UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2019

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

For the transition period from ___________ to ___________

Commission File No. 1-12504

THE MACERICH COMPANY

(Exact name of registrant as specified in its charter)

MARYLAND	**95-4448705**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
401 Wilshire Boulevard, Suite 700, Santa Monica, California	**90,401**
(Address of principal executive office, including zip code)	(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 x NO o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). YES x NO o

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

Large accelerated filer x	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o
			Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.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 x

Securities registered pursuant to Section 12(b) of the Securities Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, $0.01 Par Value	MAC	New York Stock Exchange

Number of shares outstanding as of May 3, 2019 of the registrant's common stock, par value $0.01 per share: 141,238,583 shares

THE MACERICH COMPANY

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THE MACERICH COMPANY

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except par value)

(Unaudited)

	March 31, 2019	December 31, 2018
ASSETS:		
Property, net	$ 6,737,198	$ 6,785,776
Cash and cash equivalents	111,022	102,711
Restricted cash	43,053	46,590
Tenant and other receivables, net	104,738	123,492
Right-of-use assets, net	156,260	—
Deferred charges and other assets, net	307,667	390,403
Due from affiliates	14,903	85,181
Investments in unconsolidated joint ventures	1,528,080	1,492,655
Total assets	$ 9,002,921	$ 9,026,808
LIABILITIES AND EQUITY:		
Mortgage notes payable	$ 4,162,072	$ 4,073,916
Bank and other notes payable	848,948	908,544
Accounts payable and accrued expenses	59,024	59,392
Lease liabilities	122,105	—
Other accrued liabilities	244,649	303,051
Distributions in excess of investments in unconsolidated joint ventures	116,634	114,988
Financing arrangement obligation	364,220	378,485
Total liabilities	5,917,652	5,838,376
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Common stock, $0.01 par value, 250,000,000 shares authorized, 141,332,786 and 141,221,712 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	1,413	1,412
Additional paid-in capital	4,574,600	4,567,643
Accumulated deficit	(1,714,789)	(1,614,357)
Accumulated other comprehensive loss	(6,511)	(4,466)
Total stockholders' equity	2,854,713	2,950,232
Noncontrolling interests	230,556	238,200
Total equity	3,085,269	3,188,432
Total liabilities and equity	$ 9,002,921	$ 9,026,808

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 March 31,	
	2019	**2018**
Revenues:		
Leasing revenue	$ 211,008	$ 218,112
Other	5,334	8,080
Management Companies	10,180	10,542
Total revenues	226,522	236,734
Expenses:		
Shopping center and operating expenses	69,604	74,510
Leasing expenses	7,505	3,334
Management Companies' operating expenses	19,014	34,989
REIT general and administrative expenses	6,961	8,019
Depreciation and amortization	81,468	79,937
	184,552	200,789
Interest (income) expense:		
Related parties	(10,447)	10,169
Other	48,804	42,466
	38,357	52,635
Loss on extinguishment of debt, net	351	—
Total expenses	223,260	253,424
Equity in income of unconsolidated joint ventures	12,243	16,872
Income tax (expense) benefit	(346)	2,949
Loss on sale or write down of assets, net	(6,316)	(37,512)
Net income (loss)	8,843	(34,381)
Less net income (loss) attributable to noncontrolling interests	1,019	(808)
Net income (loss) attributable to the Company	$ 7,824	$ (33,573)
Earnings per common share—attributable to common stockholders:		
Basic	$ 0.05	$ (0.24)
Diluted	$ 0.05	$ (0.24)
Weighted average number of common shares outstanding:		
Basic	141,262,000	141,024,000
Diluted	141,262,000	141,050,000

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Dollars in thousands, except per share amounts)

(Unaudited)

	For the Three Months Ended March 31,	
	2019	**2018**
Net income (loss)	$ 8,843	$ (34,381)
Other comprehensive income (loss):		
Interest rate cap/swap agreements	(2,045)	61
Comprehensive income (loss)	6,798	(34,320)
Less net income (loss) attributable to noncontrolling interests	1,019	(808)
Comprehensive income (loss) attributable to the Company	$ 5,779	$ (33,512)

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF EQUITY

(Dollars in thousands, except per share data)

(Unaudited)

	Stockholders' Equity						Noncontrolling Interests	Total Equity
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity		
	Shares	Par Value						
Balance at January 1, 2019	141,221,712	$ 1,412	$ 4,567,643	$ (1,614,357)	$ (4,466)	$ 2,950,232	$ 238,200	$ 3,188,432
Net income	—	—	—	7,824	—	7,824	1,019	8,843
Cumulative effect of adoption of ASC 842	—	—	—	(2,203)	—	(2,203)	—	(2,203)
Interest rate cap/swap agreements	—	—	—	—	(2,045)	(2,045)	—	(2,045)
Amortization of share and unit-based plans	90,074	1	6,664	—	—	6,665	—	6,665
Distributions declared ($0.75 per share)	—	—	—	(106,053)	—	(106,053)	—	(106,053)
Distributions to noncontrolling interests	—	—	—	—	—	—	(8,343)	(8,343)
Conversion of noncontrolling interests to common shares	21,000	—	1,005	—	—	1,005	(1,005)	—
Redemption of noncontrolling interests	—	—	(15)	—	—	(15)	(12)	(27)
Adjustment of noncontrolling interests in Operating Partnership	—	—	(697)	—	—	(697)	697	—
Balance at March 31, 2019	141,332,786	$ 1,413	$ 4,574,600	$ (1,714,789)	$ (6,511)	$ 2,854,713	$ 230,556	$ 3,085,269

	Stockholders' Equity						Noncontrolling Interests	Total Equity
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity		
	Shares	Par Value						
Balance at January 1, 2018	140,993,985	$ 1,410	$ 4,510,489	$ (830,279)	$ (42)	$ 3,681,578	$ 286,421	$ 3,967,999
Net loss	—	—	—	(33,573)	—	(33,573)	(808)	(34,381)
Cumulative effect of adoption of ASU 2014-09	—	—	—	(424,859)	—	(424,859)	—	(424,859)
Interest rate cap	—	—	—	—	61	61	—	61
Amortization of share and unit-based plans	109,602	1	13,611	—	—	13,612	—	13,612
Distributions declared ($0.74 per share)	—	—	—	(104,707)	—	(104,707)	—	(104,707)
Distributions to noncontrolling interests	—	—	—	—	—	—	(9,075)	(9,075)
Conversion of noncontrolling interests to common shares	1,000	—	—	—	—	—	—	—
Redemption of noncontrolling interests	—	—	(46)	—	—	(46)	(19)	(65)
Adjustment of noncontrolling interests in Operating Partnership	—	—	25,694	—	—	25,694	(25,694)	—
Balance at March 31, 2018	141,104,587	$ 1,411	$ 4,549,748	$ (1,393,418)	$ 19	$ 3,157,760	$ 250,825	$ 3,408,585

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 Three Months Ended March 31,	
	2019	2018
Cash flows from operating activities:		
Net income (loss)	$ 8,843	$ (34,381)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Loss on extinguishment of debt, net	351	—
Loss on sale or write down of assets, net	6,316	37,512
Depreciation and amortization	83,233	81,524
Amortization of premium on mortgage notes payable	(234)	(235)
Amortization of share and unit-based plans	5,519	11,003
Straight-line rent and amortization of above and below market leases	(2,650)	(2,531)
Provision for doubtful accounts	1,826	1,354
Income tax expense (benefit)	346	(2,949)
Equity in income of unconsolidated joint ventures	(12,243)	(16,872)
Distributions of income from unconsolidated joint ventures	118	155
Change in fair value of financing arrangement obligation	(14,265)	4,382
Changes in assets and liabilities, net of dispositions:		
Tenant and other receivables	16,867	11,699
Other assets	9,284	11,473
Due from affiliates	5,148	(2,512)
Accounts payable and accrued expenses	8,715	13,239
Other accrued liabilities	(18,334)	(17,893)
Net cash provided by operating activities	98,840	94,968
Cash flows from investing activities:		
Development, redevelopment, expansion and renovation of properties	(28,256)	(49,242)
Property improvements	(8,827)	(4,968)
Proceeds from repayment of notes receivable	65,348	202
Deferred leasing costs	(8,848)	(13,384)
Distributions from unconsolidated joint ventures	41,439	418,333
Contributions to unconsolidated joint ventures	(63,093)	(40,990)
Proceeds from sale of assets	1,015	1,450
Net cash (used in) provided by investing activities	(1,222)	311,401

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(Dollars in thousands)

(Unaudited)

	For the Three Months Ended March 31,	
	2019	**2018**
Cash flows from financing activities:		
Proceeds from mortgages, bank and other notes payable	425,000	120,000
Payments on mortgages, bank and other notes payable	(397,358)	(387,643)
Deferred financing costs	(965)	(132)
Payments on finance leases	(278)	—
Payment of finance deposits	(4,820)	—
Redemption of noncontrolling interests	(27)	(65)
Dividends and distributions	(114,396)	(113,782)
Net cash used in financing activities	(92,844)	(381,622)
Net increase in cash, cash equivalents and restricted cash	4,774	24,747
Cash, cash equivalents and restricted cash, beginning of period	149,301	143,105
Cash, cash equivalents and restricted cash, end of period	$ 154,075	$ 167,852
Supplemental cash flow information:		
Cash payments for interest, net of amounts capitalized	$ 50,650	$ 46,418
Non-cash investing and financing transactions:		
Accrued development costs included in accounts payable and accrued expenses and other accrued liabilities	$ 42,539	$ 36,286

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 and square foot amounts)

(Unaudited)

1. Organization:

The Macerich Company (the "Company") is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community/power 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 March 31, 2019, 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 single member 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 in the United States ("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 an independent registered public accounting firm.

The Company's sole significant asset is its investment in the Operating Partnership and as a result, substantially all of the Company's assets and liabilities represent the assets and liabilities of the Operating Partnership. In addition, the Operating Partnership has investments in a number of consolidated variable interest entities ("VIEs").

The Operating Partnership's consolidated VIEs included the following assets and liabilities:

	March 31, 2019	December 31, 2018
Assets:		
Property, net	$ 261,610	$ 263,511
Other assets	25,734	23,001
Total assets	$ 287,344	$ 286,512
Liabilities:		
Mortgage notes payable	$ 124,247	$ 125,273
Other liabilities	33,144	32,503
Total liabilities	$ 157,391	$ 157,776

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

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share and square foot amounts)

(Unaudited)

2. Summary of Significant Accounting Policies: (Continued)

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, 2018. 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, 2018 has been derived from the audited financial statements but does not include all disclosures required by GAAP.

The following table presents a reconciliation of the beginning of period and end of period cash, cash equivalents and restricted cash reported on the Company's consolidated balance sheets to the totals shown on its consolidated statements of cash flows:

	For the Three Months Ended March 31,	
	2019	2018
Beginning of period		
Cash and cash equivalents	$ 102,711	$ 91,038
Restricted cash	46,590	52,067
Cash, cash equivalents and restricted cash	$ 149,301	$ 143,105
End of period		
Cash and cash equivalents	$ 111,022	$ 118,175
Restricted cash	43,053	49,677
Cash, cash equivalents and restricted cash	$ 154,075	$ 167,852

Adoption of New Lease Standard:

On January 1, 2019, the Company adopted Accounting Standards Codification ("ASC") 842 "Leases", under the cumulative retrospective method. The new standard amended the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). In connection with the adoption of the new lease standard, the Company elected to use the transition packages of practical expedients for implementation provided by the Financial Accounting Standards Board ("FASB"), which included (i) relief from re-assessing whether an expired or existing contract meets the definition of a lease, (ii) relief from re-assessing the classification of expired or existing leases at the adoption date, (iii) allowing previously capitalized initial direct leasing costs to continue to be amortized, and (iv) application of the standard as of the adoption date rather than to all periods presented.

The standard requires that lessors expense, on an as-incurred basis, certain initial direct costs that are not incremental in negotiating a lease. Initial direct costs include the salaries and related costs for employees directly working on leasing activities. Prior to January 1, 2019, these costs were capitalizable and therefore the new lease standard resulted in certain of these costs being expensed as incurred. For comparison purposes, the Company has reclassified leasing costs that were included in management companies' operating expenses to leasing expenses for the three months ended March 31, 2018, to conform to the presentation for the three months ended March 31, 2019. Upon the adoption of the new standard, the Company elected the practical expedient to not separate non-lease components, most significantly certain common area maintenance recoveries, from the associated lease components, resulting in the Company presenting all revenues associated with leases as leasing revenue on its consolidated statement of operations. For comparison purposes, the Company has reclassified minimum rents, percentage rents, tenant recoveries and other leasing income to leasing revenue for the three months ended March 31, 2018, to conform to the presentation for the three months ended March 31, 2019. The new standard also requires the Company to reduce leasing revenue for credit losses associated with lease receivables. In addition, straight-line rent receivables are written off when the Company believes there is uncertainty regarding a tenant's ability to complete the term of the lease. As a result, the Company recognized a cumulative effect adjustment of $2,203 upon adoption for the write off of straight-line rent receivables of tenants

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share and square foot amounts)

(Unaudited)

2. Summary of Significant Accounting Policies: (Continued)

that were in litigation or bankruptcy.

