amended by a written instrument executed by Trustee and Company**.** Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plans or shall make the Trust revocable.

(b) The Trust shall not terminate until the date on which Plan participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plans; provided that Company may terminate this Trust prior to such date upon written approval of all participants and beneficiaries with Plan accounts. Upon termination of the Trust any assets remaining in the Trust shall be returned to Company.

Section 13. Miscellaneous.

(a) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

(b) Benefits payable to Plan participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.

(c) This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

(d) Trustee represents that it qualifies for FDIC prorata worth pass-through insurance coverage in accordance with the standards set forth in applicable federal law and FDIC insurance regulations. If Trustee fails at any time in the future to so qualify for prorata worth pass-through

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insurance coverage, it will promptly notify Company in the event that such disqualification would affect the Trust account.

(e) In no event will Trustee have any obligation to provide, and in no event will Trustee provide, any legal, tax, accounting, audit or other advice to Company with respect to the Plans or this Trust. Company acknowledges that it will rely exclusively on the advice of its accountants and/or attorneys with respect to all legal, tax, accounting, audit and other advice required or desired by Company with respect to the Plans and this Trust. Company acknowledges that Trustee has not made any representations of any kind, and will not make any representations of any kind, concerning the legal, tax, accounting, audit or other treatment of the Plans or this Trust.

(f) Company acknowledges that Trustee is not an advisor concerning or a promoter with respect to the Plan or the Trust, but merely is a service provider offering the Trust services expressly set forth in this Agreement. In particular, Company acknowledges that Trustee is not a joint venture or partner with Company's accountants, auditors, consultants or with any other party, with respect to the Plan or this Trust, and that Trustee and Company's accountants, auditors and consultants at all times remain independent parties dealing at arm's length, and independently, with each other and with Company.

(g) Trustee shall have no liability for any losses arising out of delays in performing the services which it renders under this Trust Agreement which result from events beyond its control, including without limitation, interruption of the business of Trustee due to acts of God, acts of governmental authority, acts of war, riots, civil commotions, insurrections, labor difficulties (including, but not limited to, strikes and other work slippages due to slow-downs), or any action of any courier or utility, mechanical or other malfunction, or electronic interruption.

(h) For purposes of this Trust Agreement, Change in Control shall mean the first occurrence of any of the following events on or after January 1, 2013:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (such individual, entity, or group, a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of stock possessing 33% or more of the combined voting power of the then-outstanding voting securities of Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control; (A) any acquisition directly from Company or any affiliate or successor of Company, (B) any acquisition by Company or any affiliate or successor of Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Company or any affiliate or successor of Company, or (D) any acquisition by a Person having beneficial ownership of more than 50% of the Outstanding Company Voting Securities prior to the acquisition;

(ii) individuals who, as of any date (the "Initial Date") on or after the January 1, 2013, constitute the Board (the "Incumbent Board") cease for any reason, at any time

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within 12 months following the Initial Date, to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Initial Date whose election, or nomination for election by the stockholders of Company, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (including for these purposes, the new members whose election or nomination was so approved, without counting the member and his predecessor twice) shall be considered as though such individual were a member of the Incumbent Board;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving Company or any of its subsidiaries, or the acquisition of assets or stock of another entity by Company or any of its subsidiaries (each, a "Business Combination"), in each case if, following such Business Combination, any Person (excluding any entity resulting from such Business Combination or a parent of any such entity or any employee benefit plan (or related trust) of Company or such entity resulting from such Business Combination or parent of any such entity) beneficially owns, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that the ownership in excess of 50% existed prior to the Business Combination; or

(iv) consummation of a sale or other disposition of all or substantially all of the assets of Company (an "Asset Transfer"), other than a transfer to (A) one or more of the beneficial owners (immediately before the Asset Transfer) of the then-outstanding shares of stock of Company ("Outstanding Company Stock") in exchange for or with respect to such Outstanding Company Stock of such beneficial owners, or (B) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by Company, or (C) a Person that owns, directly or indirectly, 50% or more of the total value or voting power of the Outstanding Company Stock, or (D) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by a Person described in the preceding clause (C).

Each event comprising a Change in Control is intended to constitute a "change in ownership," a "change in effective control" or a "change in the ownership of a substantial portion of the assets" of Company as such terms are defined for purposes of Section 409A of the Code and such definition of "Change in Control" as used herein shall be interpreted consistently therewith.

(i) The Board as constituted immediately prior to the consummation of a Change in Control and the Chief Executive Officer of Company shall have the duty to inform Trustee in writing of the occurrence of a Change in Control. Trustee may rely exclusively on this writing and shall have no duty to inquire whether a Change in Control has taken place or to make any determination as to whether a Change in Control has occurred.

(j) Any business entity into which Trustee may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which Trustee shall be a party, or any entity succeeding to or receiving by assignment all or substantially all of the corporate trust business of Trustee, shall be the successor of Trustee hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

(k) Company represents and warrants that the Plan and the administration thereof comply with applicable law and shall continue to be in compliance therewith.

Section 14. Effective Date.

The effective date of this Trust Agreement shall be October 1, 2012.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Company and Trustee have caused this Trust Agreement to be executed by their respective duly authorized officers, as of the day and year first above written.

THE MACERICH COMPANY

By: /s/ Thomas Leanse
Thomas Leanse
Senior Executive Vice President, Chief Legal Officer and Secretary

Address: 401 Wilshire Blvd., Suite 7000
Santa Monica, CA 90401
Attn: Thomas Leanse

Telephone: 310-394-6000
Telecopier:

WILMINGTON TRUST, NATIONAL ASSOCIATION

By: /s/ Nancy Gray
Nancy Gray
Vice President

Address: Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001
Attn: Mike Grillo

Telephone: 302-651-1457
Telecopier:

APPENDIX A

to RABBI TRUST DOCUMENT

Deferred Compensation Plans:

The Macerich Company 2013 Deferred Compensation Plan for Executives

The Macerich Company 2005 Deferred Compensation Plan for Executives, as amended

The Macerich Company 2005 Deferred Compensation Plan for Senior Executives, as amended

The Macerich Company Deferred Compensation Plan for Executives (As Amended and Restated Effective as of January 1, 2003), as amended

The Macerich Company Deferred Compensation Plan for Senior Executives (As Amended and Restated Effective as of January 1, 2003), as amended

Exhibit 10.5

MANAGEMENT CONTINUITY AGREEMENT

THIS AGREEMENT (this "**Agreement**") is entered into by and between THE MACERICH COMPANY, a Maryland corporation (the "**Company**"), and Thomas J. Leanse (the "**Executive**"), effective as of January 1, 2013 (the "Agreement Date") (but binding upon the Company and the Executive immediately upon execution).

The Board of Directors of the Company (the "**Board**") has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued commitment and dedication of its executive officers, notwithstanding the possibility or occurrence of a Change of Control (as defined in Appendix A), to encourage their full attention and dedication to the Company currently and in the event of any impending Change of Control, to encourage their continued objectivity and impartiality in the evaluation of alternative strategies and continued service after a Change of Control and to provide them with security, compensation and benefits arrangements following termination upon a Change of Control that further these objectives and that are competitive with those of other corporations. In order to accomplish these objectives, the Compensation Committee of the Board has approved the Company's entering into this Agreement.

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. **Certain Definitions.** In addition to terms defined elsewhere in this Agreement, the following terms have the following meanings:

"**2003 Plan**" means The Macerich Company 2003 Equity Incentive Plan, as it may be amended from time to time.

"**Applicable Board**" means the Board or, if the Company is not the ultimate parent corporation of the Company and its Affiliates and is not publicly-traded, the board of directors of the ultimate parent of the Company.

"**Affiliate**" means any company controlled by, controlling or under common control with the Company.

"**Base Salary**" means the annual base rate of compensation payable to Executive by the Company as of the Executive's Date of Termination or as of immediately prior to the Effective Date (for the avoidance of doubt, in each case excluding any reduction in the annual base rate of compensation that constitutes grounds for Good Reason under clause (4) of the definition thereof), whichever rate is higher, before deductions or voluntary deferrals authorized by the Executive or required by law to be withheld from the Executive by the Company. Salary excludes all other extra pay such as overtime, pensions, severance payments, bonuses, stock incentives, living or other allowances and other perquisites.

"**Cause**" means that the Company, acting in good faith based upon the information then known to the Company, determines that the Executive has:

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(1) failed to perform in a material respect without proper cause his obligations under this Agreement or the written employment agreement with Executive, if any;

(2) been convicted of or pled guilty or nolo contendere to a felony; or

(3) committed an act of fraud, dishonesty or gross misconduct which is materially injurious to the Company.

Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Applicable Board or upon the instructions of the Chief Executive Officer of the Company or based upon the advice of counsel or independent accountants for the Company shall be conclusively presumed for purposes of this Agreement to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause under clause (1) or (3) above unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of at least a majority of the entire membership of the Applicable Board (excluding the Executive and any relative of the Executive, if the Executive or such relative is a member of the Applicable Board) at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel for the Executive, to be heard before the Applicable Board), finding that, in the good faith opinion of the Applicable Board, the Executive is guilty of the conduct described in clause (1) or (3) above, and specifying the particulars thereof in reasonable detail.

"**Change of Control**" shall have the meaning set forth in Appendix A.