The standard requires lessees to classify its leases as either finance or operating leases. The lessee records a right-of-use ("ROU") asset and a lease liability for all leases with a term of greater than twelve months, regardless of their lease classification. Upon adoption, the Company recognized initial ROU assets and corresponding lease liabilities of $109,299, representing the discounted value of future lease payments required for leases classified as operating leases. In addition, the Company reclassified $59,736 from deferred charges and other assets, net, $5,978 from accounts payable and accrued expenses and $4,342 from other accrued liabilities, relating to existing intangible assets and straight-line rent liabilities. The Company's lease liabilities were increased at adoption by $15,268 for lease liabilities associated with finance leases that were previously included in other accrued liabilities. See Note 8—Leases for further disclosure on the Company's adoption of the new standard.

Other Recent Accounting Pronouncements:

In August 2017, the FASB issued ASU 2017-12, “Targeted Improvements to Accounting for Hedging Activities,” which aims to (i) improve the transparency and understandability of information conveyed to financial statement users about an entity’s risk management activities by better aligning the entity’s financial reporting for hedging relationships with those risk management activities and (ii) reduce the complexity of and simplify the application of hedge accounting by preparers. The Company's adoption of the standard on January 1, 2019 did not have an impact on its consolidated financial statements.

3. Earnings Per Share ("EPS"):

The following table reconciles the numerator and denominator used in the computation of EPS for the three months ended March 31, 2019 and 2018 (shares in thousands):

	For the Three Months Ended March 31,	
	2019	2018
Numerator		
Net income (loss)	$ 8,843	$ (34,381)
Less net income (loss) attributable to noncontrolling interests	1,019	(808)
Net income (loss) attributable to the Company	7,824	(33,573)
Allocation of earnings to participating securities	(281)	(244)
Numerator for basic and diluted EPS—net income attributable to common stockholders	$ 7,543	$ (33,817)
Denominator		
Denominator for basic EPS—weighted average number of common shares outstanding	141,262	141,024
Effect of dilutive securities(1):		
Share and unit-based compensation plans	—	26
Denominator for diluted EPS—weighted average number of common shares outstanding	141,262	141,050
EPS—net income (loss) attributable to common stockholders:		
Basic	$ 0.05	$ (0.24)
Diluted	$ 0.05	$ (0.24)

(1) Diluted EPS excludes 90,619 convertible preferred partnership units for the three months ended March 31, 2019 and 2018, as their impact was antidilutive. Diluted EPS excludes 10,415,190 and 10,291,217 Operating Partnership units ("OP Units") for the three months ended March 31, 2019 and 2018, respectively, as their impact was antidilutive.

4. Investments in Unconsolidated Joint Ventures:

The Company has made the following recent investments and dispositions in its unconsolidated joint ventures:

On February 16, 2018, the Company's joint venture in Fashion District Philadelphia sold its ownership interest in an office building for $41,800, resulting in a gain on sale of assets of $5,545. The Company's pro rata share of the gain on the sale of assets of $2,773 was included in equity in income from unconsolidated joint ventures. The Company used its share of the proceeds to pay down its line of credit and for general corporate purposes.

On March 1, 2018, the Company formed a 25/75 joint venture with Hudson Pacific Properties, whereby the Company agreed to contribute Westside Pavilion (also referred to as One Westside), a 680,000 square foot regional shopping center in Los Angeles, California in exchange for $142,500. From March 1, 2018 to August 31, 2018, the Company accounted for its interest in the property as a collaborative arrangement (See Note 15—Collaborative Arrangement). On August 31, 2018, the Company completed the sale of the 75% ownership interest in the property to Hudson Pacific Properties, resulting in a gain on sale of assets of $46,242. The sales price was funded by a cash payment of $36,903 and the assumption of a pro rata share of the mortgage note payable on the property of $105,597. Concurrent with the sale of the ownership interest, the joint venture defeased the loan on the property by providing a $149,175 portfolio of marketable securities as replacement collateral in lieu of the property. The Company funded its $37,294 share of the purchase price of the marketable securities portfolio with the proceeds from the sale of the ownership interest in the property. Upon completion of the sale of the ownership interest in the property, the Company has accounted for its remaining ownership interest in the property under the equity method of accounting.

On July 6, 2018, the Company’s joint venture in The Market at Estrella Falls, a 298,000 square foot community center in Goodyear, Arizona, sold the property for $49,100, resulting in a gain on sale of assets of $12,598. The Company's share of the gain of $2,996 was included in equity in income from unconsolidated joint ventures. The proceeds were used to pay off the $24,118 mortgage loan payable on the property, settle development obligations and for distributions to the partners. The Company used its share of the net proceeds for general corporate purposes.

On September 6, 2018, the Company formed a 50/50 joint venture with Simon Property Group to develop Los Angeles Premium Outlets, a premium outlet center in Carson, California that is planned to open with approximately 400,000 square feet, followed by an additional 165,000 square feet in the second phase. The joint venture expects to complete the first phase of the development in Fall 2021.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share and square foot amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

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

Combined and Condensed Balance Sheets of Unconsolidated Joint Ventures:

	March 31, 2019	December 31, 2018
Assets(1):		
Property, net	$ 9,267,357	$ 9,241,003
Other assets	777,348	703,861
Total assets	$ 10,044,705	$ 9,944,864
Liabilities and partners' capital(1):		
Mortgage and other notes payable	$ 6,053,545	$ 6,050,930
Other liabilities	424,462	388,509
Company's capital	1,938,931	1,913,475
Outside partners' capital	1,627,767	1,591,950
Total liabilities and partners' capital	$ 10,044,705	$ 9,944,864
Investments in unconsolidated joint ventures:		
Company's capital	$ 1,938,931	$ 1,913,475
Basis adjustment(2)	(527,485)	(535,808)
	$ 1,411,446	$ 1,377,667
Assets—Investments in unconsolidated joint ventures	$ 1,528,080	$ 1,492,655
Liabilities—Distributions in excess of investments in unconsolidated joint ventures	(116,634)	(114,988)
	$ 1,411,446	$ 1,377,667

(1) These amounts include the assets of $3,023,148 and $3,047,851 of Pacific Premier Retail LLC (the "PPR Portfolio") as of March 31, 2019 and December 31, 2018, respectively, and liabilities of $1,852,923 and $1,859,637 of the PPR Portfolio as of March 31, 2019 and December 31, 2018, respectively.

(2) 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 $4,539 and $4,103 for the three months ended March 31, 2019 and 2018, respectively.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share and square foot amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

Combined and Condensed Statements of Operations of Unconsolidated Joint Ventures:

	PPR Portfolio	Other Joint Ventures	Total
Three Months Ended March 31, 2019			
Revenues:			
Leasing revenue	$ 46,020	$ 173,524	$ 219,544
Other	182	12,064	12,246
Total revenues	46,202	185,588	231,790
Expenses:			
Shopping center and operating expenses	9,672	59,650	69,322
Leasing expenses	467	1,707	2,174
Interest expense	16,951	36,911	53,862
Depreciation and amortization	25,514	64,467	89,981
Total operating expenses	52,604	162,735	215,339
Loss on sale or write down of assets, net	(6)	(135)	(141)
Net (loss) income	$ (6,408)	$ 22,718	$ 16,310
Company's equity in net (loss) income	$ (1,199)	$ 13,442	$ 12,243
Three Months Ended March 31, 2018			
Revenues:			
Leasing revenue	$ 45,420	$ 180,443	$ 225,863
Other	168	8,271	8,439
Total revenues	45,588	188,714	234,302
Expenses:			
Shopping center and operating expenses	9,681	61,321	71,002
Interest expense(1)	16,726	33,032	49,758
Depreciation and amortization	24,484	62,412	86,896
Total operating expenses	50,891	156,765	207,656
Gain on sale or write down of assets, net	—	970	970
Net (loss) income	$ (5,303)	$ 32,919	$ 27,616
Company's equity in net (loss) income	$ (616)	$ 17,488	$ 16,872

(1) Interest expense includes $4,958 related to a mortgage notes payable to an affiliate of Northwestern Mutual Life ("NML") (See Note 18—Related Party Transactions).

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

(Dollars in thousands, except per share and square foot amounts)

5. Derivative Instruments and Hedging Activities:

The Company uses interest rate cap and interest rate swap agreements to manage the interest rate risk of its floating rate debt. The Company recorded other comprehensive loss related to the marking-to-market of derivative instruments of $(2,045) and $61 for the three months ended March 31, 2019 and 2018, respectively.

The following derivatives were outstanding at March 31, 2019:

					Fair Value	
Property	Notional Amount	Product	LIBOR Rate	Maturity	3/31/2019	12/31/2018
Santa Monica Place	$ 300,000	Cap	4.00%	12/9/2019	$ —	$ (53)
The Macerich Partnership, L.P.	$ 400,000	Swaps	2.85%	9/30/2021	$ (6,511)	$ (4,413)

The above derivative instruments were designated as hedging instruments with an aggregate fair value (Level 2 measurement) and were included in deferred charges and other accrued liabilities. The fair value of the Company's interest rate derivatives was determined using discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by the Company and its counterparties. The Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its interest rate swap. As a result, the Company determined that its interest rate cap and swap valuations in their entirety are classified in Level 2 of the fair value hierarchy.

6. Property, net:

Property, net consists of the following:

	March 31, 2019	December 31, 2018
Land	$ 1,506,232	$ 1,506,678
Buildings and improvements	6,292,157	6,288,308
Tenant improvements	682,655	678,110
Equipment and furnishings(1)	210,709	206,398
Construction in progress	200,893	199,326
	8,892,646	8,878,820
Less accumulated depreciation(1)	(2,155,448)	(2,093,044)
	$ 6,737,198	$ 6,785,776

(1) Equipment and furnishings and accumulated depreciation include the cost and accumulated amortization of ROU assets in connection with finance leases at March 31, 2019 (See Note 8—Leases).

Depreciation expense was $70,717 and $67,944 for the three months ended March 31, 2019 and 2018, respectively.

(Dollars in thousands, except per share and square foot amounts)

6. Property, net: (Continued)

The loss on sale or write down of assets, net was $6,316 and $37,512 for the three months ended March 31, 2019 and 2018, respectively. The loss on sale or write down of assets, net for the three months ended March 31, 2019 consists of a write down of development costs of $6,850 offset in part by a gain of $534 on the sale of land. The loss on sale or write down of assets, net for the three months ended March 31, 2018 includes impairment losses of $36,338 on SouthPark Mall and $1,043 on Promenade at Casa Grande. The impairment losses were due to the reduction of the estimated holding periods of the properties.

The following table summarizes certain of the Company's assets that were measured on a nonrecurring basis as a result of impairment losses recorded for the three months ended March 31, 2018, as described above:

	Total Fair Value Measurement	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Unobservable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2018	$ 49,000	$ —	$ 49,000	$ —

The fair values relating to the impairments were based on sales contracts.

7. Tenant and Other Receivables, net:

Included in tenant and other receivables, net is an allowance for doubtful accounts of $4,319 and $2,919 at March 31, 2019 and December 31, 2018, respectively. Also included in tenant and other receivables, net are accrued percentage rents of $1,280 and $8,949 at March 31, 2019 and December 31, 2018, respectively, and a deferred rent receivable due to straight-line rent adjustments of $74,041 and $72,456 at March 31, 2019 and December 31, 2018, respectively.

8. Leases:

Lessor Leases:

The Company leases its Centers under agreements that are classified as operating leases. These leases generally include minimum rents, percentage rents and recoveries of real estate taxes, insurance and other shopping center operating expenses. Minimum rental revenues are recognized on a straight-line basis over the terms of the related leases. Percentage rents are recognized and accrued when 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 are recognized as revenues on a straight-line basis over the term of the related leases.

The following table summarizes the components of leasing revenue for the three months ended March 31, 2019:

Leasing revenue - fixed payments	$ 164,061
Leasing revenue - variable payments	46,947
Leasing revenue	$ 211,008

(Dollars in thousands, except per share and square foot amounts)

8. Leases: (Continued)

The following table summarizes the minimum rental payments to the Company:

Year ending March 31,		
2020	$	502,144
2021		427,470
2022		369,955
2023		319,094
2024		273,412
Thereafter		769,564
	$	2,661,639

Lessee Leases:

The Company has certain properties that are subject to non-cancelable operating leases. The leases expire at various times through 2098, subject in some cases to options to extend the terms of the lease. Certain leases provide for contingent rent payments based on a percentage of base rental income, as defined in the lease. In addition, the Company has three finance leases that expire at various times through 2022.

The following table summarizes the lease costs for the three months ended March 31, 2019:

Operating lease costs	$	4,347
Finance lease costs:		
Amortization of ROU assets		919
Interest on lease liabilities		154
Total lease costs	$	5,420

Future minimum rental payments required under the leases are as follows:

	March 31, 2019		December 31, 2018	
Year ending	Operating Leases	Finance Leases	Operating Leases	Finance Leases
2019	$ 12,635	$ 1,699	$ 16,627	$ 2,106
2020	17,144	2,106	17,183	2,106
2021	16,992	10,440	17,124	10,440
2022	16,855	2,418	17,450	2,418
2023	11,043	—	11,390	—
Thereafter	140,403	—	140,562	—
Total undiscounted rental payments	215,072	16,663	$ 220,336	$ 17,070
Less imputed interest	(107,957)	(1,673)		
Total lease liabilities	$ 107,115	$ 14,990		

The Company's weighted average remaining lease term for its operating and finance leases at March 31, 2019 was 30.8 years and 2.4 years, respectively. The Company's weighted average incremental borrowing rate of its operating and finance leases at March 31, 2019 was 7.7% and 4.2%, respectively.

(Dollars in thousands, except per share and square foot amounts)

9. Deferred Charges and Other Assets, net:

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

	March 31, 2019	December 31, 2018
Leasing	$ 203,533	$ 226,885
Intangible assets:		
In-place lease values	87,776	94,966
Leasing commissions and legal costs	22,301	23,508
Above-market leases	65,195	140,889
Deferred tax assets	31,851	32,197
Deferred compensation plan assets	50,244	45,857
Other assets	59,295	75,497
	520,195	639,799
Less accumulated amortization(1)	(212,528)	(249,396)
	$ 307,667	$ 390,403

(1) Accumulated amortization includes $67,094 and $72,286 relating to in-place lease values, leasing commissions and legal costs at March 31, 2019 and December 31, 2018, respectively. Amortization expense of in-place lease values, leasing commissions and legal costs was $3,205 and $3,835 for the three months ended March 31, 2019 and 2018, respectively.

The allocated values of above-market leases and below-market leases consist of the following:

	March 31, 2019	December 31, 2018
Above-Market Leases		
Original allocated value	$ 65,195	$ 140,889
Less accumulated amortization	(35,404)	(49,847)
	$ 29,791	$ 91,042
Below-Market Leases(1)		
Original allocated value	$ 102,621	$ 108,330
Less accumulated amortization	(55,296)	(56,345)
	$ 47,325	$ 51,985

(1) Below-market leases are included in other accrued liabilities.

(Dollars in thousands, except per share and square foot amounts)

10. Mortgage Notes Payable:

Mortgage notes payable at March 31, 2019 and December 31, 2018 consist of the following:

	Carrying Amount of Mortgage Notes(1)				
Property Pledged as Collateral	March 31, 2019	December 31, 2018	Effective Interest Rate(2)	Monthly Debt Service(3)	Maturity Date(4)
Chandler Fashion Center(5)	$ 199,989	$ 199,972	3.77%	$ 625	2019
Danbury Fair Mall	200,336	202,158	5.53%	1,538	2020
Fashion Outlets of Chicago(6)	299,055	199,622	4.61%	1,145	2031
Fashion Outlets of Niagara Falls USA	108,829	109,651	4.89%	727	2020
Freehold Raceway Mall(5)	398,254	398,212	3.94%	1,300	2029
Fresno Fashion Fair	323,509	323,460	3.67%	971	2026
Green Acres Commons(7)	128,236	128,006	5.20%	503	2021
Green Acres Mall	282,941	284,686	3.61%	1,447	2021
Kings Plaza Shopping Center	434,479	437,120	3.67%	2,229	2019
Oaks, The	190,832	192,037	4.14%	1,064	2022
Pacific View	120,583	121,362	4.08%	668	2022
Queens Center	600,000	600,000	3.49%	1,744	2025
Santa Monica Place(8)	297,256	297,069	4.08%	958	2022
SanTan Village Regional Center(9)	120,776	121,585	3.14%	589	2019
Towne Mall	20,619	20,733	4.48%	117	2022
Tucson La Encantada	64,947	65,361	4.23%	368	2022
Victor Valley, Mall of	114,690	114,675	4.00%	380	2024
Vintage Faire Mall	256,741	258,207	3.55%	1,256	2026
	$ 4,162,072	$ 4,073,916			

(1) The mortgage notes payable balances includes an unamortized debt premium. Debt premiums represent the excess of the fair value of debt over the principal value of debt assumed in various acquisitions and are amortized into interest expense over the remaining term of the related debt in a manner that approximates the effective interest method. The loan on Fashion Outlets of Niagara Falls USA had a premium of $1,469 and $1,701 at March 31, 2019 and December 31, 2018, respectively.

The mortgage notes payable also include unamortized deferred finance costs that are amortized into interest expense over the remaining term of the related debt in a manner that approximates the effective interest method. Unamortized deferred finance costs were $12,524 and $13,053 at March 31, 2019 and December 31, 2018, respectively.

(2) The interest rate disclosed represents the effective interest rate, including the impact of debt premium 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 the Company's joint venture in Chandler Freehold (See Note 12—Financing Arrangement).

(6) On January 10, 2019, the Company replaced the existing loan on the property with a new $300,000 loan that bears interest at an effective rate of 4.61% and matures on February 1, 2031.

(7) The loan bears interest at LIBOR plus 2.15%. At March 31, 2019 and December 31, 2018, the total interest rate was 5.20% and 5.06%, respectively.

(8) The loan bears interest at LIBOR plus 1.35%. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 4.0% during the period ending December 9, 2019 (See Note 5—Derivative Instruments and Hedging Activities). At March 31, 2019 and December 31, 2018, the total interest rate was 4.08% and 4.01%, respectively.

10. Mortgage Notes Payable: (Continued)

(9) On February 13, 2019, the Company's joint venture in SanTan Village Regional Center entered into a commitment for a ten-year $220,000 loan to replace the existing loan on the property. The new loan will bear interest at a fixed rate of 4.30% and is expected to close during the second quarter of 2019.

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

The Company's mortgage notes payable are secured by the properties on which they are placed and with the exception of $65,000 of the loan on Green Acres Commons, are non-recourse to the Company.

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 $2,710 and $4,331 for the three months ended March 31, 2019 and 2018, respectively.

The estimated fair value (Level 2 measurement) of mortgage notes payable at March 31, 2019 and December 31, 2018 was $4,209,689 and $4,082,448, respectively, based on current interest rates for comparable loans. 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 property that serves as collateral for the underlying debt.

11. Bank and Other Notes Payable:

Bank and other notes payable consist of the following:

Line of Credit:

The Company has a $1,500,000 revolving line of credit that bears interest at LIBOR plus a spread of 1.30% to 1.90%, depending on the Company's overall leverage level, and matures on July 6, 2020 with a one-year extension option. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2,000,000.

Based on the Company's leverage level as of March 31, 2019, the borrowing rate on the facility was LIBOR plus 1.45%. The Company has four interest rate swap agreements that effectively convert a total of $400,000 of the outstanding balance from floating rate debt of LIBOR plus 1.45% to fixed rate debt of 4.30% until September 30, 2021 (See Note 5—Derivative Instruments and Hedging Activities). As of March 31, 2019 and December 31, 2018, borrowings under the line of credit were $850,000 and $910,000, respectively, less unamortized deferred finance costs of $4,523 and $5,145, respectively, at a total interest rate of 4.20%. As of March 31, 2019 and December 31, 2018, the Company's availability under the line of credit for additional borrowings was $649,719 and $589,719, respectively, The estimated fair value (Level 2 measurement) of the line of credit at March 31, 2019 and December 31, 2018 was $855,862 and $912,163, respectively, based on a present value model using a credit interest rate spread offered to the Company for comparable debt.

Prasada Note:

On March 29, 2013, the Company issued a $13,330 note payable that bears interest at 5.25% and matures on May 30, 2021. The note payable is collateralized by a portion of a development reimbursement agreement with the City of Surprise, Arizona. At March 31, 2019 and December 31, 2018, the note had a balance of $3,471 and $3,689, respectively. The estimated fair value (Level 2 measurement) of the note at March 31, 2019 and December 31, 2018 was $3,487 and $3,690, respectively, based on current interest rates for comparable notes. 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 March 31, 2019 and December 31, 2018, the Company was in compliance with all applicable financial loan covenants.

(Dollars in thousands, except per share and square foot amounts)

12. Financing Arrangement:

On September 30, 2009, the Company formed a joint venture, whereby a third party acquired a 49.9% interest in Chandler Fashion Center, a 1,318,000 square foot regional shopping center in Chandler, Arizona, and Freehold Raceway Mall, a 1,672,000 square foot regional shopping center in Freehold, New Jersey, referred to herein as Chandler Freehold. As a result of the Company having certain rights under the agreement to repurchase the assets after the seventh year of the formation of Chandler Freehold, the transaction did not qualify for sale treatment. The Company, however, is not obligated to repurchase the assets. The Company accounts for its investment in Chandler Freehold as a financing arrangement. The fair value (Level 3 measurement) of the financing arrangement obligation at March 31, 2019 and December 31, 2018 was based upon a multiple on net operating income of 21 times, a discount rate of 5.8% and market rents per square foot of $30 to $100. The fair value of the financing arrangement obligation is sensitive to these significant unobservable inputs and a change in these inputs may result in a significantly higher or lower fair value measurement. Distributions to the partner and changes in fair value of the financing arrangement obligation are recognized as interest (income) expense in the Company's consolidated statements of operations.

During the three months ended March 31, 2019 and 2018, the Company incurred interest (income) expense in connection with the financing arrangement as follows:

	For the Three Months Ended March 31,	
	2019	2018
Distributions of the partner's share of net income	$ 1,897	$ 2,002
Distributions in excess of the partner's share of net income	1,921	1,638
Adjustment to fair value of financing arrangement obligation	(14,265)	4,382
	$ (10,447)	$ 8,022

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% ownership interest in the Operating Partnership as of March 31, 2019 and December 31, 2018. The remaining 7% limited partnership interest as of March 31, 2019 and December 31, 2018 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 March 31, 2019 and December 31, 2018, the aggregate redemption value of the then-outstanding OP Units not owned by the Company was $451,189 and $448,116, 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.

14. Stockholders' Equity:

On February 12, 2017, the Company's Board of Directors authorized the repurchase of up to $500,000 of its outstanding common shares as market conditions and the Company’s liquidity warrant. Repurchases may be made through open market purchases, privately negotiated transactions, structured or derivative transactions, including ASR transactions, or other methods of acquiring shares, from time to time as permitted by securities laws and other legal requirements. The program is referred to herein as the "2017 Stock Buyback Program".

There were no repurchases under the 2017 Stock Buyback Program during the three months ended March 31, 2019 or 2018. At March 31, 2019, there was $278,707 available under the 2017 Stock Buyback Program.

15. Collaborative Arrangement:

On March 1, 2018, the Company formed a 25/75 joint venture with a third party, whereby the Company agreed to contribute One Westside, a 680,000 square foot regional shopping center in Los Angeles, California in exchange for $142,500. The Company completed the transfer on August 31, 2018.

During the period from March 1, 2018 to August 31, 2018, the Company accounted for the operations of One Westside as a collaborative arrangement. Both partners shared operating control of the property and the Company was reimbursed by the outside partner for 75% of the carrying cost of the property, which were defined in the agreement as operating expenses in excess of revenues, debt service and capital expenditures. Accordingly, the Company reduced leasing revenue, other revenue, shopping center and operating expenses and interest expense by its partner's 75% share and recorded a receivable due from its partner, which was settled upon completion of the transfer of the property. In addition, the Company was reimbursed by its partner for its 75% share of mortgage loan principal payments and capital expenditures during the period. Since completion of the transfer, the Company has accounted for its investment in One Westside under the equity method of accounting (See Note 4—Investments in Unconsolidated Joint Ventures).

16. Dispositions:

On May 17, 2018, the Company sold Promenade at Casa Grande, a 761,000 square foot community center in Casa Grande, Arizona, for $26,000, resulting in a loss on sale of assets of $311. The Company used the proceeds from the sale to pay down its line of credit and for other general corporate purposes.

17. Commitments and Contingencies:

As of March 31, 2019, the Company was contingently liable for $65,814 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.

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 March 31, 2019, the Company had $13,068 in outstanding obligations which it believes will be settled in the next twelve months.

(Dollars in thousands, except per share and square foot amounts)

18. Related Party Transactions:

Certain unconsolidated joint ventures 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:

	For the Three Months Ended March 31,	
	2019	2018
Management fees	$ 4,481	$ 4,679
Development and leasing fees	3,496	3,604
	$ 7,977	$ 8,283

Certain mortgage notes on the properties are held by NML. NML was considered a related party due its ownership interest in Broadway Plaza until it sold its ownership interest in the property to a third party on October 12, 2018. Interest expense in connection with these notes, during the period NML that was a related party, was $2,147 for the three months ended March 31, 2018.

Interest (income) expense from related party transactions also includes $(10,447) and $8,022 for the three months ended March 31, 2019 and 2018, respectively, in connection with the Financing Arrangement (See Note 12—Financing Arrangement).

Due from affiliates includes unreimbursed costs and fees from unconsolidated joint ventures due to the Management Companies. As of March 31, 2019 and December 31, 2018, the amounts due from the unconsolidated joint ventures was $11,432 and $6,385, respectively.

In addition, due from affiliates at March 31, 2019 and December 31, 2018 included a note receivable from RED/303 LLC ("RED") that bears interest at 5.25% and matures on May 30, 2021. Interest income earned on this note was $48 and $60 for the three months ended March 31, 2019 and 2018, respectively. The balance on this note was $3,471 and $3,689 at March 31, 2019 and December 31, 2018, respectively. RED is considered a related party because it is a partner in a joint venture development project. The note is collateralized by RED's membership interest in the development project.

Also included in due from affiliates at December 31, 2018 was a note receivable from Lennar Corporation that bore interest at LIBOR plus 2% and was to mature upon the completion of certain milestones in connection with the development of Fashion Outlets of San Francisco. As a result of those milestones not being completed, the Company elected to terminate the development agreement and the note was paid off on February 13, 2019. Interest income earned on this note was $1,112 and $749 for the three months ended March 31, 2019 and 2018, respectively. The balance on this note, including interest, was $75,107 at December 31, 2018. Lennar Corporation was considered a related party because it was a joint venture partner in the project.

19. Share and Unit-Based Plans:

Under the Long-Term Incentive Plan ("LTIP"), each award recipient is issued a form of units ("LTIP Units") in the Operating Partnership. 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, or cash at the Company's option, on a one-unit for one-share basis. LTIP Units receive cash dividends based on the dividend amount paid on the common stock of the Company. The LTIP may include both market-indexed awards and service-based awards.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share and square foot amounts)

(Unaudited)

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

The market-indexed LTIP Units vest over the service period of the award based on the percentile ranking of the Company in terms of total return to stockholders (the "Total Return") per share of common stock relative to the Total Return of a group of peer REITs, as measured at the end of the measurement period.