"**Change of Control Period**" means the period commencing on the Agreement Date and ending on the third anniversary of such date; provided, however, that commencing on the date one year after the Agreement Date, and on each annual anniversary of such date (such date and each annual anniversary thereafter, the "**Renewal Date**"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date, the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Date of Termination**" means the date of receipt of a notice of termination from the Company or the Executive as applicable, or any later date specified in the notice of termination, which date shall not be more than 30 days after the giving of such notice. For purposes of determining the date on which any payment is to be made or benefit provided hereunder, Date of Termination shall, solely to the extent necessary to avoid the imposition of penalty taxes on the Executive under Section 409A of the Code, not be earlier than the date of the Executive's "separation from service" from the Company (within the meaning of Section 409A of the Code).

"**Disability**" means (1) a "permanent and total disability" within the meaning of Section 22(e)(3) of the Code, or (2) the absence of the Executive from his duties with the Company on a full-time basis for a period of nine months as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or his legal representative (such agreements as to acceptability not to be unreasonably withheld). "Incapacity" as used herein shall be limited only to a condition that substantially prevents the Executive from performing his or her duties.

"**Effective Date**" means the first date during the Change of Control Period on which a Change of Control occurs; provided, however that notwithstanding anything in this Agreement to the contrary, if a Change of Control occurs and if the Executive's employment with the Company was terminated on or following the Agreement Date by the Company for no reason or any reason other than death, Disability or for Cause, or by the Executive for Good Reason, after the public announcement of but prior to the consummation of such Change of Control, or such termination or events giving rise to such termination otherwise occurred in specific contemplation of such Change of Control (including, without limitation, at the request of a third party that has taken steps reasonably calculated to effect such Change of Control), then for the purposes of this Agreement, the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

"**Good Reason**" means, without the Executive's written consent thereto, any one or more of the following events or circumstances, to the extent not remedied by the Company within 30 days after receipt by the Company of written notice from the Executive provided to the Company within 90 days (the "**Cure Period**") of the Executive's knowledge of the occurrence of such an event or circumstance, specifying in reasonable detail such occurrence:

(1) the assignment to the Executive of any duties materially inconsistent in any respect with the Executive's position (including reporting requirements), authority, duties or responsibilities, or any other material diminution in such position, authority, duties or responsibilities (whether or not occurring solely as a result of the Company's ceasing to be a publicly traded entity);

(2) a change in the Executive's principal office location to a location further away from the Executive's home which is more than 30 miles from the Executive's current principal office;

(3) the taking of any action by the Company to eliminate benefit plans in which the Executive participated in or was eligible to participate in immediately prior to a Change of Control without providing substitutes therefor, to materially reduce benefits thereunder or to substantially diminish the aggregate value of the incentive awards or other fringe benefits; provided that if neither a surviving entity nor its parent following a Change of Control is a publicly-held company, the failure to provide stock-based benefits shall not be deemed good reason if benefits of comparable value using recognized valuation methodology are substituted therefor; and provided further that a reduction or elimination in the aggregate of not more than 10% in aggregate benefits in connection with across the board reductions or modifications affecting similarly situated persons of executive rank in the Company or a combined organization shall not constitute Good Reason;

(4) any one or more reductions in the Executive's Base Salary that, individually or in the aggregate, exceed 10% of the Executive's Base Salary; or

(5) any material breach by the Company of this Agreement or the written employment agreement with Executive, if any.

In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Executive's "separation from service" (within the meaning of Section 409A of the Code) must occur, if at all, within two years following the occurrence of such condition in order for such termination as a result of such condition to constitute a termination for Good Reason. If the Executive suffers a Disability or dies following the occurrence of any of the events described in clauses (1) through (5) above and the Executive has given the Company the requisite written notice but the Company has failed to remedy the situation prior to such physical or mental incapacity or death, the Executive's physical or mental incapacity or death shall not affect the ability of the Executive or his heirs or beneficiaries, as applicable, to treat the Executive's termination of employment as a termination for Good Reason.

"**Protected Period**" means the period commencing on the Effective Date and ending on the second anniversary of the Effective Date.

"**Qualified Termination**" means a termination of the Executive's employment with the Company during the Protected Period (a) by the Company for no reason, or for any reason other than for Cause, death or Disability or (b) by the Executive for Good Reason.

2. **Benefits Following a Change of Control**.

(a) Severance Payments. Upon a Qualified Termination, the Company shall pay to the Executive an amount equal to three (3) times the sum of (1) Executive's Base Salary and (2) the amount of the Executive's annual incentive bonus awarded in respect of the fiscal year immediately preceding the Date of Termination (including both the cash and stock/unit portion of such bonus, any cash portion of such bonus which the Executive has elected to convert into shares of restricted stock, LTIP units or stock units under the Company's Cash Bonus/Restricted Stock/LTIP Unit and/or Stock Unit Award Programs or other comparable express, optional stock/units-in-lieu of cash benefit programs, and any supplemental or special cash and/or stock bonus awarded to the Executive for the applicable fiscal year) (the "**Bonus Amount**"). If the annual incentive bonus has not yet been awarded for the fiscal year immediately preceding the Date of Termination, the Bonus Amount will be the amount of the Executive's annual incentive bonus awarded in respect of the second fiscal year immediately preceding the Date of Termination (computed as described above), and if no annual incentive bonus has been awarded prior to the Date of Termination, the Bonus Amount shall be $750,000. The severance amount described in this paragraph shall be paid in cash to the Executive in a single lump sum as soon as practicable after the Date of Termination, but in no event later than 30 days after the Date of Termination.

(b) Welfare Benefits. Upon a Qualified Termination, from the Date of Termination until the third anniversary of the Date of Termination or, with respect to each welfare benefit other than health care and life insurance benefits, such shorter period during which the receipt of such welfare benefit is not considered taxable income to the Executive (the "**Benefit Continuation Period**"), the Company shall provide welfare benefits for the Executive and/or the Executive's family at least equal to, and at the same pre-tax cost to the Executive and/or the Executive's family, as those that would have been provided to them in accordance with the plans, programs, practices and policies providing welfare benefits and at the benefit level and active employee rates in each case as in effect immediately prior to the Change of Control or, if more favorable to the Executive, as in effect generally at any time after such Change of Control with respect to other peer executives of the Company and its Affiliates and their families. Such welfare benefits shall be provided to the Executive and/or the Executive's family only if permitted under the applicable plan or policy under which the welfare benefit is provided. To the greatest extent possible without causing benefits payable to be taxable income to the Executive, the health care benefits provided during the Benefit Continuation Period shall be provided in such a manner that such benefits (and the costs and premiums thereof) are excluded from the Executive's income for federal income tax purposes. To the extent health care benefits may not be provided in a non-taxable manner pursuant to the preceding sentence, the cost of such benefits shall be reported by the Company as taxable income to the Executive. Notwithstanding the foregoing, if the Executive becomes re-employed with another employer and is eligible to receive health care or other welfare benefits under another employer provided plan, the health care or other welfare benefits, as applicable, provided hereunder shall be secondary to those provided under such other plan, and such other benefits shall not be provided by the Company, during such applicable period of eligibility.

(c) Payment of Accrued Obligations.

Upon a Qualified Termination, the Executive will receive in addition to any other payments that may become due under this Agreement, the following:

(1) payment of the sum of (A) the Executive's Base Salary through the Date of Termination, (B) the Executive's accrued vacation pay and (C) the Executive's accrued annual incentive bonus for the fiscal year immediately preceding the year in which the Date of Termination occurs, in each case, to the extent not theretofore paid, which shall be paid to the Executive, subject to any deferral elections then in effect, in a lump sum in cash as soon as practicable after the Date of Termination but in no event later than 30 days after the Date of Termination;

(2) payment in an amount equal to the product of (A) the Bonus Amount and (B) a fraction, the numerator of which is the number of days in the year in which the Qualified Termination occurs from January 1 until the Date of Termination and the denominator of which is 365, which shall be paid to the Executive in a lump sum in cash as soon as practicable after the Date of Termination but in no event later than 30 days after the Date of Termination; and

(3) to the extent not theretofore paid or provided, payment or provision of any Other Benefits (as defined in Section 10(b)) in accordance with the terms of the underlying plans or agreements.

(d) Delayed Payment. Notwithstanding the foregoing, solely to the extent that a delay in payment is required in order to avoid the imposition of any tax under Section 409A of the Code, if a payment obligation under this Agreement arises on account of the Executive's "separation from service" (within the meaning of Section 409A of the Code) while the Executive is a "specified employee" (as determined for purposes of Section 409A(a)(2)(B) of the Code in good faith by the Company), then payment of any amount or benefit provided under this Agreement that is considered to be non-qualified deferred compensation for purposes of Section 409A of the Code and that is scheduled to be paid within six (6) months after such separation from service shall be paid without interest on the first business day after the date that is six months following the Executive's separation from service.