During the three months ended March 31, 2019, the Company granted the following LTIP Units:

Grant Date	Units	Type	Fair Value per LTIP Unit	Vest Date
1/1/2019	81,732	Service-based	$ 43.28	12/31/2021
1/1/2019	250,852	Market-indexed	$ 29.25	12/31/2021
	332,584			

The fair value of the market-indexed LTIP Units (Level 3) granted on January 1, 2019 was estimated on the date of grant using a Monte Carlo Simulation model that assumed a risk free interest rate of 2.46% and an expected volatility of 23.52%.

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

	LTIP Units		Phantom Stock Units		Stock Units	
	Units	Value(1)	Units	Value(1)	Units	Value(1)
Balance at January 1, 2019	661,578	$ 48.38	—	$ —	129,457	$ 64.21
Granted	332,584	32.70	18,315	43.13	89,505	42.00
Vested	(7,654)	59.85	(3,934)	45.55	(80,954)	64.53
Forfeited	(14,635)	34.26	—	—	—	—
Balance at March 31, 2019	971,873	$ 43.13	14,381	$ 42.46	138,008	$ 49.62

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

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

	Stock Options	
	Units	Value(1)
Balance at January 1, 2019	35,565	$ 57.32
Granted	—	—
Exercised	—	—
Balance at March 31, 2019	35,565	$ 57.32

(1) Value represents the weighted average exercise price.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share and square foot amounts)

(Unaudited)

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

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

	For the Three Months Ended March 31,	
	2019	2018
LTIP Units	$ 3,714	$ 10,108
Stock units	2,660	3,230
Stock options	51	31
Phantom stock units	240	243
	$ 6,665	$ 13,612

The Company capitalized share and unit-based compensation costs of $1,146 and $2,609 for the three months ended March 31, 2019 and 2018, respectively. Unrecognized compensation costs of share and unit-based plans at March 31, 2019 consisted of $9,050 from LTIP Units, $2,921 from stock units and $611 from phantom stock units.

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.

The income tax provision of the TRSs are as follows:

	For the Three Months Ended March 31,	
	2019	2018
Current	$ —	$ 439
Deferred	(346)	2,510
Total income tax (expense) benefit	$ (346)	$ 2,949

The net operating loss ("NOL") carryforwards generated through the 2017 tax year are scheduled to expire through 2037, beginning in 2025. Pursuant to the Tax Cuts and Jobs Act of 2017, NOLs generated in 2018 and subsequent tax years, carryforward indefinitely subject to the 80% of taxable income limitation. Net deferred tax assets of $31,851 and $32,197 were included in deferred charges and other assets, net at March 31, 2019 and December 31, 2018, respectively.

The tax years 2015 through 2018 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 benefit will materially change within the next twelve months.

21. Subsequent Events:

On April 25, 2019, the Company announced a dividend/distribution of $0.75 per share for common stockholders and OP Unit holders of record on May 8, 2019. All dividends/distributions will be paid 100% in cash on June 3, 2019.

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. Such factors include, among others, general industry, as well as national, regional and local economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of current and prospective tenants, anchor or tenant bankruptcies, closures, mergers or consolidations, lease rates, terms and payments, interest rate fluctuations, availability, terms and cost of financing and operating expenses; adverse changes in the real estate markets including, among other things, competition from other companies, retail formats and technology, risks of real estate development and redevelopment, acquisitions and dispositions; the liquidity of real estate investments, governmental actions and initiatives (including legislative and regulatory changes); environmental and safety requirements; and terrorist activities or other acts of violence which could adversely affect all of the above factors. You are urged to carefully review the disclosures we make concerning these risks and other factors that may affect our business and operating results, under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018, 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/power shopping centers located throughout the United States. The Company is the sole general partner of, and owns a majority of the ownership interests in, The Macerich Partnership, L.P. (the "Operating Partnership"). As of March 31, 2019, the Operating Partnership owned or had an ownership interest in 47 regional shopping centers and five community/power shopping centers aggregating approximately 51 million square feet of gross leasable area. These 52 regional and community/power shopping centers are referred to hereinafter as the "Centers," unless the context otherwise requires. The Company is a self-administered and self-managed real estate investment trust ("REIT") and conducts all of its operations through the Operating Partnership and the Management Companies.

The following discussion is based primarily on the consolidated financial statements of the Company for the three months ended March 31, 2019 and 2018. It compares the results of operations and cash flows for the three months ended March 31, 2019 to the results of operations and cash flows for the three months ended March 31, 2018.

This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Acquisitions and Dispositions:

The financial statements reflect the following acquisitions, dispositions and changes in ownership subsequent to the occurrence of each transaction.

On February 16, 2018, the Company's joint venture in Fashion District Philadelphia sold its share of an office building for $41.8 million, resulting in a gain on sale of assets of $5.5 million. The Company's pro rata share of the gain on the sale of assets of $2.8 million was included in equity in income from unconsolidated joint ventures. The Company used its portion of the proceeds to pay down its line of credit and for general corporate purposes.

On March 1, 2018, the Company formed a 25/75 joint venture with Hudson Pacific Properties, whereby the Company agreed to contribute Westside Pavilion (referred to hereafter as One Westside), a 680,000 square foot regional shopping center in Los Angeles, California in exchange for $142.5 million. The Company completed the sale of the 75% ownership interest in the property to Hudson Pacific Properties on August 31, 2018, resulting in a gain on sale of assets of $46.2 million. The sales price was funded by a cash payment of $36.9 million and the assumption of a pro rata share of the mortgage note payable on the property of $105.6 million. The Company used the proceeds to fund its share of the cost to defease the mortgage note payable on the property (See "Financing Activities"). From March 1, 2018 to the completion of the sale, the Company accounted for its interest in the property as a collaborative arrangement (See Note 15—Collaborative Arrangement of the Company's consolidated financial statements). Upon completion of the sale, the Company has accounted for its ownership interest in the property under the equity method of accounting.

On May 17, 2018, the Company sold Promenade at Casa Grande, a 761,000 square foot community center in Casa Grande, Arizona for $26.0 million, resulting in a loss on sale of assets of $0.3 million. The Company used the proceeds from the sale to pay down its line of credit and for other general corporate purposes.

On July 6, 2018, the Company’s joint venture in The Market at Estrella Falls, a 298,000 square foot community center in Goodyear, Arizona, sold the property for $49.1 million, resulting in a gain on sale of assets of $12.6 million. The Company's share of the gain of $3.0 million was included in equity in income from unconsolidated joint ventures. The proceeds were used to pay off the $24.1 million mortgage loan payable on the property, settle development obligations and for distributions to the partners. The Company used its share of the net proceeds for general corporate purposes.

Financing Activities:

On January 22, 2018, the Company's joint venture in Fashion District Philadelphia obtained a $250.0 million term loan that bears interest at LIBOR plus 2.0% and matures on January 22, 2023. Concurrent with the loan closing, the joint venture borrowed $150.0 million on the term loan and borrowed the remaining $100.0 million on March 26, 2018. The Company used its share of the proceeds to pay down its line of credit and for general corporate purposes.

On March 29, 2018, the Company's joint venture in Broadway Plaza placed a $450.0 million loan on the property that bears interest at an effective rate of 4.19% and matures on April 1, 2030. The Company used its share of the proceeds to pay down its line of credit and for general corporate purposes.

On August 31, 2018, concurrent with the sale of the ownership interest in One Westside (See "Acquisitions and Dispositions"), the joint venture defeased the $140.8 million mortgage note payable on the property by providing a $149.2 million portfolio of marketable securities as replacement collateral in lieu of the property. The Company funded its $37.3 million share of the purchase price of the marketable securities portfolio with the proceeds from the sale of the ownership interest in the property.

On September 14, 2018, the Company entered into four interest rate swap agreements that effectively convert a total of $400.0 million of the outstanding balance of the Company’s line of credit from floating rate debt of LIBOR plus 1.45% to fixed rate debt of 4.30% until September 30, 2021.

On November 7, 2018, the Company's joint venture in Boulevard Shops replaced the existing loan on the property with a new $18.8 million loan that bears interest at LIBOR plus 1.85% and matures on December 5, 2023. The loan can be expanded, depending on certain conditions, up to $23.0 million. The Company used its share of the proceeds to pay down its line of credit and for general corporate purposes.

On January 10, 2019, the Company replaced the existing loan on Fashion Outlets of Chicago with a new $300.0 million loan that bears interest at an effective rate of 4.61% and matures on February 1, 2031. The Company used the net proceeds to pay down its line of credit and for general corporate purposes.

On February 13, 2019, the Company’s joint venture in SanTan Village Regional Center entered into a commitment for a ten-year $220.0 million loan to replace the existing loan on the property. The new loan will bear interest at a fixed rate of 4.30% and is expected to close during the second quarter of 2019.

On February 22, 2019, the Company’s joint venture in The Shops at Atlas Park entered into an agreement to increase the total borrowing capacity of the existing loan on the property from $57.8 million to $80.0 million, and to extend the maturity date to October 28, 2021, including extension options. Concurrent with the loan modification, the joint venture borrowed an additional $18.4 million. The Company used its $9.2 million share of the additional proceeds to pay down its line of credit and for general corporate purposes.

Redevelopment and Development Activities:

The Company's joint venture is proceeding with the redevelopment of Fashion District Philadelphia, an 850,000 square foot shopping center in Philadelphia, Pennsylvania. The project is expected to be completed in September 2019. The total cost of the project is estimated to be between $400.0 million and $420.0 million, with $200.0 million to $210.0 million estimated to be the Company's pro rata share. The Company has funded $158.5 million of the total $317.1 million incurred by the joint venture as of March 31, 2019.

The Company's joint venture in Scottsdale Fashion Square is redeveloping a former Barney's store and an 80,000 square foot exterior expansion. The project is expected to be completed in 2019. The total cost of the project is estimated to be between $140.0 million and $160.0 million, with $70.0 million to $80.0 million estimated to be the Company's pro rata share. The Company has funded $29.1 million of the total $58.1 million incurred by the joint venture as of March 31, 2019.

The Company's joint venture with Hudson Pacific Properties is redeveloping One Westside into 584,000 square feet of creative office space and 96,000 square feet of dining and entertainment space. The entire creative office space has been leased to Google and is expected to be completed in 2022. The total cost of the project is estimated to be between $500.0 million and $550.0 million, with $125.0 million to $137.5 million estimated to be the Company's pro rata share. The Company has funded $36.4 million of the total $145.4 million incurred by the joint venture as of March 31, 2019.

On September 6, 2018, the Company formed a 50/50 joint venture with Simon Property Group to develop Los Angeles Premium Outlets, a premium outlet center in Carson, California that is planned to open with approximately 400,000 square feet, followed by an additional 165,000 square feet in the second phase. The first phase of the project is expected to be completed in Fall 2021. The Company has funded $17.1 million of the total $34.1 million incurred by the joint venture as of March 31, 2019.

In connection with the anticipated closures and lease rejections of several Sears stores owned or partially owned by the Company, the Company anticipates spending between $250.0 million to $300.0 million at the Company’s pro rata share to redevelop the Sears stores. The anticipated openings of such redevelopments are expected to occur between 2020 and 2024. The estimated range of redevelopment costs could increase if the Company or its joint venture decide to expand the scope of the redevelopments.

Other Transactions and Events:

On February 1 and 2, 2018, the Company reduced its workforce by approximately 10 percent. The Company incurred a one-time charge of $12.7 million in connection with the workforce reduction during the three months ended March 31, 2018.

During the three months ended June 30, 2018, the Company incurred $19.4 million in costs associated with activities related to shareholder activism. These costs were primarily for legal and advisory services.

On January 1, 2019, the Company adopted Accounting Standards Codification ("ASC") 842 "Leases", under the cumulative retrospective method. The new standard amended the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). In connection with the adoption of the new lease standard, the Company elected to use the transition packages of practical expedients for implementation provided by the Financial Accounting Standards Board ("FASB"), which included (i) relief from re-assessing whether an expired or existing contract meets the definition of a lease, (ii) relief from re-assessing the classification of expired or existing leases at the adoption date, (iii) allowing previously capitalized initial direct leasing costs to continue to be amortized, and (iv) application of the standard as of the adoption date rather than to all periods presented.

The new standard requires that lessors expense, on an as-incurred basis, certain initial direct costs that are not incremental in negotiating a lease. Initial direct costs include the salaries and related costs for employees directly working on leasing activities. Prior to January 1, 2019, these costs were capitalizable and therefore the new lease standard resulted in certain of these costs being expensed as incurred. For comparison purposes, the Company has reclassified leasing costs that were included in management companies' operating expenses to leasing expenses for the three months ended March 31, 2018, to conform to the presentation for the three months ended March 31, 2019. Upon adoption of the new standard, the Company has presented all revenues associated with leases as leasing revenue on its consolidated statement of operations. For comparison purposes, the Company has reclassified minimum rents, percentage rents, tenant recoveries and other leasing income to leasing revenue for the three months ended March 31, 2018, to conform to the presentation for the three months ended March 31, 2019. The new standard also requires the Company to reduce leasing revenue for credit losses associated with lease receivables. In addition, straight-line rent receivables are written off when the Company believes there is uncertainty regarding a tenant's ability to complete the term of the lease. As a result, the Company recognized a cumulative effect adjustment of $2.2 million upon adoption for the write off of straight-line rent receivables of tenants that were in litigation or bankruptcy.