3. **Equity Awards.** Upon a Change of Control, notwithstanding any provision of any plan or applicable award agreement to the contrary as in effect on the Effective Date, (1) any shares of restricted stock held by the Executive that remain unvested shall immediately vest and shall no longer be subject to any restrictions unless such restrictions are required by any applicable law or regulation; (2) any restricted stock units held by the Executive that remain unvested shall immediately vest and be settled; provided, however, that any such restricted stock units which constitute "deferred compensation" within the meaning of Section 409A of the Code shall immediately vest and be settled (A) if such Change of Control is not a "change in control event" within the meaning of Section 409A of the Code, at such time as provided in the applicable award agreement, or (B) if such Change of Control is a "change in control event" within the meaning of Section 409A of the Code, as of such Change of Control; (3) any stock options and stock appreciation rights held by the Executive, to the extent that they are unvested and unexercisable, shall vest in full and become immediately exercisable; and (4) any outstanding LTIP units shall vest as provided in the applicable award agreement. In the case of a Change of Control under subsection (3) of the Change of Control definition (merger or similar transaction), such restricted stock, stock units, stock options or stock appreciation rights shall vest effective immediately prior to such Change of Control to the extent necessary in order to enable the realization of the benefits of such acceleration. Any stock options and stock appreciation rights held by the Executive that become vested and exercisable under this Section 3 or any other agreement or are otherwise vested shall remain exercisable for a period at least until the first to occur of (1) the expiration of the full term of the option or stock appreciation right, and (2) one year after the date on which the Change of Control occurs, subject only to Section 6.2(b) of the 2003 Plan or any comparable provisions of any plan under which the options or stock appreciation rights are granted.

4. **Soliciting Employees.** Executive agrees that he will not, from the Effective Date through a period of two years following the Date of Termination, directly or indirectly solicit or recruit any of the Company employees (other than through general advertising not specifically directed at such current or former Company employees) who earned annually $25,000 or more as a Company employee during the last six months of his or her own employment to work for him or any

business, individual, partnership, firm, corporation or other entity, whether for him or such entity, in competition with the Company or any subsidiary or affiliate of the Company.

5. **Confidential Information**.

(a) The Executive shall, beginning on the Agreement Date and for the term of this Agreement and thereafter in perpetuity, hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data, whether in tangible or intangible form, including but not limited to, information relating to the Company or any of its affiliated companies, or their respective businesses, plans, finances, tenants, customers, partners, properties, processes or means of operation, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, use (other than in furtherance of the Company's business), or communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it.

(b) Executive agrees that all lists, materials, books, files, reports, correspondence, records, and other documents ("**Company Material**") used, prepared or made available to Executive, shall be and remain the property of the Company. Upon the Executive's termination of employment, all Company Materials shall be returned immediately to the Company, and Executive shall not make or retain any copies hereof.

6. **Reduction of Certain Payments**.

(c) Anything in this Agreement to the contrary notwithstanding, in the event that the receipt of all payments or distributions by the Company in the nature of compensation to or for the Executive's benefit, whether paid or payable pursuant to this Agreement or otherwise (a "**Payment**"), would subject the Executive to the excise tax under Section 4999 of the Code, the accounting firm which audited the Company prior to the corporate transaction which results in the application of such excise tax, or another nationally known accounting or employee benefits consulting firm selected by the Company prior to the such corporate transaction (the "**Accounting Firm**"), shall determine whether to reduce any of the Payments paid or payable pursuant to this Agreement (the "**Agreement Payments**") to the Reduced Amount (as defined below). The Agreement Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that the Executive would have a greater Net After-Tax Receipt (as defined below) of aggregate Payments if the Executive's Agreement Payments were reduced to the Reduced Amount. If such a determination is not made by the Accounting Firm, the Executive shall receive all Agreement Payments to which Executive is entitled under this Agreement.

(d) If the Accounting Firm determines that aggregate Agreement Payments should be reduced to the Reduced Amount, the Company shall promptly give the Executive notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 6 shall be made as soon as reasonably practicable and in no event later

than sixty (60) days following the Date of Termination or such earlier date as requested by the Company and the Executive. For purposes of reducing the Agreement Payments to the Reduced Amount, only amounts payable under this Agreement (and no other Payments) shall be reduced. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

(e) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed (the "**Overpayment**") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed (the "**Underpayment**"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the Accounting Firm believes has a high probability of success, determines that an Overpayment has been made, the Executive shall pay any such Overpayment to the Company together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be paid promptly (and in no event later than sixty (60) days following the date on which the Underpayment is determined) by the Company to or for the benefit of the Executive together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(f) For purposes hereof, the following terms have the meanings set forth below: (i) "**Reduced Amount**" shall mean the greatest amount of Payments that can be paid that would not result in the imposition of the excise tax under Section 4999 of the Code if the Accounting Firm determines to reduce Payments pursuant to this Section 6 and (ii) "**Net After-Tax Receipt**" shall mean the present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a Payment net of all taxes imposed on Executive with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to the Executive's taxable income for the immediately preceding taxable year, or such other rate(s) as the Executive certifies, in the Executive's sole discretion, as likely to apply to him in the relevant tax year(s).

7. **Full Settlement; Resolution of Disputes**.

(a) No Offset. Subject to Section 2(b), the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be subject to any set-off, counterclaim, recoupment, or other claim, right or action which the Company may have against the Executive.

(b) No Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action to attempt to reduce any of the amounts payable to the Executive under any of the provisions of this Agreement. Further, except as otherwise provided under Section 2(b), amounts or benefits hereunder shall not be reduced if the Executive obtains other employment.

(c) Arbitration of Disputes.

(2) Any controversy or claim arising out of or relating to this Agreement, its enforcement, arbitrability or interpretation, or because of an alleged breach, default or misrepresentation in connection with any of its provisions, or arising out of or relating in any way to the Executive's employment or termination of the same or conduct thereafter, including, without limiting the generality of the foregoing, any alleged violation of statute, common law or public policy, shall be submitted to final and binding arbitration, to be held in Los Angeles County, California, before a single arbitrator, in accordance with California Civil Procedure Code §§ 1280 *et seq*. The arbitrator shall be selected by mutual agreement of the parties or, if the parties cannot agree, then by striking from a list of arbitrators supplied by the American Arbitration Association or JAMS/Endispute. The arbitrator shall issue a written opinion revealing, however briefly, the essential findings and conclusions upon which the

arbitrator's award is based. The Company will pay the arbitrator's fees and arbitration expenses and any other costs associated with the arbitration hearing. The Company agrees to pay as incurred (within 10 days following the Company's receipt of an invoice from the Executive), to the full extent permitted by law, all legal fees and expenses that the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus, in each case, interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code. In order to avoid the imposition of taxes and penalties on the Executive under Section 409A of the Code, (i) in no event shall the payments by the Company under this Section 7(c) be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred, and the Executive shall be required to have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred, (ii) the amount of such legal fees and expenses that the Company is obligated to pay in any given calendar year shall not affect the legal fees and expenses that the Company is obligated to pay in any other calendar year, (iii) the Executive's right to have the Company pay such legal fees and expenses may not be liquidated or exchanged for any other benefit and (iv) the Company's obligations to pay such legal fees and expenses shall apply to amounts incurred during the Executive's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date). Nothing in this paragraph shall affect the Executive's or the Company's ability to seek from a court injunctive or equitable relief.

(3) Except as may be necessary to enter judgment upon the award or to the extent required by applicable law, all claims, defenses and proceedings (including, without limiting the generality of the foregoing, the existence of a controversy and the fact that there is an arbitration proceeding) shall be treated in a confidential manner by the arbitrator, the parties and their counsel, each of their agents, and employees and all others acting on behalf of or in concert with them. Without limiting the generality of the foregoing, no one shall divulge to any third party or person not directly involved in the arbitration the content of the pleadings, papers, orders, hearings, trials or awards in the arbitration, except as may be necessary to enter judgment upon an award as required by applicable law. Any controversy relating to the arbitration, including, without limiting the generality of the foregoing, to prevent or compel arbitration or to confirm, correct, vacate or otherwise enforce an arbitration award, shall be filed under seal with the court, to the extent permitted by law.

8. Restraint on Alienation.

None of the benefits, payments, proceeds or claims of the Executive shall be subject to any claim of any creditor and, in particular, the same shall not be subject to attachment or garnishment or other legal process by any creditor, nor shall the Executive have any right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments of proceeds which he or she may expect to receive, contingently or otherwise, under this Agreement. Notwithstanding the above, benefits which are in pay status may be subject to a garnishment or wage assignment or authorized or mandatory deductions made pursuant to a court order, a tax levy or applicable law or the Executive's elections.

9. Grantor Trust.

The Company may establish a trust with a bank trustee, for the purpose of paying benefits under this Agreement. If so established, the trust shall be a grantor trust subject to the claims of the Company's creditors and shall, immediately prior to a Change of Control, be funded in cash or common stock of the Company or such other assets as the Company deems appropriate with an amount equal to 100 percent of the aggregate benefits payable under this Agreement assuming that the Executive incurred a Qualified Termination immediately following the Change of Control; provided, however, that the Trust shall not be funded if the funding thereof would result in taxable income to the Executive by reason of Section 409A(b) of the Code; and provided, further, that in no event shall any Trust assets at any time be located or transferred outside of the United States, within the meaning of Section 409A(b) of the Code. Any fees and expenses of the Trustee shall be paid by the Company. Notwithstanding the establishment of any such trust, the Executive's rights hereunder will be solely those of a general unsecured creditor.

10. Entire Understanding.

(a) This Agreement constitutes the entire understanding between the parties with respect to the subject matters contemplated by this Agreement, except with respect to any outstanding LTIP units. Such agreements and terms supersede all prior written or oral communications,

negotiations, understandings or agreements of any kind with respect to such subject matters, including without limitation any prior management continuity agreements.

(b) Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or its Affiliates and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any other contract or agreement with the Company or its Affiliates. Amounts that are vested benefits or that the Executive and/or the Executive's dependents are otherwise entitled to receive under any plan, policy, practice or program of or any other contract or agreement with the Company or its Affiliates at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement (the **"Other Benefits"**). The benefit provided pursuant to Section 2 above shall be provided in addition to, and not in lieu of, all other accrued or vested or earned but deferred compensation, rights, options or other benefits which may be owed to the Executive upon or following termination, including but not limited to accrued vacation or sick pay, amounts or benefits payable under any bonus or other compensation plans, stock option plan, stock ownership plan, stock purchase plan, life insurance plan, health plan, disability plan or similar or successor plan. Without limiting the generality of the foregoing, the Executive's resignation under this Agreement with or without Good Reason, shall in no way affect the Executive's ability to terminate employment by reason of the Executive's "retirement" under any of the Company's or its Affiliate's compensation or benefits plans, programs, policies or arrangements or substitute plans adopted by the Company or its successors, including without limitation, any retirement or pension plans or to be eligible to receive benefits under any compensation or benefits plans, programs, policies or arrangements, including without limitation any retirement or pension plan of the Company and its Affiliates or substitute plans adopted by the Company or its successors, and any termination which otherwise qualifies as Good Reason shall be treated as such even if it is also a "retirement" for purposes of any such plan. Notwithstanding the foregoing, if the Executive is entitled to receive payments and benefits pursuant to Section 2(a) of this Agreement, the Executive shall not be entitled to any severance pay or benefits under any severance plan, program or policy of the Company or its Affiliates (including, without limitation, under Section 5(a) of the Employment Agreement between the Executive and the Company effective as of September 1, 2012) unless otherwise specifically provided therein in a specific reference to this Agreement.

11. Successors.

(a) Executive. This Agreement and rights under it are personal to the Executive and without the prior written consent of the Company shall not be assignable or assigned by the Executive. If the Executive dies or suffers a Disability after a Qualified Termination, this Agreement shall inure to the benefit of and be enforceable by the Executive's heirs or legal representatives, as the case may be.

(b) Company. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, including any transferee of all or substantially all of its assets as an entirety. The Company will require any successor (whether direct or indirect, by

purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in the preceding sentence, **"Company"** shall mean the Company as previously defined herein and any successor to its business and/or assets described in the preceding sentence that assumes and agrees to perform this Agreement by operation of law or otherwise.

12. Indemnification.

In any circumstance where, under the Company's certificate of incorporation, bylaws, The Macerich Partnership, L.P. Limited Partnership Agreement, or applicable law, the Company has the power to indemnify or advance expenses to the Executive in respect of any judgments, fines, settlements, loss, costs or expertise (including attorneys' fees) of any nature relating to or arising out of the Executive's activities as an agent, employee, officer or director of the Company or in any other capacity on behalf of or at the request of the Company, then the Company will promptly, upon written request, indemnify and advance expenses to the Executive to the fullest extent permitted by applicable law, including but not limited to, making such findings and determinations and taking any and all such actions as the Company may, under applicable law, be permitted to have the discretion to take so as to effectuate such indemnification or advancement. Such agreement by the Company will not be deemed to impair any other obligation of the Company or The Macerich Partnership, L.P. respecting indemnification of the Executive arising out of this or any other Agreement or promise by the Company or under the Company's certificate of incorporation, bylaws or any statute. In order to avoid the imposition of taxes and penalties on the Executive under Section 409A of the Code, (i) in no event shall the advancement of expenses by the Company under this Section 12 be made later than the end of the calendar year next following the calendar year in which such expenses were incurred, and the Executive shall be required to have submitted an invoice for such expenses at least 10 days before the end of the calendar year next following the calendar year in which such expenses were incurred; (ii) the amount of such expenses that the Company is obligated to pay in any given calendar year shall not affect the expenses that the Company is obligated to pay in any other calendar year; (iii) the Executive's right to have the Company pay such expenses may not be liquidated or exchanged for any other benefit; and (iv) the Company's obligations to pay such expenses shall apply to amounts incurred during the Executive's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date).

13. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to principles of conflict of laws.

(b) No Contract or Right of Employment. Nothing in this Agreement (1) shall be construed as creating an express or implied contract of employment, changing Executive's status as an employee at will, if that is or becomes the case, giving the Executive any right to be retained in the employ of the Company or any subsidiary or affiliate, or giving the Executive the right to any particular level of compensation or benefits or (2) shall interfere in any way with the right of

the Company or a subsidiary or affiliate, as the case may be, to terminate the Executive's employment at any time with or without Cause, subject in either case to any express payment and other obligations of the Company under this Agreement in the case of a termination of employment after the Effective Date.

(c) Termination Prior to Effective Date. If, prior to the Effective Date, the Executive's employment with the Company terminates, then the Executive shall have no rights under this Agreement.

(d) Headings. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(e) Amendments. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(f) Interest. Interest shall not be payable on any benefit payable by the Company under this Agreement prior to the time such payment is due.

(g) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

At the most recent address on file for the Executive at the Company.

If to the Company:

The Macerich Company
401 Wilshire Boulevard, No. 700
Santa Monica, California 90401
Attention: Secretary

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(h) Tax Withholdings. The Company shall be entitled to withhold from any amounts payable under or pursuant to this Agreement all taxes as legally shall be required (including, without limitation, United States federal taxes and any other state, city or local taxes).

(i) Strict Compliance; Severability. The Executive's or the Company's failure to insist upon strict compliance with any provision hereof or any other provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right with respect to any subsequent lack of

compliance, or of any other provision or right of this Agreement. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, if the essential terms from the perspective of both parties remain enforceable.

(j) Section 409A Compliance. This Agreement is intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom and shall in all respects be administered in accordance with Section 409A of the Code. The Company and the Executive mutually intend to structure the payments and benefits described in this Agreement, and the Executive's other compensation, to be exempt from or to comply with the requirements of Section 409A of the Code to the extent applicable. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may the Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement. If the Executive dies following the Date of Termination and prior to the payment of the any amounts delayed on account of Section 409A of the Code, such amounts shall be paid to the personal representative of the Executive's estate within thirty (30) calendar days after the date of the Executive's death. Prior to a Change of Control but within the time period permitted by the applicable Treasury Regulations, the Company may, in consultation with the Executive, modify the Agreement, in the least restrictive manner necessary and without any diminution in the value of the payments to the Executive, in order to cause the provisions of the Agreement to comply with the requirements of Section 409A of the Code, so as to avoid the imposition of taxes and penalties on the Executive pursuant to Section 409A of the Code.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Compensation Committee of its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

EXECUTIVE

/s/ Thomas J. Leanse
Thomas J. Leanse

THE MACERICH COMPANY

By: /s/ Richard A. Bayer
Richard A. Bayer
Senior Executive Vice President,
Chief Legal Officer & Secretary

Appendix A

Definition of Change of Control

"**Change of Control**" means any of the following:

(1) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) (such individual, entity, or group, a "**Person**") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 33% or more of either (A) the then-outstanding shares of common stock of the Company (the "**Outstanding Company Common Stock**") or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "**Outstanding Company Voting Securities**"); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliate of the Company or successor or (iv) any acquisition by any entity pursuant to a transaction that complies with Sections (3)(A), (3)(B) and (3)(C) below;

(2) Individuals who, as of the date hereof, constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board (including for these purposes, the new members whose election or nomination was so approved, without counting the member and his predecessor twice) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(3) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “**Business Combination**”), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets directly or through one or more subsidiaries (“**Parent**”)) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company

Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or a Parent or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination or Parent) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that the ownership in excess of 20% existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors or trustees of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(4) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Exhibit 10.6

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is entered into by and among THE MACERICH COMPANY, a Maryland corporation (the "Company"), THE MACERICH PARTNERSHIP, L.P., a Delaware limited partnership (the "Partnership") and THOMAS J. LEANSE (the "Executive"), effective as of September 1, 2012 (the "Agreement Effective Date") (but binding on the Company, the Partnership and the Executive (the "Parties") immediately upon execution).

WHEREAS, commencing on the Agreement Effective Date, the Executive will be seconded to the Company from the law firm of Katten Muchin Rosenman LLP ("Katten") until December 31, 2012 in the position of Senior Executive Vice President and, commencing on October 1, 2012, additionally in the positions as Chief Legal Officer and Secretary, and shall become a full-time employee of the Company, with those titles on January 1, 2013 (the "Employment Effective Date"); and

WHEREAS, the Parties desire to enter into this Agreement in connection with Executive's appointment as Senior Executive Vice President of the Company as of the Agreement Effective Date, Chief Legal Officer and Secretary as of October 1, 2012 and with respect to his full-time employment with the Company in those positions commencing on the Employment Effective Date, and to provide for the grant of certain equity awards on the Agreement Effective Date, on the terms and conditions provided herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Term. The Company hereby agrees to employ the Executive, and the Executive hereby agrees to serve the Company and the Partnership, subject to the terms and conditions of this Agreement, for the period commencing on the Employment Effective Date and ending on December 31, 2015 (the "Employment Period"). Upon the expiration of the Employment Period, this Agreement will lapse and have no further force or effect (other than as specifically stated herein), and the Executive shall become an "at-will" employee in accordance with the Company's customary practices.