Inflation:

In the last five 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 throughout the lease term. These rent increases are either in fixed increments or based on using an annual multiple of increases in the Consumer Price Index ("CPI"). In addition, approximately 5% to 15% of the leases for spaces 10,000 square feet and under 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, capitalization of costs and fair value measurements. 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. However, the following policies are deemed to be critical.

Acquisitions:

The Company allocates the estimated fair value of acquisitions to land, building, tenant improvements and identified intangible assets and liabilities, based on their estimated fair values. In addition, any assumed mortgage notes payable are recorded at their estimated fair values. The estimated fair value of the land and buildings is determined utilizing an “as if vacant” methodology. 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 amortized over the remaining lease terms plus any below-market fixed rate renewal options. 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, and the asset or liability is amortized to minimum rents over the remaining terms of the leases. 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 initial allocation of purchase price is based on management's preliminary assessment, which may change when final information becomes available. Subsequent adjustments made to the initial purchase price allocation are made within the allocation period, which does not exceed one year. The purchase price allocation is described as preliminary if it is not yet final. The use of different assumptions in the allocation of the purchase price of the acquired assets and liabilities assumed could affect the timing of recognition of the related revenues and expenses.

The Company immediately expenses costs associated with business combinations as period costs and capitalizes costs associated with asset acquisitions.

Remeasurement gains are recognized when the Company obtains control of an existing equity method investment to the extent that the fair value of the existing equity investment exceeds the carrying value of the investment.

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 or a contracted sales price, 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 is 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.

The Company records its Financing Arrangement (See Note 12—Financing Arrangement of the Company's consolidated financial statements) obligation at fair value on a recurring basis with changes in fair value being recorded as interest expense in the Company’s consolidated statements of operations. The fair value is determined based on a discounted cash flow model, with the significant unobservable inputs including the multiple of net operating income, discount rate, and market rents. The fair value of the Financing Arrangement obligation is sensitive to these significant unobservable inputs and a change in these inputs may result in a significantly higher or lower fair value measurement.

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 in Management's Overview and Summary above, including the Redevelopment Properties and the JV Transition Center and the Disposition Property (as defined below).

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 those Centers or properties that are going through a substantial redevelopment often resulting in the closing of a portion of the Center (“Redevelopment Properties”), those properties that have recently transitioned to or from equity method joint ventures to or from consolidated assets ("JV Transition Center") and properties that have been disposed of ("Disposition Property"). 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 consist of all consolidated Centers, excluding the Redevelopment Properties, the JV Transition Center and the Disposition Property, for the periods of comparison.

For the comparison of the three months ended March 31, 2019 to the three months ended March 31, 2018, the Redevelopment Properties are Paradise Valley Mall and certain ground up developments. For the comparison of the three months ended March 31, 2019 to the three months ended March 31, 2018, the JV Transition Center is One Westside. For the comparison of the three months ended March 31, 2019 to the three months ended March 31, 2018, the Disposition Property is Promenade at Casa Grande.

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 twelve months or longer and 10,000 square feet and under), occupancy rates (excluding large retail stores or "Anchors") and releasing spreads (i.e. a comparison of initial average base rent per square foot on leases executed during the trailing twelve months to average base rent per square foot at expiration for the leases expiring during the trailing twelve months based on the 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 $686 for the twelve months ended March 31, 2018 to $746 for the twelve months ended March 31, 2019. Occupancy rate increased from 94.0% at March 31, 2018 to 94.7% at March 31, 2019. Releasing spreads remained positive as the Company was able to lease available space at higher average rents than the expiring rental rates, resulting in a releasing spread of $5.84 per square foot ($58.85 on new and renewal leases executed compared to $53.01 on leases expiring), representing a 11.0% increase for the trailing twelve months ended March 31, 2019. The Company expects that releasing spreads will continue to be positive for the remainder of 2019 as it renews or relets leases that are scheduled to expire. These leases that are scheduled to expire in the next twelve months represent 0.9 million square feet of the Centers, accounting for 12.5% of the gross leasable area ("GLA") of mall stores and freestanding stores, for spaces 10,000 square feet and under, as of March 31, 2019. These calculations exclude Centers under development or redevelopment and property dispositions (See "Acquisitions and Dispositions" and "Redevelopment and Development Activities" in Management's Overview and Summary).

During the trailing twelve months ended March 31, 2019, the Company signed 258 new leases and 399 renewal leases comprising approximately 1.0 million square feet of GLA, of which 0.7 million square feet related to the consolidated Centers. The annual initial average base rent for new and renewal leases was $58.85 per square foot for the trailing twelve months ended March 31, 2019 with an average tenant allowance of $33.51 per square foot.

Outlook

The Company has a long-term four-pronged business strategy that focuses on the acquisition, leasing and management, redevelopment and development of Regional Shopping Centers. Although the Company believes that overall regional shopping centers fundamentals in its markets appear reasonably strong early in 2019, the Company expects that its results for 2019 will be negatively impacted by rising interest rates and anticipated Anchor closures and tenant bankruptcies, among other factors.

Rising interest rates increase the cost of the Company’s borrowings due to its outstanding floating-rate debt and lead to higher interest rates on new fixed-rate debt. In certain cases, the Company may limit its exposure to interest rate fluctuations related to a portion of its floating-rate debt by using interest rate cap and swap agreements. Such agreements, subject to current market conditions, allow the Company to replace floating-rate debt with fixed-rate debt in order to achieve its desired ratio of floating-rate to fixed-rate debt. However, in an increasing interest rate environment the fixed rates the Company can obtain with such replacement fixed-rate cap and swap agreements or the fixed-rate on new debt will also continue to increase.

In recent years, a number of companies in the retail industry, including some of the Company’s Anchors, have declared bankruptcy, have gone out of business or have significantly reduced the number of their retail stores. Store closures by an Anchor may impact the Company’s Centers more holistically by causing other Anchors and/or certain other tenants to terminate their leases, receive reduced rent and/or cease operating their stores at the Center.

On October 15, 2018, Sears filed for bankruptcy and announced additional store closings. At the time of the bankruptcy filing, the Company had twenty-one Sears stores in its portfolio totaling approximately 3.1 million square feet and accounted for less than 1% of the Company’s total leasing revenue. The twenty-one stores included seven owned by the Company, nine owned by the Company’s joint venture with Seritage Growth Properties (“Seritage”), one store that was owned by Sears and four stores that were owned by Seritage. As of March 31, 2019, following the closure of thirteen stores, eight stores remained open within the Company’s portfolio. As of March 31, 2019, none of the leases had been rejected, including the closed locations. The remaining eight stores include three owned by the Company, three owned by the Company’s joint venture with Seritage and two that are owned by Seritage. Due to its bankruptcy filing, Sears may be unable or unwilling to meet its rent obligations and other obligations under its leases with the Company, and the Company may be unable to re-lease a terminated or rejected space on comparable terms or at all.

Although, in the short-term, the bankruptcy of an Anchor such as Sears may lead to lost base rent and the triggering of co-tenancy clauses, there is also the potential to create additional future value through the recapturing of space and releasing that space to new tenants at higher rent per square foot, which the Company has demonstrated through its joint venture with Seritage and the completed redevelopment of a former Sears store at Kings Plaza Shopping Center in July 2018.

Comparison of Three Months Ended March 31, 2019 and 2018

Revenues:

Leasing revenue decreased by $7.1 million, or 3.3%, from 2018 to 2019. The decrease in leasing revenue is attributed to decreases of $3.0 million from the Same Centers, $2.4 million from the JV Transition Center, $1.4 million from the Disposition Property and $0.3 million from the Redevelopment Properties. Leasing revenue includes the amortization of above and below-market leases, straight-line rents and lease termination income. The amortization of above and below-market leases increased from $(0.2) million in 2018 to $0.6 million in 2019. Straight-line rents decreased from $2.7 million in 2018 to $2.4 million in 2019. Lease termination income decreased from $1.7 million in 2018 to $0.6 million in 2019. The decrease in leasing revenue at the Same Centers is primarily due to the inclusion of bad debt expense in lease revenue in 2019 (See "Other Transactions and Events" in Management's Overview and Summary).

Management Companies' revenue decreased from $10.5 million in 2018 to $10.2 million in 2019.

Shopping Center and Operating Expenses:

Shopping center and operating expenses decreased $4.9 million, or 6.6%, from 2018 to 2019. The decrease in shopping center and operating expenses is attributed to decreases of $2.6 million from the Same Centers, $1.5 million from the JV Transition Center, $0.7 million from the Disposition Property and $0.1 million from the Redevelopment Properties.

Leasing Expenses:

Leasing expenses increased from $3.3 million in 2018 to $7.5 million in 2019. The increase in leasing expenses is due to the Company's adoption of ASC 842 in 2019 (See "Other Transactions and Events" in Management's Overview and Summary).

Management Companies' Operating Expenses:

Management Companies' operating expenses decreased $16.0 million from 2018 to 2019. The decrease is attributed to a one-time charge of $12.7 million in connection with the Company's reduction in work force in 2018 (See "Other Transactions and Events" in Management's Overview and Summary) and the subsequent reduction in payroll and share and unit-based compensation costs.

REIT General and Administrative Expenses:

REIT general and administrative expenses decreased $1.1 million from 2018 to 2019 due to a reduction in compensation costs.

Depreciation and Amortization:

Depreciation and amortization increased $1.5 million from 2018 to 2019. The increase in depreciation and amortization is attributed to an increase of $3.2 million from the Same Centers offset in part by decreases of $1.1 million from the JV Transition Center, $0.4 million from the Disposition Property and $0.2 million from the Redevelopment Properties.

Interest Expense:

Interest expense decreased $14.3 million from 2018 to 2019. The decrease in interest expense was attributed to decreases of $18.5 million from the Financing Arrangement (See "Other Transactions and Events" in Management's Overview and Summary) and $0.8 million from the JV Transition Center offset in part by increases of $2.1 million from the Same Centers, $1.5 million from the Redevelopment Properties and $1.4 million from borrowings under the Company's line of credit. The increase in interest expense at the Same Centers is primarily due the new loan on Fashion Outlets of Chicago (See "Financing Activities" in Management's Overview and Summary).

The above interest expense items are net of capitalized interest, which decreased from $4.3 million in 2018 to $2.7 million in 2019.

Equity in Income of Unconsolidated Joint Ventures:

Equity in income of unconsolidated joint ventures decreased $4.6 million from 2018 to 2019. The decrease in equity in income from unconsolidated joint ventures is primarily due to the gain of $2.8 million on the sale of an ownership interest in a building at Fashion District Philadelphia in 2018 (See "Acquisitions and Dispositions" in Management's Overview and Summary) and interest expense from the loan placed on Broadway Plaza in 2018 (See "Financing Activities" in Management's Overview and Summary).

Loss on Sale or Write Down of Assets, net:

Loss on sale or write down of assets, net decreased $31.2 million from 2018 to 2019. The decrease in loss on sale or write down of assets, net is primarily due to impairment losses of $36.3 million on SouthPark Mall and $1.0 million on Promenade at Casa Grande in 2018 offset in part by the write down of development costs of $6.9 million in 2019. The impairment losses were due to the reduction in the estimated holding periods of the properties.

Net Income (Loss):

The change in net income (loss) was $43.2 million from 2018 to 2019, resulting from net loss of $34.4 million in 2018 and net income of $8.8 million in 2019. The change in net income (loss) is primarily due to the $31.2 million decrease in loss on sale or write down of assets, net and the one-time charge of $12.7 million in connection with the Company's reduction in work force in 2018, as discussed above.

Funds From Operations ("FFO"):

Primarily as a result of the factors mentioned above, FFO attributable to common stockholders and unit holders—diluted decreased 1.3% from $123.5 million in 2018 to $121.9 million in 2019. For a reconciliation of net income (loss) attributable to the Company, the most directly comparable GAAP financial measure, to FFO attributable to common stockholders and unit holders and FFO attributable to common stockholders and unit holders—diluted, see "Funds From Operations ("FFO")" below.

Operating Activities:

Cash provided by operating activities increased $3.9 million from 2018 to 2019. The increase is primarily due to the changes in assets and liabilities and the results as discussed above.

Investing Activities:

Cash provided by investing activities decreased $312.6 million from 2018 to 2019. The decrease in cash provided by investing activities is primarily attributed to a decrease in distributions from unconsolidated joint ventures of $376.9 million offset in part by an increase in proceeds from notes receivable of $65.1 million.

The decrease in distributions from unconsolidated joint ventures is primarily due to the distribution of the Company's share of proceeds from the loans placed on Broadway Plaza and Fashion District Philadelphia (See "Financing Activities" in Management's Overview and Summary) and the sale of an ownership interest in an office building at Fashion District Philadelphia (See "Acquisitions and Dispositions" in Management's Overview and Summary) in 2018. The increase in proceeds from notes receivable is due to the repayment of the note receivable from the Lennar Corporation in 2019 (See Note 18—Related Party Transactions in the Company's Notes to Consolidated Financial Statements).

Financing Activities:

Cash used in financing activities decreased $288.8 million from 2018 to 2019. The decrease in cash used in financing activities is primarily due to an increase in proceeds from mortgages, bank and other notes payable of $305.0 million offset in part by an increase in payments on mortgages, bank and other notes payable of $9.7 million.