2. Grant of Equity Awards on the Agreement Effective Date. On the Agreement Effective Date, subject to the secondment of the Executive to the Company by Katten on not less than a half-time basis not later than that date, the Executive shall be granted, pursuant to and subject to the terms and conditions of the Company's 2003 Equity Incentive Plan, as amended and restated as of June 8, 2009, and as it may subsequently be amended, restated or replaced (the "Equity Incentive Plan"):

(a) options to purchase 10,068 shares of the Company's common stock ("Stock"), which shall (i) have a per-share exercise price equal to the "Fair Market Value" (as defined in the Equity Incentive Plan) of one share of Stock on the date of grant, (ii) (A) vest as to 1/6 of the shares of Stock subject thereto on the Agreement Effective Date; provided, however, that such options shall be cancelled if the Executive voluntarily elects to not become a full-time employee of the Company on the Employment Effective Date as described in this Agreement or within thirty-five (35) days thereafter, and (B) vest as to 1/6 of the shares of Stock subject thereto on each on the first five (5) anniversaries of the date of grant, subject to the continued performance of services by the Executive to the Company on each such vesting date, (iii) have a term of ten (10) years, (iv) be intended to be "incentive stock options," as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), to the maximum extent allowable under the Code, and (v) be subject to such other terms and conditions as are contained in the applicable stock option agreement;

(b) 20,000 units of limited partnership in the Partnership which are designated as "LTIP Units" under the partnership agreement of the Partnership (the "Partnership Agreement"), which may, under certain circumstances described in the Partnership Agreement, become exchangeable for shares of Stock, which shall (i) vest on the Agreement Effective Date; provided, however, that such LTIP Units shall be cancelled if the Executive voluntarily elects to not become a full-time employee of the Company on the Employment Effective Date as described in this Agreement or within thirty-five (35) days thereafter, (ii) pay all distributions declared by the Partnership on a current basis (and not be subject to the accrual that is the current Company policy for performance LTIPs), (iii) not be subject to the two (2)-year hold after vesting that is the current Company policy for performance vesting LTIPs, and (iv) be subject to such other terms and conditions as are contained in the applicable LTIP Unit award agreement; and

(c) stock appreciation rights in respect of 39,932 shares of Stock, which shall (i) have a per-share base price equal to the "Fair Market Value" (as defined in the Equity Incentive Plan) of one share of Stock on the date of grant, (ii) vest on the Agreement Effective Date; provided, however, that such stock appreciation rights shall be cancelled if the Executive chooses to not become a full-time employee of the Company on the Employment Effective Date as described in this Agreement or within thirty-five (35) days thereafter, (iii) have a term of ten (10) years, and (iv) be subject to such other terms and conditions as are contained in the applicable stock appreciation rights agreement.

3. Terms of Employment.

(a) Position and Duties. (i) On the Agreement Effective Date and thereafter until the Employment Effective Date, the Executive shall be the Senior Executive Vice President of the Company, and commencing on the Employment Effective Date and thereafter during the Employment Period the Executive shall be the Senior Executive Vice President, Chief Legal Officer and Secretary of the Company, and shall serve the Company and the Partnership in such capacities by performing customary and appropriate duties as may be reasonably assigned to the Executive from time to time by the Chief Executive Officer of the Company (the "CEO"). The Executive shall report to the CEO. The Executive's primary office will be in the Los Angeles, California metropolitan area, and the Executive will be expected to travel as reasonably required in order to perform his duties.

(ii) During the period commencing on the Agreement Effective Date and thereafter during the Employment Period, the Executive agrees to devote at least one-half (prior to the Employment Effective Date) and substantially all (on and following the Employment Effective Date) of his attention and time during normal business hours to the business and affairs of the Company and the Partnership and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period, the Executive shall not be permitted to participate or invest in or manage any for-profit business activity or venture not arising in connection with the performance of his duties pursuant to this Agreement; provided, however, that it shall not be a violation of this Agreement for the Executive (A) with the prior written approval of the CEO, to serve on the boards of directors of for-profit companies, and (B) to serve on civic or charitable boards or committees (including, without limitation, the Board of Directors of Cedars-Sinai Medical Center and the Executive Committee of the Pacific Southwest Region of the Anti-Defamation League), deliver lectures, fulfill speaking engagements, or teach at educational institutions and manage personal investments which are competitive, so long as, in the case of activities described in the preceding clauses (A) and (B), (x) such activities do not materially interfere with the performance of the Executive's responsibilities in accordance with this Agreement or otherwise create a conflict of interest or breach of this Agreement, and (y) the Executive complies with applicable provisions of the Company's policies and procedures regarding such matters, if any.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary of not less than $500,000 (the "Annual Base Salary"). The Annual Base Salary shall be payable in installments in accordance with the Company's payroll policies in effect from time to time.

(ii) Annual Bonus. For each fiscal year or portion of a fiscal year of the Company during the Employment Period, the Executive shall be eligible to be awarded an annual incentive bonus (the "Annual Bonus"). The target Annual Bonus for each such fiscal year during the Employment Period shall be $750,000 (the "Target Bonus"). Each Annual Bonus shall be based upon the attainment of performance metrics determined by the CEO in consultation with the Executive, which metrics shall be communicated to the Executive as soon as reasonably practicable following their establishment. Each Annual Bonus shall be paid on the date on which annual bonuses are paid to senior executives of the Company generally, but not later than two-and-a-half (2-1/2) months after the end of the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to an arrangement that meets the requirements of Section 409A of the Code.

(iii) Equity Awards. Commencing on the next annual grant of long-term awards to senior executives of the Company generally following the Employment Effective Date, the Executive shall participate in long-term cash and equity incentive plans, practices, policies and programs of the Company, on a level commensurate with the Executive's position as Senior Executive Vice President. Any equity awards (whether granted pursuant to this provision or Section 2) shall have terms regarding treatment upon termination of employment no less favorable than those generally applicable to the Company's other senior executive officers.

(iv) Health and Other Benefits. During the Employment Period, the Executive (and/or the Executive's family) shall be eligible for participation in, and receive benefits under, health plans, practices, policies and programs, and other employee benefit

arrangements, provided by the Company to the same extent as provided generally to similarly situated senior executives of the Company during the Employment Period. In addition to health benefits, such arrangements include as of the Agreement Effective Date a 401(k) plan, deferred compensation plan, and disability and life insurance.

(v) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits in accordance with the plans, practices, programs and policies of the Company in effect from time to time on a level commensurate with the Executive's position as Senior Executive Vice President of the Company. The Company reserves the right to amend or cancel any such plan, practice, policy or program in its sole discretion, subject to the terms of such plan, practice, policy or program and applicable law.

(vi) Vacation. During the Employment Period, the Executive shall be entitled to receive not less than four (4) weeks of paid vacation per year.

(vii) Expenses. The Company shall reimburse the Executive for any reasonable travel and entertainment expenses incurred by the Executive in connection with the performance of the Executive's services under this Agreement, subject and pursuant to the Company's reimbursement policies, if any, as in effect from time to time; provided, however, that in all circumstances the Executive shall document or substantiate such expenses to the reasonable satisfaction of the Company; and provided further that all reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code to the extent that such reimbursements are subject to Section 409A of the Code, including, where applicable, the requirements that (A) any reimbursement is for expenses incurred during the Employment Period, (B) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (C) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (D) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

(viii) Other Benefits. During the Employment Period, the Executive shall be entitled to participate in all executive and employee benefit plans and programs of the Company on the same basis as provided generally to other senior executives of the Company from time to time. The Company reserves the right to amend or cancel any such plan or program in its sole discretion, subject to the terms of such plan or program and applicable law.

4. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Disability (as defined below) of the Executive has occurred during the Employment Period, the Company may provide the Executive with written notice in accordance with Section 4(d) of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the thirtieth (30th) calendar day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that within thirty (30) calendar days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the

Executive from the Executive's duties with the Company on a full-time basis for one hundred eighty (180) consecutive calendar days or two hundred forty (240) calendar days within any twelve (12)-month period as a result of incapacity due to mental or physical illness.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period either with or without Cause. For purposes of this Agreement, "Cause" shall mean, as reasonably determined by the Board, the Executive's:

(i) failure to substantially perform his duties with the Company or the Partnership or to follow the lawful instructions of the Board or the CEO, unless the Executive has not cured such failure within thirty (30) days following his receipt of written notice from the Board specifying with particularity the alleged failure;

(ii) illegal conduct or gross misconduct that is materially injurious to the Company;

(iii) material breach of his obligations under this Agreement, unless the Executive has cured such failure (if curable) within thirty (30) days following his receipt of written notice, including without limitation the confidentiality provisions and restrictive covenants set forth in Sections 8 and 9;

(iv) commission of or entry of a plea of guilty or *nolo contendere* with respect to, a felony or a crime involving fraud, forgery, embezzlement, or similar conduct;

(v) willful and knowing material violation of any (A) material rules or regulations of any governmental or regulatory body that are material to the business of the Company or the Partnership or (B) U.S. securities laws; provided that, for the avoidance of doubt, a violation shall not be considered as willful or knowing where the Executive has acted in a manner consistent with specific advice of outside counsel to the Company; or

(vi) failure to cooperate, if requested by the Board or the CEO, with any investigation or inquiry by the Company or the Partnership, the Securities and Exchange Commission or another governmental body into the Executive's, the Company's or the Partnership's business practices, whether internal or external, including, but not limited to, the Executive's refusal to be deposed or to provide testimony at any trial or inquiry.