Liquidity and Capital Resources

The Company anticipates meeting its liquidity needs for its operating expenses, debt service and dividend requirements for the next twelve months through cash generated from operations, distributions from unconsolidated joint ventures, working capital reserves and/or borrowings under its unsecured line of credit. The following tables summarize capital expenditures incurred at the Centers (at the Company's pro rata share):

	For the Three Months Ended March 31,	
(Dollars in thousands)	**2019**	**2018**
Consolidated Centers:		
Acquisitions of property and equipment	$ 9,932	$ 4,826
Development, redevelopment, expansion and renovation of Centers	14,414	37,659
Tenant allowances	3,510	2,089
Deferred leasing charges	1,388	5,041
	$ 29,244	$ 49,615
Joint Venture Centers:		
Acquisitions of property and equipment	$ 1,225	$ 1,910
Development, redevelopment, expansion and renovation of Centers	47,888	25,877
Tenant allowances	1,709	904
Deferred leasing charges	911	2,827
	$ 51,733	$ 31,518

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 2018 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. Although the amounts incurred for deferred leasing charges during the next twelve months are expected to be comparable or less than 2018, the Company began expensing a significant portion of its leasing costs in 2019 in accordance with its adoption of ASC 842 (See "Other Transactions and Events" in Management's Overview and Summary). The Company expects to incur between $250 million and $350 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, and may continue to do so in the future, through equity offerings and issuances, property refinancings, joint venture transactions and the sale of non-core assets. For example, the Company's sales of ownership interests in One Westside and office buildings at Fashion District Philadelphia and Country Club Plaza (See "Acquisitions and Dispositions" in Management's Overview and Summary), the sales of The Market at Estrella Falls and Promenade at Casa Grande, and the financing of Fashion Outlets of Chicago, Fashion District Philadelphia and Broadway Plaza (See "Financing Activities" in Management's Overview and Summary). The Company used the proceeds from these transactions to pay down its line of credit and for other general corporate purposes, which included the repurchases of the Company's common stock under the 2017 Stock Buyback Program (See Note 14—Stockholders' Equity in the Company's Notes to Consolidated Financial Statements). 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, stock purchase contracts and units that may be sold from time to time by the Company. The Company expects any additional repurchases of the Company's common stock under the 2017 Stock Buyback Program to be funded by future sales of non-core assets, borrowings under its line of credit and/or refinancing transactions.

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 as discussed below, the Company has 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 increased 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.

The Company's total outstanding loan indebtedness, which includes mortgages and other notes payable, at March 31, 2019 was $7.9 billion (consisting of $5.0 billion of consolidated debt, less $318.4 million of noncontrolling interests, plus $3.2 billion of its pro rata share of unconsolidated 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 believes that the pro rata debt provides useful information to investors regarding its financial condition because it includes the Company’s share of debt from unconsolidated joint ventures and, for consolidated debt, excludes the Company’s partners’ share from consolidated joint ventures, in each case presented on the same basis. The Company has several significant joint ventures and presenting its pro rata share of debt in this manner can help investors better understand the Company’s financial condition after taking into account our economic interest in these joint ventures. The Company’s pro rata share of debt should not be considered as a substitute for the Company’s total consolidated debt determined in accordance with GAAP or any other GAAP financial measures and should only be considered together with and as a supplement to the Company’s financial information prepared in accordance with GAAP.

The Company has a $1.5 billion revolving line of credit facility that bears interest at LIBOR plus a spread of 1.30% to 1.90%, depending on the Company's overall leverage level, and matures on July 6, 2020 with a one-year extension option. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2.0 billion. All obligations under the facility are unconditionally guaranteed only by the Company. Based on the Company's leverage level as of March 31, 2019, the borrowing rate on the facility was LIBOR plus 1.45%. The Company has four interest rate swap agreements that effectively convert a total of $400.0 million of the outstanding balance from floating rate debt of LIBOR plus 1.45% to fixed rate debt of 4.30% until September 30, 2021. At March 31, 2019, total borrowings under the line of credit were $850.0 million less unamortized deferred finance costs of $4.5 million with a total interest rate of 4.20%. The Company's availability under the line of credit was $649.7 million at March 31, 2019.

Cash dividends and distributions for the three months ended March 31, 2019 were $114.4 million. A total of $98.8 million was funded by operations. The remaining $15.6 million was funded from distributions from unconsolidated joint ventures, which were included in the cash flows from investing activities section of the Company's Consolidated Statement of Cash Flows.

At March 31, 2019, the Company was in compliance with all applicable loan covenants under its agreements.

At March 31, 2019, the Company had cash and cash equivalents of $111.0 million.

Off-Balance Sheet Arrangements:

The Company accounts for its investments in joint ventures that it does not have a controlling interest or is not the primary beneficiary 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.

As of March 31, 2019, one of the Company's joint venture has $125.0 million of debt that could become recourse to the Company, should the joint venture be unable to discharge the obligation of the related debt.

Additionally, as of March 31, 2019, the Company was contingently liable for $65.8 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.

Contractual Obligations:

The following is a schedule of contractual obligations as of March 31, 2019 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)(1)	$ 5,714,330	$ 943,077	$ 2,217,196	$ 475,976	$ 2,078,081
Lease liabilities(2)	231,736	18,938	48,614	25,999	138,185
Purchase obligations(3)	13,068	13,068	—	—	—
Other long-term liabilities	249,837	190,964	14,131	11,458	33,284
	$ 6,208,971	$ 1,166,047	$ 2,279,941	$ 513,433	$ 2,249,550

(1) Interest payments on floating rate debt were based on rates in effect at March 31, 2019.
(2) See Note 8—Leases in the Company's Notes to Consolidated Financial Statements.
(3) See Note 17—Commitments and Contingencies in the Company's Notes to Consolidated Financial Statements.

Funds From Operations ("FFO")

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 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 sales of 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. The Company accounts for its joint venture in Chandler Freehold as a Financing Arrangement. In connection with this treatment, the Company recognizes financing expense on (i) the changes in fair value of the financing arrangement obligation, (ii) any payments to the joint venture partner equal to their pro rata share of net income and (iii) any payments to the joint venture partner less than or in excess of their pro rata share of net income. The Company excludes from its definition of FFO the noted expense related to the changes in fair value and for the payments to the joint venture partner less than or in excess of their pro rata share of net income. Although the Nareit definition of FFO predates this guidance for accounting for financing arrangements, the Company believes that excluding the noted expense resulting from the Financing Arrangement is consistent with the key objective of FFO as a performance measure and it allows the Company’s current FFO to be comparable with the Company’s FFO from prior quarters. Adjustments for unconsolidated joint ventures are calculated to reflect FFO on the same basis. The Company also presents FFO excluding extinguishment of debt, net.

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 such a presentation also provides investors with a meaningful measure of its operating results in comparison to the operating results of other REITs. In addition, the Company believes that FFO excluding non-routine costs associated with extinguishment of debt provides useful supplemental information regarding the Company’s performance as it shows a more meaningful and consistent comparison of the Company’s operating performance and allows investors to more easily compare the Company’s results. The Company further believes that FFO on a diluted basis is a measure investors find most useful in measuring the dilutive impact of outstanding convertible securities.

The Company believes that FFO does 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 is not indicative of cash available to fund all cash flow needs. The Company also cautions that FFO, as presented, may not be comparable to similarly titled measures reported by other real estate investment trusts.

Management compensates for the limitations of FFO by providing investors with financial statements prepared according to GAAP, along with this detailed discussion of FFO and a reconciliation of net income to FFO and FFO-diluted. Management believes that to further understand the Company's performance, FFO 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.

Funds From Operations ("FFO") (Continued)

The following reconciles net income (loss) attributable to the Company to FFO and FFO-diluted attributable to common stockholders and unit holders-basic and diluted, excluding loss on early extinguishment of debt, for the three months ended March 31, 2019 and 2018 (dollars and shares in thousands):

	For the Three Months Ended March 31,	
	2019	2018
Net income (loss) attributable to the Company	$ 7,824	$ (33,573)
Adjustments to reconcile net income (loss) attributable to the Company to FFO attributable to common stockholders and unit holders—basic and diluted:		
Noncontrolling interests in the Operating Partnership	577	(2,450)
Loss on sale or write down of assets, net—consolidated assets	6,316	37,512
Add: noncontrolling interests share of loss on sale or write down of assets —consolidated assets	—	590
Add: gain on sale of undepreciated assets—consolidated assets	534	807
Loss on sale or write down of assets—unconsolidated joint ventures, net(1)	71	157
Add: loss on sale of undepreciated assets—unconsolidated joint ventures(1)	—	(2,085)
Depreciation and amortization—consolidated assets	81,468	79,937
Less: noncontrolling interests in depreciation and amortization—consolidated assets	(3,645)	(3,641)
Depreciation and amortization—unconsolidated joint ventures(1)	44,998	43,584
Less: depreciation on personal property	(3,865)	(3,345)
Financing expense in connection with Chandler Freehold	(12,344)	6,020
FFO attributable to common stockholders and unit holders—basic and diluted	121,934	123,513
Loss on extinguishment of debt, net—consolidated assets	351	—
FFO attributable to common stockholders and unit holders, excluding loss on extinguishment of debt—basic and diluted	$ 122,285	$ 123,513
Weighted average number of FFO shares outstanding for:		
FFO attributable to common stockholders and unit holders—basic(2)	151,677	151,316
Adjustments for impact of dilutive securities in computing FFO—diluted:		
Share and unit based compensation plans	—	26
FFO attributable to common stockholders and unit holders—diluted(3)	151,677	151,342

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

(2) Calculated based upon basic net income as adjusted to reach basic FFO. Includes 10.4 million and 10.3 million OP Units for the three months ended March 31, 2019 and 2018, respectively.

(3) The computation of FFO—diluted shares outstanding includes the effect of share and unit-based compensation plans 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—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 matching maturities where appropriate, (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 March 31, 2019 concerning the Company's long-term debt obligations, including principal cash flows by scheduled maturity, weighted average interest rates and estimated fair value (dollars in thousands):

	Expected Maturity Date							
	For the twelve months ended March 31,							
	2020	2021	2022	2023	2024	Thereafter	Total	Fair Value
CONSOLIDATED CENTERS:								
Long-term debt:								
Fixed rate	$ 790,835	$ 592,360	$ 79,096	$ 311,880	$ 6,933	$ 1,965,494	$ 3,746,598	$ 3,784,684
Average interest rate	3.50%	4.56%	4.17%	4.07%	3.49%	3.78%	3.88%	
Floating rate	—	130,000	1,150,000	—	—	—	1,280,000	1,284,354
Average interest rate	—%	4.64%	3.99%	—%	—%	—%	4.05%	
Total debt—Consolidated Centers	$ 790,835	$ 722,360	$ 1,229,096	$ 311,880	$ 6,933	$ 1,965,494	$ 5,026,598	$ 5,069,038
UNCONSOLIDATED JOINT VENTURE CENTERS:								
Long-term debt (at Company's pro rata share):								
Fixed rate	$ 34,484	$ 150,356	$ 42,869	$ 366,916	$ 345,638	$ 2,029,905	$ 2,970,168	$ 3,007,113
Average interest rate	3.69%	3.81%	3.70%	3.67%	3.38%	3.94%	3.83%	
Floating rate	—	7,500	51,183	162,500	9,400	—	230,583	231,214
Average interest rate	—%	3.69%	4.26%	4.31%	4.33%	—%	4.28%	
Total debt—Unconsolidated Joint Venture Centers	$ 34,484	$ 157,856	$ 94,052	$ 529,416	$ 355,038	$ 2,029,905	$ 3,200,751	$ 3,238,327

The consolidated Centers' total fixed rate debt at March 31, 2019 and December 31, 2018 was $3.7 billion and $3.5 billion, respectively. The average interest rate on such fixed rate debt at March 31, 2019 and December 31, 2018 was 3.88% and 3.82%, respectively. The consolidated Centers' total floating rate debt at March 31, 2019 and December 31, 2018 was $1.3 billion and $1.5 billion, respectively. The average interest rate on such floating rate debt at March 31, 2019 and December 31, 2018 was 4.05% and 4.00%, respectively.

The Company's pro rata share of the unconsolidated joint venture Centers' fixed rate debt at March 31, 2019 and December 31, 2018 was $3.0 billion. The average interest rate on such fixed rate debt at March 31, 2019 and December 31, 2018 was 3.83%. The Company's pro rata share of the unconsolidated joint venture Centers' floating rate debt at March 31, 2019 and December 31, 2018 was $230.6 million and $221.4 million, respectively. The average interest rate on such floating rate debt at March 31, 2019 and December 31, 2018 was 4.28% and 4.13%, respectively.

The Company uses derivative financial instruments in the normal course of business to manage or hedge interest rate risk and records all derivatives on the balance sheet at fair value. Interest rate cap agreements offer protection against floating rates on the notional amount from exceeding the rates noted in the above schedule, and interest rate swap agreements effectively replace a floating rate on the notional amount with a fixed rate as noted above. As of March 31, 2019, the Company has one interest rate cap agreement and four interest rate swap agreements in place (See Note 5—Derivative Instruments and Hedging Activities in the Company's Notes to the Consolidated Financial Statements).

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 $15.1 million per year based on $1.5 billion of floating rate debt outstanding at March 31, 2019.

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 March 31, 2019, 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) 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, although from time-to-time they are involved in various legal proceedings that arise in the ordinary course of business.

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, 2018.