(c) Good Reason. The Executive's employment may be terminated during the Employment Period by the Executive for Good Reason or by the Executive voluntarily without Good Reason. "Good Reason" means the occurrence of any one of the following events without the prior written consent of the Executive:

(i) a material diminution of the Executive's duties, responsibilities, authorities, powers, or functions;

(ii) a relocation that would result in the Executive's principal location of employment being moved thirty-five (35) miles or more away from his current principal location and, as a result, the Executive's commute increasing by thirty-five (35) miles or more; or

(iii) a material breach of this Agreement by the Company;

provided, however, that the actions in each of (i), (ii), and (iii) above will not be considered Good Reason unless the Executive describes the basis for the events, circumstances, or conditions alleged by the Executive to constitute grounds for Good Reason in reasonable detail in a Notice of Termination (as defined below) provided to the Company in writing within ninety (90) calendar days following the Executive's knowledge of such events, circumstances, or conditions alleged to constitute Good Reason, and the Company has failed to cure such events, circumstances, or conditions within thirty (30) calendar days of receiving such Notice of Termination (and if the Company does effect a cure within that period, such Notice of Termination shall be ineffective). Unless the Executive gives the Company notice within ninety (90) calendar days of the Executive first becoming aware of any event, circumstance, or condition that, after any applicable notice and the lapse of any applicable thirty (30)-calendar-day grace period, would constitute Good Reason, such event will cease to be an event, circumstance, or condition constituting Good Reason.

(d) Notice of Termination. Any termination of employment by the Company or the Executive shall be communicated by a Notice of Termination (as defined below) to the other party hereto given in accordance with Section 16(e). For purposes of this Agreement, a "Notice of Termination" shall mean a written notice that (i) indicates the termination provision in this Agreement relied upon and (ii) specifies the Date of Termination (as defined below) if such date is other than the date of receipt of such notice. The failure by the Company or the Executive to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Cause or Good Reason shall not waive any right of the Company or the Executive, respectively, hereunder or preclude the Company or the Executive, respectively, from asserting such fact or circumstance in enforcing the Company's or the Executive's rights hereunder.

(e) Date of Termination. "Date of Termination" shall mean (i) if the Executive's employment is terminated by the Company for Cause or other than for Cause or death or Disability, the date of receipt of the Notice of Termination or any later date specified therein (which date shall not be more than thirty (30) calendar days after the giving of such notice), (ii) if the Executive's employment is terminated by reason of death or by the Company for Disability, the date of death of the Executive or the Disability Effective Date, as the case may be, and (iii) if the Executive resigns with or without Good Reason, thirty (30) calendar days from the date of the Company's receipt of the Notice of Termination, or such other date as is mutually agreed by the Company and the Executive (subject to the Company's right to cure in the case of a resignation for Good Reason). Notwithstanding the foregoing, in no event shall the Date of Termination occur until the Executive experiences a "separation from service" within the meaning of Section 409A of the Code and, notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the "Date of Termination."

5. Obligations of the Company upon Termination.

(a) By the Company Other Than for Cause, Death or Disability; By the Executive for Good Reason. Subject to Section 6, if, during the Employment Period, (x) the

Company shall terminate the Executive's employment other than for Cause, death or Disability or (y) the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive the following amounts:

(A) a lump sum payment within thirty (30) days following the Date of Termination equal to the aggregate of the following amounts: (1) the Executive's Annual Base Salary and vacation pay accrued through the Date of Termination; (2) the Executive's accrued Annual Bonus for the fiscal year immediately preceding the fiscal year in which the Date of Termination occurs (other than any portion of such Annual Bonus that was previously deferred, which portion shall instead be paid in accordance with the applicable deferral election); and (3) the Executive's business expenses that have not been reimbursed by the Company as of the Date of Termination and were incurred by the Executive prior to the Date of Termination in accordance with the applicable Company policy, in the case of each of clauses (1), (2), and (3), to the extent not previously paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) subject to the Executive's delivery (and non-revocation) of an executed release of claims against the Company and its officers, directors, employees and affiliates in substantially the form attached hereto as Exhibit A (the "Release"), which Release must be delivered to the Company not later than twenty-two (22) calendar days after the Date of Termination (the "Release Deadline") and not revoked (as to the waiver of age discrimination claims contained therein) in accordance with the terms thereof, a lump sum payment of $2,500,000, not later than first business day which is more than thirty (30) days following the Date of Termination.

(ii) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or that the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company through the Date of Termination (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

Notwithstanding the foregoing provisions of Section 5(a)(i), in the event that the Executive is a "specified employee" (within the meaning of Section 409A of the Code and with such classification to be determined in accordance with the methodology established by the applicable employer) (a "Specified Employee"), amounts and benefits (other than the Accrued Obligations) that are deferred compensation (within the meaning of Section 409A of the Code) that would otherwise be payable or provided under Section 5(a)(i) during the six (6)-month period immediately following the Date of Termination shall instead be paid, with interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code ("Interest"), on the first business day which is more than six (6) months following the Date of Termination.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than payment of the Accrued Obligations and the Other Benefits. The Accrued Obligations shall be

paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within thirty (30) calendar days following the Date of Termination. The term "Other Benefits" as utilized in this Section 5(b) shall include death benefits as in effect on the date of the Executive's death with respect to senior executives of the Company.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, the Company shall provide the Executive with the Accrued Obligations and the Other Benefits. The Accrued Obligations shall be paid to the Executive in a lump sum in cash within thirty (30) calendar days following the Date of Termination. The term "Other Benefits" as utilized in this Section 5(c) shall include short-term and long-term disability benefits as in effect on the date of the Executive's Disability with respect to senior executives of the Company.

(d) Cause; By the Executive Other Than for Good Reason. If the Executive's employment shall be terminated for Cause or the Executive's employment shall be terminated by the Executive other than for Good Reason during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to provide the Executive with the Accrued Obligations and the Other Benefits; provided, however, that if the Executive's employment shall be terminated for Cause, the term "Accrued Obligations" shall not be deemed to include the Executive's unpaid Annual Bonus, if any, for the fiscal year immediately preceding the fiscal year in which the Date of Termination occurs. The Accrued Obligations shall be paid to the Executive in a lump sum in cash within thirty (30) calendar days following the Date of Termination.

6. Non-exclusivity of Rights. Except as specifically set forth herein, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company and for which the Executive qualifies pursuant to its terms, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts that are vested benefits or that the Executive is otherwise entitled to receive pursuant to the terms of any plan, program, policy or practice of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, program, policy or practice or contract or agreement, except as explicitly modified by this Agreement.

7. No Mitigation; No Offset. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and such amounts shall not be reduced, regardless of whether the Executive obtains other employment.

8. Confidential Information and Trade Secrets. (a) The Executive acknowledges that the term "Confidential Information" as used in this Agreement means all items, materials and information (whether or not reduced to writing and whether or not patentable or copyrightable) which belong to the Company or which the Company's suppliers or customers or clients have communicated to the Company in the course of the Company's business, and which reflect, consist of or refer to:

(i) information technology; methods and processes; designs and formulations; the content or composition of goods or services; techniques; business strategies or operations; formulas; compilations of data or reports; plans; tools or equipment; inventions; know-how; technical disclosures, patent applications, blueprints or specifications; financial, marketing, sales, personnel or salary information; forms, legal documents or memoranda; software, computer programs or databases; any documents prepared by or on behalf of the Company or Company suppliers, customers or clients;

(ii) information compiled, collected or developed by the Company reflecting the identities of those customers and clients of the Company which are not generally known outside the Company or whose relationship with the Company as a customer or client is not generally known outside the Company; characteristics of any customers or clients of the Company or of customer or client representatives, including without limitation product or service preferences or requirements, cost or price information for goods or services offered or sold, credit terms or credit performance, actual or likely order cycles, the nature of goods delivered or services performed, or research or development plans or activities;

(iii) information compiled, collected, or developed by the Company reflecting identities of any suppliers of the Company which are not generally known outside the Company or whose relationship with the Company as a supplier is not generally known outside the Company; characteristics of any supplier of the Company, or supplier representatives, including without limitation cost or price information for goods or services offered or purchased, audit terms, the nature of goods delivered or services performed, product or service quality and reliability, delivery terms, or research or development plans or activities;

(iv) prices, fees, discounts, selling techniques or distribution methods used by the Company; or

(v) any other confidential or proprietary information obtained directly or indirectly while employed by the Company.

(b) The Executive acknowledges that the term "Trade Secret" as used in this Agreement means the whole or any portion or phase of any scientific or technical or business information, including, but not limited to, any design, process, procedure or system, formula, improvement, or invention that (i) derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of the Company's reasonable efforts to maintain its secrecy. In addition to information belonging to the Company, information furnished to the Company by other parties can be a Trade Secret.

(c) The term "Confidential Information" includes information which may also be a Trade Secret, but does not include anything described above which is now generally known by parties other than the Company, its affiliates and employees, or becomes generally known, through no breach of this Section 8 on the part of the Executive.

(d) The Executive acknowledges that Confidential Information is and remains confidential regardless of whether or not any Company report or form or other document contains any statement regarding confidentiality.

(e) The Executive agrees to hold all Confidential Information in confidence and to not use directly or indirectly, for Executive's own benefit or the benefit of any other party, corporate or otherwise, or publish or cause to be published or otherwise disclose to anyone other than the Company or its designee, any Confidential Information or Trade Secrets except as compelled by law and except as required to conduct the Company's business. This provision shall survive for five (5) years after the Date of Termination.