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

On January 3, 2019 and February 22, 2019, the Company, as general partner of the Operating Partnership, issued 20,000 and 1,000 shares of common stock of the Company, respectively, upon the redemption of 21,000 common partnership units of the Operating Partnership. These shares of common stock were issued in private placements to two limited partners of the Operating Partnership, each an accredited investor, pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1)
January 1, 2019 to January 31, 2019	—	$ —	—	$ 278,707,048
February 1, 2019 to February 31, 2019	—	—	—	$ 278,707,048
March 1, 2019 to March 31, 2019	—	—	—	$ 278,707,048
	—	$ —	—	

(1) On February 12, 2017, the Company's Board of Directors authorized the repurchase of up to $500.0 million of the Company's outstanding common shares from time to time as market conditions warrant.

Item 3. Defaults Upon Senior Securities

Not Applicable

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

In connection with a review of the compensation of the Executive Vice Presidents of the Company by the Compensation Committee (the “Compensation Committee”), on May 3, 2019, the Compensation Committee approved The Macerich Company Change in Control Severance Pay Plan for Executive Vice Presidents (the “2019 Plan”) in order to provide the current Executive Vice Presidents of the Company with the same protections afforded to the CEO, the President (and previously afforded to former senior executives) of the Company, pursuant to The Macerich Company Change in Control Severance Pay Plan for Senior Executives which was disclosed on November 3, 2017 (the “2017 Plan”). Consistent with the 2017 Plan, the 2019 Plan entitles the Executive Vice Presidents of the Company to certain benefits in the event of certain terminations of employment with the Company within 24 months following a change in control, unless such eligible employee is a party to an individual agreement with the Company that provides for greater payments and benefits. The discussion of the 2019 Plan is qualified in its entirety by reference to the copy of the agreement, which is being filed with this Quarterly Report on Form 10-Q as Exhibit 10.3 and is incorporated herein by reference. The Compensation Committee did not recommend any additional changes to the compensation of the Company’s Executive Vice Presidents at such time.

Item 6. Exhibits

Exhibit Number	Description
2.1	Master Agreement, dated November 14, 2014, by and among Pacific Premier Retail LP, MACPT LLC, Macerich PPR GP LLC, Queens JV LP, Macerich Queens JV LP, Queens JV GP LLC, 1700480 Ontario Inc. and the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date November 14, 2014).
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)) (Filed in paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
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) (Filed in paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
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 of the Company (declassification of Board) (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
3.1.6	Articles Supplementary of the Company (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 of the Company (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).
3.1.8	Articles of Amendment of the Company (to eliminate the supermajority vote requirement to amend the charter and to clarify a reference in Article NINTH) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 30, 2014).
3.1.9	Articles Supplementary of the Company (election to be subject to Section 3-803 of the Maryland General Corporation Law) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date March 17, 2015).
3.1.10	Articles Supplementary of the Company (Series E Preferred Stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date March 18, 2015).
3.1.11	Articles Supplementary of the Company (reclassification of Series E Preferred Stock to Preferred Stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 7, 2015).
3.1.12	Articles Supplementary of the Company (repeal of election to be subject to Section 3-803 of the Maryland General Corporation Law) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 28, 2015).
3.1.13	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 24, 2019)
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 April 24, 2019).
10.1*	Form of LTIP Unit Award Agreement under 2003 Equity Incentive Plan (performance-based)
10.2*	Form of LTIP Unit Award Agreement under 2003 Equity Incentive Plan (service-based)
10.3*	Change in Control Severance Plan for Executive Vice Presidents
31.1	Section 302 Certification of Thomas O'Hern, Chief Executive Officer
31.2	Section 302 Certification of Scott Kingsmore, Chief Financial Officer
32.1**	Section 906 Certifications of Thomas O'Hern and Scott Kingsmore
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
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

** Furnished herewith.

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/ SCOTT W. KINGSMORE

Scott W. Kingsmore

Executive Vice President, Treasurer and Chief Financial Officer

(Principal Financial Officer)

Date: May 7, 2019

Exhibit 10.1

THE MACERICH COMPANY
[ ] LTIP UNIT AWARD AGREEMENT
(PERFORMANCE-BASED)

[ ] LTIP UNIT AWARD AGREEMENT (Performance-Based) made as of the date set forth on Schedule A hereto between The Macerich Company, a Maryland corporation (the "Company"), its subsidiary The Macerich Partnership, L.P., a Delaware limited partnership and the entity through which the Company conducts substantially all of its operations (the "Partnership"), and the party listed on Schedule A (the "Grantee").

RECITALS

A. The Grantee is a key employee of the Company or one of its Subsidiaries or affiliates and provides services to the Partnership.

B. Pursuant to its Long-Term Incentive Plan ("LTIP") the Company can award units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement (as defined herein) under The Macerich Company 2003 Equity Incentive Plan, as amended (the "2003 Plan"), to provide certain key employees of the Company or its Subsidiaries and affiliates, including the Grantee, in connection with their employment with the long-term incentive compensation described in this Award Agreement (this "Agreement" or "Award Agreement"), and thereby provide additional incentive for them to promote the progress and success of the business of the Company and its Subsidiaries and affiliates, including the Partnership, while increasing the total return to the Company's stockholders. [ ] LTIP Units (PB) (as defined herein) have been awarded by the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") pursuant to authority delegated to it by the Board as set forth in the Committee's charter, including authority to make grants of equity interests in the Partnership which may, under certain circumstances, become exchangeable for shares of the Company's Common Stock reserved for issuance under the 2003 Plan, or any successor equity plan (as any such plan may be amended, modified or supplemented from time to time, collectively the "Stock Plan"). This Agreement evidences an award to the Grantee under the LTIP (this "Award"), which is subject to the terms and conditions set forth herein.

C. The Grantee was selected by the Committee to receive this Award as one of a select group of highly compensated or management employees who, through the effective execution of their assigned duties and responsibilities, are in a position to have a direct and measurable impact on the Company's long-term financial results. Effective as of the grant date specified in Schedule A hereto, the Committee awarded to the Grantee the number of [ ] LTIP Units (PB) (as defined herein) set forth in Schedule A.

NOW, THEREFORE, the Company, the Partnership and the Grantee agree as follows:

1. **Administration**. The LTIP and all awards thereunder, including this Award, shall be administered by the Committee, which in the administration of the LTIP shall have all the powers

and authority it has in the administration of the Stock Plan, as set forth in the Stock Plan. The Committee may from time to time adopt any rules or procedures it deems necessary or desirable for the proper and efficient administration of the LTIP, consistent with the terms hereof and of the Stock Plan. The Committee's determinations and interpretations with respect to the LTIP and this Agreement shall be final and binding on all parties.

2. **Definitions**. Capitalized terms used herein without definitions shall have the meanings given to those terms in the Stock Plan. In addition, as used herein:

"[ ] LTIP Units (PB)" has the meaning set forth in Section 3(a).

"Cause" for termination of the Grantee's employment means that the Company, acting in good faith based upon the information then known to the Company, determines that the Grantee has:

(a) failed to perform in a material respect without proper cause his obligations under the Grantee's Service Agreement (if one exists);

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

(c) 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 (as defined below) 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 Grantee in good faith and in the best interests of the Company. The cessation of employment of the Grantee shall not be deemed to be for Cause under clause (a) or (c) above unless and until there shall have been delivered to the Grantee 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 Grantee and any relative of the Grantee, if the Grantee 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 Grantee and the Grantee is given an opportunity, together with counsel for the Grantee, to be heard before the Applicable Board), finding that, in the good faith opinion of the Applicable Board, the Grantee is guilty of the conduct described in clause (a) or (c) above, and specifying the particulars thereof in reasonable detail. For purposes of the definition of Cause, "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.

"Change in Control Arrangement" means [The Macerich Company Change in Control Severance Pay Plan For the CEO, President and Senior Executive Vice Presidents][The Macerich Company Change in Control Severance Pay Plan for Executive Vice Presidents], as may be amended or modified from time to time.

"Change of Control" means any of the following:

(a) The acquisition by any 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 (c)(i), (c)(ii) and (c)(iii) below;

(b) 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;

(c) 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, (i) 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, (ii) 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 (iii) 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

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

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

"Common Stock" means shares of the Company's common stock, par value $0.01 per share, either currently existing or authorized hereafter.

"Competitive Activities" means that the Grantee, directly or indirectly, whether as owner, partner, shareholder, consultant, agent, employee, co-venturer or otherwise, engages, participates, assists or invests in any Competing Business (as hereinafter defined). The term "Competing Business" shall mean a publicly-traded real estate investment trust that is identified by the National Association of Real Estate Investment Trusts as a "mall REIT" or "shopping center REIT" (other than the Company or a surviving or resulting entity upon a Change of Control, or any of their respective affiliates). Notwithstanding the foregoing, the Grantee may own equity securities of an entity which constitutes, or is affiliated with, a Competing Business, so long at their value does not exceed two percent (2%) of the aggregate equity market capitalization of the Competing Business.

"Continuous Service" means the continuous service to the Company or any Subsidiary or affiliate, without interruption or termination, in any capacity of employee, or, with the written consent of the Committee, consultant. Continuous Service shall not be considered interrupted in the case of (A) any approved leave of absence, (B) transfers among the Company and any Subsidiary or affiliate, or any successor, in any capacity of employee, or with the written consent of the Committee, consultant, or (C) any change in status as long as the individual remains in the service of the Company and any Subsidiary or affiliate in any capacity of employee, member of the Board or (if the Company specifically agrees in writing that the Continuous Service is not uninterrupted) a consultant. An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave.

"Current Distributions" has the meaning set forth in Section 7(b).

"Contingent Distributions" has the meaning set forth in Section 7(c).

"Disability" means (A) a "permanent and total disability" within the meaning of Section 22(e)(3) of the Code, or (B) the absence of the Grantee 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 Grantee 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 Grantee from performing his or her duties.

“Effective Date” means January 1, [ ].

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Fair Market Value” means, as of any given date, the fair market value of a security determined by the Committee using any reasonable method and in good faith (such determination will be made in a manner that satisfies Section 409A of the Code and in good-faith as required by Section 422(c)(1) of the Code); provided that (A) if the security is then listed on a national stock exchange, the fair market value of such security on any date shall be the closing sales price per Share on the principal national stock exchange on which the security is listed on such date (or, if such date is not a trading date on which there was a sale of such security on such exchange, the last preceding date on which there was a sale of such security on such exchange), (B) if the security is not then listed on a national stock exchange but is then traded on an over-the-counter market, the fair market value of such security on any date shall be the average of the closing bid and asked prices for such security in the principal over-the-counter market on which such security is traded on such date (or, if such date is not a trading date on which there was a sale of such security on such market, for the last preceding date on which there was a sale of such security in such market), or (C) if the security is not then listed on a national stock exchange or traded on an over-the-counter market, the fair market value of such security on any date shall be such value as the Committee in its discretion may in good faith determine; provided that, where Shares are so listed or traded, the Committee may make such discretionary determinations where Shares have not been traded for 10 trading days.

“Good Reason” means an action taken by the Company, without the Grantee’s written consent thereto, resulting in a material negative change in the employment relationship, to the extent not remedied by the Company within 30 days after receipt by the Company of written notice from the Grantee provided to the Company within 90 days (the “Cure Period”) of the Grantee’s knowledge of the occurrence of such material negative change in the employment relationship specifying in reasonable detail such occurrence. For these purposes, a “material negative change in the employment relationship” shall include, without limitation, any one or more of the following reasons, set forth in clauses (a) through (e) below:

(a) the assignment to the Grantee of any duties materially inconsistent in any respect with the Grantee’s position (including status, offices, titles and 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);

(b) a change in the Grantee’s principal office location to a location further away from the Grantee’s home which is more than 30 miles from the Grantee’s current principal office;

(c) the taking of any action by the Company to eliminate benefit plans in which the Grantee 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;

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

(e) any material breach by the Company of the Grantee's Service Agreement (if one exists).

In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Grantee'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 Grantee suffers a Disability or dies following the occurrence of such material negative change in the employment relationship and the Grantee 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 Grantee's physical or mental incapacity or death shall not affect the ability of the Grantee or his heirs or beneficiaries, as applicable, to treat the Grantee's termination of employment as a termination for Good Reason, Retirement, death or Disability. For purposes of the definition of Good Reason, the term "Base Salary" means the annual base rate of compensation payable to Grantee by the Company prior to any reduction thereof, before deductions or voluntary deferrals authorized by the Grantee or required by law to be withheld from the Grantee by the Company. Salary excludes all other extra pay such as overtime, pensions, severance payments, bonuses, equity-based incentives, living or other allowances, and other perquisites.

"LTIP Units" means units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement awarded pursuant to this Agreement under the LTIP having the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption set forth in the Partnership Agreement.

"Partial Service Factor" means a factor carried out to the sixth decimal, but never greater than one (1.000000), determined by dividing (A) the number of calendar days that have elapsed since the Effective Date to and including the date of the Grantee's Retirement, death or Disability (as applicable) by (B) 365.

"Partnership Agreement" means the Amended and Restated Limited Partnership Agreement of the Partnership, dated as of March 16, 1994, among the Company, as general partner, and the limited partners who are parties thereto, as amended from time to time.

"Peer REIT" means each of the business entities qualified as real estate investment trusts ("REITs") that are publicly-traded, U.S.-based "equity REITs" and are categorized in the National Association of Real Estate Investment Trusts ("NAREIT") Index as "Mall" or "Shopping Center" REITs; provided that such business entities must be publicly-traded for the entire Performance

Period to constitute a Peer REIT; provided further that if any business entity is delisted due to bankruptcy during the Performance Period it will remain a Peer REIT (such delisted business entities, "Delisted Peer REITs"). If the Committee determines that NAREIT no longer identifies Peer REITs, or that NAREIT's identification of Peer REITs is no longer suitable for the purposes of this Agreement, then the Committee in its good faith reasonable discretion shall select Peer REITs identified by another reputable business organization for purposes of this Agreement. The Committee does not have the discretion to adjust the Peer REIT Total Return for matters other than as described above.