(f) The Executive will, upon demand, and without demand immediately upon the termination of the Executive's employment, surrender to the Company any and all documents, including without limitation computer memory, reports and forms containing Confidential Information and any and all other business records, prototypes and materials which the Executive may have created or received from the Company during the Executive's employment, or which pertain to the Company's business, and all copies thereof, which are in the Executive's possession or control at the time of the demand or the termination of the Executive's employment, however made or obtained.

9. Non-Solicitation. During the Executive's employment, and for a period of twelve (12) months immediately following the Date of Termination, (a) Executive shall not induce, or aid others to induce, any individual who is, or was during the six (6) months preceding the time of the aid or inducement, employed by the Company or any of its subsidiaries to terminate his or her employment with the Company or any of its subsidiaries or do anything which violates any written employment agreement he or she may have with the Company or any of its subsidiaries, and (b) in recognition of the status of information regarding compensation and other personnel information of Company employees as Confidential Information, the Executive shall not solicit or aid others to solicit an individual who is, or was during the six (6) months preceding the time of the solicitation, employed by the Company or any of its subsidiaries for, or offer to any such individual, competitive employment; provided, however, that the provisions of this Section 9 shall not apply to the Executive's secretary or executive assistant. For purposes of the preceding sentence, the term "Company" includes the Company and its affiliates, and the personnel and directors of any of them, or any product or service offered by the Company or any of its affiliates.

10. Provisions Generally Applicable to Sections 8, 9 and 10.

(a) The term "Company," when used in Sections 8, 9 and 10, refer collectively to the Company, the Partnership, and each other entity directly or directly controlling, controlled by, or under common control with, any of them.

(b) The Executive understands that the provisions of Sections 8 and 9 may limit his ability to earn a livelihood in a business similar to the Business but the Executive nevertheless agrees and hereby acknowledges that (i) such provisions do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company and its members, principals and directors, (ii) such provisions contain reasonable limitations as to time and scope of activity to be restrained, (iii) such provisions are not harmful to the general public, (iv) such provisions are not unduly burdensome to the Executive, and (v) the consideration provided hereunder is sufficient to compensate the Executive for the restrictions contained in Sections 8 and 9. If any court determines that any of the covenants of Sections 8 and 9, or any part thereof, is invalid or unenforceable, the remainder of the covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions. In the event any covenant made in this Agreement shall be more restrictive than permitted by applicable law, it shall be limited to the extent which is so permitted and, in its reduced form, such provision shall then be enforceable. Nothing in this Agreement shall be construed as preventing the Company from pursuing any and all other remedies available to it for the breach or threatened breach of covenants made in this Agreement, including recovery of money damages or temporary or permanent injunctive relief. Accordingly, the Executive acknowledges that the remedy at law for breach of the provisions of this Agreement may be inadequate and that, in addition to any other remedy the Company may have, it shall be entitled to an injunction restraining any breach or threatened breach, without any bond or other security being required and without the necessity of showing actual damages. Notwithstanding anything in this Agreement to the contrary, Sections 8 and 9 shall survive the early termination of the Employment Period and the termination of this Agreement and remain in effect in accordance with their respective terms.

11. Successors. This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns as long as the Company remains liable hereunder.

12. Executive's Representations. The Executive hereby warrants that he has the full authority to execute and enter into this Agreement and that his execution of this Agreement and commencement and performance of employment with the Company shall not contravene any obligations he may have to any prior employer. The Executive represents and warrants that he has disclosed to the Company all provisions in any agreements with his current and previous employers, if any, that purport to restrict his activities following employment with each such employer and that he is subject to no agreement or restriction that would limit his ability to execute and deliver this Agreement or serve in the capacities and fully perform the services contemplated herein.

13. Recoupment. The Executive agrees to comply with any recoupment policy adopted by the Company in respect of its senior executives.

14. Change of Control.

(a) The Parties acknowledge that the Executive has entered into a Management Continuity Agreement, dated as of September 1, 2012, which will be effective as to a "Change of Control" (as defined therein) of the Company occurring on or following the Employment Effective Date.

(b) If a "Change of Control" (as defined in the aforementioned Management Continuity Agreement) occurs following the Agreement Effective Date and prior to the Employment Effective Date, and the Executive is not offered employment with the surviving entity in such Change of Control transaction on terms no less favorable to the Executive than those set forth in this Agreement applicable on and following the Employment Effective Date, and the Executive's employment does not continue with such surviving entity following the Change of Control transaction (whether by the election of the Executive or the surviving entity), the Executive shall receive a lump sum payment of $3,750,000, not later than first business day which is more than five (5) days following the consummation of the Change of Control transaction. Also, in such event, Section 15 shall apply.

15. Reduction of Certain Payments.

(a) Anything in this Agreement to the contrary notwithstanding, in the event that (i) there is a transaction described in Section 15(b) (including, for the sake of clarity, that such transaction occurs prior to the Employment Effective Date), and (ii) the receipt of all payments or distributions by the Company in the nature of compensation to or for the Executive's benefit, whether paid or payable pursuant to this Agreement or otherwise (a "Payment"), would subject the Executive to the excise tax under Section 4999 of the Code, the accounting firm which audited the Company prior to the corporate transaction which results in the application of such excise tax, or another nationally known accounting or employee benefits consulting firm selected by the Company prior to the corporate transaction (the "Accounting Firm"), shall determine whether to reduce any of the Payments paid or payable pursuant to this Agreement (the "Agreement Payments") to the Reduced Amount (as defined below). The Agreement Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that the Executive would have a greater Net After-Tax Receipt (as defined below) of aggregate Payments if the Executive's Agreement Payments were reduced to the Reduced Amount. If such a determination is not made by the Accounting Firm, the Executive shall receive all Agreement Payments to which the Executive is entitled under this Agreement.

(b) If the Accounting Firm determines that aggregate Agreement Payments should be reduced to the Reduced Amount, the Company shall promptly give the Executive notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 15 shall be made as soon as reasonably practicable and in no event later than sixty (60) days following the date of termination or such earlier date as requested by the Company and the Executive. For purposes of reducing the Agreement Payments to the Reduced Amount, only amounts payable under this Agreement (and no other Payments) shall be reduced. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

(c) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed (the "Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Executive pursuant to this Agreement could have been so paid or distributed (the "Underpayment"), in each case, consistent with the calculation of the

Reduced Amount hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the Accounting Firm believes has a high probability of success, determines that an Overpayment has been made, the Executive shall pay any such Overpayment to the Company, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be paid promptly (and in no event later than sixty (60) days following the date on which the Underpayment is determined) by the Company to or for the benefit of the Executive together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(d) For purposes hereof, the following terms have the meanings set forth below: (i) "Reduced Amount" shall mean the greatest amount of Payments that can be paid that would not result in the imposition of the excise tax under Section 4999 of the Code if the Accounting Firm determines to reduce Payments pursuant to this Section 15 and (ii) "Net After-Tax Receipt" shall mean the present value (as determined in accordance with Section 280G(b)(2)(A)(ii) and Section 280G(d)(4) of the Code) of a Payment net of all taxes imposed on Executive with respect thereto under Section 1 and Section 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to the Executive's taxable income for the immediately preceding taxable year, or such other rate(s) as the Executive certifies, in the Executive's sole discretion, as likely to apply to him in the relevant tax year(s).

16. Miscellaneous.

(a) Governing Law; Dispute Resolution. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflict of laws. Any dispute or controversy arising under or in connection with this Agreement shall be settled by arbitration before a sole arbitrator in accordance with the commercial arbitration rules of the Judicial Arbitration and Mediation Service then in effect. Judgment may be entered on the arbitral award in any court having jurisdiction. The place of arbitration shall be Santa Monica or Los Angeles, California. The arbitral award shall be final and binding. The provisions of this Section 16(a) shall provide the sole jurisdiction and venue for resolving any disputes arising under or in connection with this Agreement; provided, however, that each party retains the right to seek judicial assistance: (i) to compel arbitration; (ii) to obtain interim measures of protection prior to or pending arbitration; (iii) to seek injunctive relief in the courts of any jurisdiction as may be necessary and appropriate to protect the unauthorized disclosure of its proprietary or confidential information, or to enforce the provisions of Sections 8 and 9; and (iv) to enforce any decision of the arbitrator, including the final award. The arbitration proceedings contemplated by this Agreement shall be as confidential and private as permitted by law.

(b) Headings. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(c) Amendment. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(d) Merger. From and after the date of this Agreement, this Agreement shall supersede and replace any other written or oral employment agreement or understanding between the parties with respect to the subject matter hereof in effect immediately prior to the execution of this Agreement.

(e) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: At the most recent address
on file at the Company

If to the Company: The Macerich Company
401 Wilshire Boulevard, Suite 700
Santa Monica, California 90401
Attention: Chief Executive Officer

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(g) Withholding of Amounts. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(h) No Waiver. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(i) Survivability. Any provision of this Agreement that by its terms continues after the expiration of the Employment Period or the termination of the Executive's employment shall survive in accordance with its terms.

(j) Code Section 409A. This Agreement is intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom and shall in all respects be administered in accordance with Section 409A of the Code. The Company and the Executive mutually intend to structure the payments and benefits described in this Agreement, and the Executive's other compensation, to be exempt from or to comply with the requirements of Section 409A of the Code to the extent applicable. Each payment under this

Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may the Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement. If the Executive dies following the Date of Termination and prior to the payment of any amounts delayed on account of Section 409A of the Code, such amounts shall be paid to the personal representative of the Executive's estate within thirty (30) calendar days after the date of the Executive's death. All reimbursements and in-kind benefits provided under this Agreement that constitute deferred compensation within the meaning of Section 409A of the Code shall be made or provided in accordance with the requirements of Section 409A of the Code, including, without limitation, that (i) in no event shall reimbursements by the Company under this Agreement be made later than the end of the calendar year next following the calendar year in which the applicable fees and expenses were incurred; provided that the Executive shall have submitted an invoice for such fees and expenses at least ten (10) calendar days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred; (ii) the amount of in-kind benefits that the Company is obligated to pay or provide in any given calendar year shall not affect the in-kind benefits that the Company is obligated to pay or provide in any other calendar year; (iii) the Executive's right to have the Company pay or provide such reimbursements and in-kind benefits may not be liquidated or exchanged for any other benefit; and (iv) in no event shall the Company's obligations to make such reimbursements or to provide such in-kind benefits apply later than the Executive's remaining lifetime (or if longer, through the twentieth (20th) anniversary of the Agreement Effective Date). Prior to a "change of control" but within the time period permitted by the applicable Treasury Regulations, the Company may, in consultation with the Executive, modify this Agreement in the least restrictive manner necessary and without any diminution in the value of the payments to the Executive, in order to cause the provisions of this Agreement to comply with the requirements of Section 409A of the Code, so as to avoid the imposition of taxes and penalties on the Executive pursuant to Section 409A of the Code.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

THOMAS J. LEANSE

/s/ Thomas J. Leanse

THE MACERICH COMPANY

By: /s/ Richard A. Bayer
Name: Richard A. Bayer
Title: Senior Executive Vice President and Chief Legal Officer

THE MACERICH PARTNERSHIP, L.P

By: THE MACERICH COMPANY, its General Partner

By: /s/ Richard A. Bayer
Name: Richard A. Bayer
Title: Senior Executive Vice President and Chief Legal Officer

EXHIBIT A

RELEASE OF CLAIMS

This General Release of all Claims (this "Agreement") is entered into on , 20 , by Thomas J. Leanse (the "Executive"), The Macerich Company, a Maryland corporation (the "Company"), and The Macerich Partnership, L.P., a Delaware limited partnership (the "Partnership").

In consideration of the promises set forth in the Employment Agreement among the Executive, the Company and the Partnership, effective as of September 1, 2012 (the "Employment Agreement"), the Executive agrees as follows:

1. General Release and Waiver of Claims.

(a) Release. In consideration of the payments and benefits provided to the Executive under the Employment Agreement and after consultation with counsel, the Executive and each of the Executive's respective heirs, executors, administrators, representatives, agents, successors and assigns (collectively, the "Releasors") hereby irrevocably and unconditionally release and forever discharge the Company, the Partnership and each of their respective subsidiaries and affiliates and each of their respective officers, employees, directors, shareholders and agents ("Releasees") from any and all claims, actions, causes of action, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind or character (collectively, "Claims"), including, without limitation, any Claims under any federal, state, local or foreign law, that the Releasors may have or in the future may possess, arising out (i) of the Executive's employment relationship with and service as an employee, officer or director of the Company and the Partnership, and the termination of such relationship or service and (ii) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; provided, however, that notwithstanding anything else herein to the contrary, this Agreement shall not affect: the obligations of the Company, the Partnership or the Executive set forth in the Employment Agreement or other obligations that, in each case, by their terms, are to be performed after the date hereof by the Company, the Partnership or the Executive (including, without limitation, obligations to the Executive under the Employment Agreement for any severance or similar payments or benefits, under any stock option, stock or equity-based award, plan or agreements, or payments or obligations under any pension plan or other benefit or deferred compensation plan, all of which shall remain in effect in accordance with their terms); any indemnification or similar rights the Executive has as a current or former officer or director of the Company or the Partnership, including, without limitation, any and all rights thereto referenced in the Employment Agreement, the Company's bylaws, the Partnership's partnership agreement, other governance documents or any rights with respect to directors' and officers' insurance policies; the Executive's right to reimbursement of business expenses; and any Claims the Releasors may have against the Releasees in the event that the Company or any member of the Releasees brings any Claims against the Executive or any member of the Releasors.

(b) Specific Release of ADEA Claims. In further consideration of the payments and benefits provided to the Executive under the Employment Agreement, the

Releasors hereby unconditionally release and forever discharge the Releasees from any and all Claims that the Releasors may have as of the date the Executive signs this Agreement arising under the Federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder ("ADEA"). By signing this Agreement, the Executive hereby acknowledges and confirms the following: (i) the Executive was advised by the Company in connection with his termination to consult with an attorney of his choice prior to signing this Agreement and to have such attorney explain to the Executive the terms of this Agreement, including, without limitation, the terms relating to the Executive's release of claims arising under ADEA, and the Executive has in fact consulted with an attorney; (ii) the Executive was given a period of not fewer than twenty-one (21) calendar days to consider the terms of this Agreement and to consult with an attorney of his choosing with respect thereto; and (iii) the Executive knowingly and voluntarily accepts the terms of this Agreement. The Executive also understands that he has seven (7) calendar days following the date on which he signs this Agreement within which to revoke the release contained in this paragraph, by providing the Company a written notice of his revocation of the release and waiver contained in this paragraph.

(c) No Assignment. The Executive represents and warrants that he has not assigned any of the Claims being released under this Agreement.

2. Proceedings. The Executive has not filed, and agrees not to initiate or cause to be initiated on his behalf, any complaint, charge, claim or proceeding against the Releasees before any local, state or federal agency, court or other body, other than with respect to the obligations of the Company or the Partnership to the Executive under the Employment Agreement or in respect of any other matter described in the proviso to Section 1(a) (each, individually, a "Proceeding"), and agrees not to participate voluntarily in any Proceeding. The Executive waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding.

3. Remedies. In the event the Executive initiates or voluntarily participates in any Proceeding following his receipt of written notice from the Company and a failure to cease such participation within thirty (30) calendar days following receipt of such notice, or if he revokes the ADEA release contained in Section 1(b) of this Agreement within the seven (7)-calendar-day period provided under Section 1(b), the Company may, in addition to any other remedies it may have, reclaim any amounts paid to him under the termination provisions of the Employment Agreement or terminate any benefits or payments that are subsequently due under the Employment Agreement, without waiving the release granted herein. The Executive understands that by entering into this Agreement he will be limiting the availability of certain remedies that he may have against the Company and the Partnership and limiting also his ability to pursue certain claims against the Company and the Partnership.

4. Section 1542 of the Civil Code of the State of California Waiver. The Executive acknowledges that he may hereafter discover Claims or facts in addition to or different from those which the Executive knows or believes to exist with respect to the subject matter of this Agreement and which, if now or suspected at the time of executing this Agreement, may have materially affected this release contained in this Agreement or the Executive's decision to enter into this Agreement. Nevertheless, the Releasors hereby waive any right or Claim that might

arise as a result of such different or additional Claims or facts and the Releasors hereby expressly waive any and all rights and benefits conferred upon the Releasors by the provision of Section 1542 of the Civil Code of the State of California, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

5. Severability Clause. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, will be inoperative.

6. Nonadmission. Nothing contained in this Agreement will be deemed or construed as an admission of wrongdoing or liability on the part of the Company or the Partnership.

7. Governing Law. All matters affecting this Agreement, including the validity thereof, are to be governed by, and interpreted and construed in accordance with, the laws of the State of California applicable to contracts executed in and to be performed in that State.

8. Notices. All notices or communications hereunder shall be in writing, addressed as provided in Section 16(e) of the Employment Agreement.

THE EXECUTIVE ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT AND THAT HE FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT HE HEREBY EXECUTES THE SAME AND MAKES THIS AGREEMENT AND THE RELEASE AND AGREEMENTS PROVIDED FOR HEREIN VOLUNTARILY AND OF HIS OWN FREE WILL.

IN WITNESS WHEREOF, the Executive has executed this Agreement on the date first set forth below.

THE EXECUTIVE

Thomas J. Leanse

Date of Execution: ____________________

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Exhibit 31.1

THE MACERICH COMPANY

SECTION 302 CERTIFICATION

I, Arthur M. Coppola, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended September 30, 2012 of The Macerich Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

	/s/ ARTHUR M. COPPOLA
Date: November 5, 2012	*Chairman and Chief Executive Officer*

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Exhibit 31.2

THE MACERICH COMPANY

SECTION 302 CERTIFICATION

I, Thomas E. O'Hern, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended September 30, 2012 of The Macerich Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ THOMAS E. O'HERN

Senior Executive Vice President and Chief Financial Officer

Date: November 5, 2012

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Exhibit 32.1

THE MACERICH COMPANY
WRITTEN STATEMENT
PURSUANT TO
18 U.S.C. SECTION 1350

The undersigned, Arthur M. Coppola and Thomas E. O'Hern, the Chief Executive Officer and Chief Financial Officer, respectively, of The Macerich Company (the "Company"), pursuant to 18 U.S.C. §1350, each hereby certifies that, to the best of his knowledge:

(i) the Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 of the Company (the "Report") fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2012

/s/ ARTHUR M. COPPOLA

Chairman and Chief Executive Officer

/s/ THOMAS E. O'HERN

Senior Executive Vice President and Chief Financial Officer