"Peer REIT Total Return" means, (a) for a Peer REIT other than a Delisted Peer REIT, with respect to the Performance Period, the absolute total stockholder return of the common equity of such Peer REIT during the Performance Period, calculated in the same manner as Total Return is calculated for the Company and (b) for a Delisted Peer REIT, an absolute total stockholder return of -100%.

["Performance Period" means, the period commencing on (and including) January 1, [ ] and concluding on (and including) the earliest of (a) December 31, [ ] or (b) the date of a Change of Control.] or ["Performance Period" means, the period commencing on (and including) January 1, [ ] and concluding on (and including) December 31, [ ].]

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, other entity or "group" (as defined in the Exchange Act).

"Qualified Termination" means a termination of the Grantee's employment (A) by the Company for no reason or for any reason (other than for Cause, death or Disability), or (B) by the Grantee for Good Reason.

"Qualified Termination Factor" means a factor carried out to the six decimal, but never greater than one (1.000000), determined by dividing (A) the number of days between the Effective Date and the date on which the Grantee's Qualified Termination occurs divided by (B) 1,095.

"Retirement" means: (A) if the Grantee is a party to a Service Agreement immediately prior to such event, and "Retirement" is defined therein, then "Retirement" shall have the meaning set forth in such Service Agreement, or (B) if the Grantee is not party to a Service Agreement immediately prior to such event and/or the Grantee's Service Agreement does not define "Retirement," then "Retirement" shall mean the Grantee's voluntary termination of employment with the Company and its Subsidiaries on or after the attainment of age 55 and completion of ten (10) years of employment with the Company and/or a Subsidiary, provided that following Retirement the Grantee does not engage in Competitive Activities during the balance of the Performance Period.

"Service Agreement" means, as of a particular date, any employment, consulting or similar service agreement, including, without limitation, management continuity agreement, then in effect between the Grantee, on the one hand, and the Company or one of its affiliates, on the other hand, as amended or supplemented through such date.

“Share” means a share of Common Stock, subject to adjustments pursuant to Section 6.2 of the Stock Plan.

“Share Price” means, as of a particular date, the Fair Market Value of one Share on such date (or, if such date is not a trading day, the most recent trading day immediately preceding such date); provided further, however, that if such date is the date upon which a Transactional Sale Event occurs, the Share Price as of such date shall be equal to the fair market value in cash, as determined by the Committee, of the total consideration paid or payable in the transaction resulting in the Transactional Sale Event for one Share.

“Total Return” means, with respect to the Performance Period, the compounded total annual return that would have been realized by a stockholder who (A) bought one Share on the first day of the Performance Period at the Share Price on the date immediately preceding such day, (B) reinvested each dividend and other distribution declared during such period of time with respect to such Share (and any other Shares previously received upon reinvestment of dividends or other distributions) in additional Shares at the Fair Market Value on the applicable dividend payment date, and (C) sold all the Shares described in clauses (A) and (B) on the last day of the Performance Period at the Share Price on such date. As set forth in, and pursuant to, Section 9 hereof, appropriate adjustments to the Total Return shall be made to take into account all stock dividends, stock splits, reverse stock splits and the other events set forth in Section 9 hereof that occur during the Performance Period. In calculating Total Return, it is the current intention of the Committee to use total return to stockholders data for the Company and the Peer REITs available from one or more third party sources, though the Committee reserves the right in its reasonable discretion to retain the services of a consultant to analyze relevant data or perform necessary calculations for purposes of this Award. If the Committee delegates the calculation of Total Return to a valuation or other expert, including matters such as the determination of dividend reinvestment and the inclusion or exclusion of REITs as Peer REITs, the Committee is entitled to rely on such valuation or other expert.

“Transactional Sale Event” means (A) a Change of Control described in clause (a) of the definition thereof as a result of a tender offer for Shares or (B) a Change of Control described in clause (c) of the definition thereof.

“Units” means Partnership Units (as defined in the Partnership Agreement) that are outstanding or are issuable upon the conversion, exercise, exchange or redemption of any securities of any kind convertible, exercisable, exchangeable or redeemable for Partnership Units.

3. **Award of [ ] LTIP Units (PB)**.

(a) On the terms and conditions set forth in this Agreement, as well as the terms and conditions of the Stock Plan, the Grantee is hereby granted this Award consisting of the number of LTIP Units set forth on Schedule A hereto opposite “[ ] LTIP Units (PB)”, which is incorporated herein by reference (the “[ ] LTIP Units (PB)”).

(b) [ ] LTIP Units (PB) shall constitute and be treated as the property of the Grantee as of the applicable grant date, subject to the terms of this Agreement and the Partnership

Agreement. Every grant of [ ] LTIP Units (PB) to the Grantee pursuant to this Award shall be set forth in minutes of the meetings of the Committee. [ ] LTIP Units (PB) will be: (A) subject to vesting and/or forfeiture to the extent provided in Sections 4 and 5 hereof; and (B) subject to restrictions on transfer as provided in Section 8 hereof.

4. **Vesting of [ ] LTIP Units (PB)**.

(a) Except as otherwise set forth in this Section 4 and Section 5 below, the percentage of the Grantee's [ ] LTIP Units (PB) that will become vested at the end of the Performance Period [(or at such other date as provided in Section 5 hereof)] will be based on the percentile rank of the Company's Total Return relative to the Peer REIT Total Return for the Peer REITs for the Performance Period as set forth below.

Percentile Rank	**Percentage of Award Vested**
At or above the 75th percentile	100% of the [ ] LTIP Units (PB)
At the 50th percentile	66-2/3% of the [ ] LTIP Units (PB)
At the 25th percentile	33-1/3% of the [ ] LTIP Units (PB)
Below the 25th percentile	0% of the [ ] LTIP Units (PB)

The percentile rank above shall be calculated using the following conventions:

$$\text{Percentile Rank} = \frac{X}{Y}$$

Where:

X = the number of Peer REITs with a Peer REIT Total Return lower than the Company's Total Return during the Performance Period.

Y = the total number of Peer REITs minus 1.

If Percentile Rank as calculated above is a not a whole number, then the award vesting shall be calculated as if the calculation resulted in a percentile rank equal to the next higher whole integer.

If the percentile rank falls between the 25th and 75th percentiles, the percentage of the Grantee's [ ] LTIP Units (PB) that become vested will be calculated using linear interpolation, such that for every additional percentile of rank between the 25th and 75th percentiles an additional 1.33334% of the [ ] LTIP Units (PB) will be vested. For example: at the 34^{th} percentile rank 45.334% of the [ ] LTIP Units (PB) will be vested {33.334% + [(9/25) x (33.334%)] = 45.334%}.

Subject to Section 5 hereof, vesting of the Grantee's [ ] LTIP Units (PB) shall occur as of the last day of the Performance Period, provided that the Continuous Service of the Grantee continues through the last day of the Performance Period, regardless of when the Committee completes its determination of percentile rank or any other calculations or assessments related to its determination of the vesting percentage.

For the avoidance of doubt, assuming no Change of Control (*i.e.*, the last day of the Performance period is December 31, [ ]), the intent of this Section 4(a) is that (i) the Company's Total Return will be calculated using as the first input the Share Price on December 31, [ ] and as the last input the Share Price on December 31, [ ], and (ii) each Peer REIT's Total Return will be calculated in the same manner with respect to the common equity of each such Peer REIT.

(b) The Committee may, upon consideration of the statistical data for the Peer REITs relative to Peer REIT Total Return for the Performance Period, exercise its reasonable discretion to allow for vesting of [ ] LTIP Units (PB) under Section 4(a) on a basis other than a strict mathematical calculation of percentile rank to the extent appropriate in light of the circumstances. By way of illustration, the foregoing would allow the Committee to provide for vesting to occur at a particular level if the Peer REIT Total Return of a number of Peer REITs is clustered within a narrow range such that the effect of the precise calculation of percentile rank would be that vesting would not occur or occur at a lower level. The Committee does not have the discretion to adjust downward the vesting of [ ] LTIP Units (PB).

(c) The Grantee agrees to provide Continuous Service to the Company in consideration for the conditional rights to the unvested [ ] LTIP Units (PB). Except as otherwise provided in Section 5 or pursuant to the Stock Pan, the vesting of the [ ] LTIP Units (PB) requires Continuous Service through the last day of the Performance Period as a condition to the vesting of the [ ] LTIP Units (PB). Partial service, even if substantial, during any vesting period will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service except as provided in Section 5 below or under the Stock Plan.

(d) Any [ ] LTIP Units (PB) that do not become vested pursuant to this Section 4 or Section 5 below shall, without payment of any consideration by the Partnership, automatically and without notice terminate, be forfeited and be and become null and void as of the end of the Performance Period, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested [ ] LTIP Units (PB).

5. **Change of Control or Termination of Grantee's Service Relationship**.

(a) If the Grantee is a party to a Service Agreement, the provisions of this Section 5 shall govern the vesting of the Grantee's [ ] LTIP Units (PB) exclusively in the event of a Change of Control or termination of the Grantee's service relationship with the Company or any Subsidiary or affiliate, unless the Service Agreement contains provisions that expressly refer to this Section 5 and provides that those provisions of the Service Agreement shall instead govern the vesting of the Grantee's [ ] LTIP Units (PB). The foregoing sentence will be deemed an amendment to any applicable Service Agreement to the extent required to apply its terms consistently with this Section 5, such that, by way of illustration, any provisions of the Service Agreement with respect to accelerated vesting or payout of the Grantee's bonus or incentive compensation awards in the event of certain types of terminations of Grantee's service relationship (such as, for example, termination at the end of the term, termination without Cause by the employer or termination for Good Reason by the employee) shall not (unless the Service Agreement contains provisions that expressly refer to this Section 5 and provides that those provisions of the Service Agreement shall instead govern the vesting of the Grantee's [ ] LTIP Units (PB)) be interpreted as requiring that any calculations set forth in Section 4 hereof be performed, or vesting occur with respect to this Award other than as specifically provided in this Section 5. In the event an entity ceases to be a Subsidiary or affiliate of the Company, such action shall be deemed to be a termination of employment of all employees of that entity for purposes of this Agreement resulting in any then unvested [ ] LTIP Units (PB), without payment of any consideration by the Partnership, being automatically and without notice forfeited; provided that the Committee, in its sole and absolute discretion, may make provision in such circumstances for accelerated vesting of some or all of the Grantee's remaining unvested [ ] LTIP Units (PB) that have not previously been forfeited effective immediately prior to such event.

(b) [In the event of a Change of Control prior to December 31, [ ], then:

(i) the Performance Period shall end on such date and the calculations provided in Section 4 hereof shall be performed effective as of the date of the Change of Control and following the date of the Change of Control no further calculations pursuant to Section 4 hereof shall be performed with respect to the Grantee; and

(ii) if the [ ] LTIP Units (PB) remain outstanding after a Change of Control or equivalent replacement awards (as defined in Section 5(b)(iv) hereof) are substituted for the [ ] LTIP Units (PB) at the time of the Change of Control, then the number of [ ] LTIP Units (PB) that are determined as of the date of the Change of Control pursuant to the calculations provided in Section 4 shall remain subject to vesting tied to the Grantee's Continuous Service until December 31, [ ] as if no Change of Control had occurred, except that the Grantee shall become fully vested in such [ ] LTIP Units (PB) immediately (A) upon the Grantee's Qualified Termination in connection with or within twenty-four (24) months after the Change of Control, or (B) upon the Grantee's death, Disability or Retirement;

(iii) if neither the [ ] LTIP Units (PB) remain outstanding after a Change of Control nor equivalent replacement awards (as defined in Section 5(b)(iv) hereof) are substituted for the [ ] LTIP Units (PB) at the time of the Change of Control, then the Grantee shall become fully vested in the number of [ ] LTIP Units (PB) that are determined pursuant to the calculations provided in Section 4 as of the date of the Change of Control; and

(iv) an award shall qualify as an "equivalent replacement award" if the following conditions are met in the good faith discretion of the Committee:

(A) the replacement award is of the same type as the [ ] LTIP Units (PB) being replaced, including, without limitation, income tax attributes relating to the extent and timing of recognition of taxable income, gain or loss by the Grantee;

(B) the replacement award has a value equal to the Fair Market Value of the [ ] LTIP Units being replaced as of the effective date of the Change of Control;

(C) the equity securities issuable upon the conversion, exercise, exchange or redemption of the replacement award, or securities underlying the replacement award, as applicable, are listed on a national stock exchange;

(D) the replacement award contains terms relating to vesting (including with respect to the Grantee's Qualified Termination, death, Disability or Retirement) that are substantially identical to those of the [ ] LTIP Units (PB); and

(E) the other terms and conditions of the replacement award are not less favorable to the Grantee than the terms and conditions of the [ ] LTIP Units (PB).]

(i) [if the [ ] LTIP Units (PB) remain outstanding after a Change of Control or equivalent replacement awards (as defined in Section 5(b)(iii) hereof) are substituted for the [ ] LTIP Units (PB) at the time of the Change of Control, then:

(A) the calculations provided in Section 4 hereof shall be performed as of the end of the Performance Period as if the Change of Control had not occurred; and

(B) vesting tied to the Grantee's Continuous Service will occur upon the earlier of (i) the end of the Performance Period or (ii) the date of the Grantee's Qualified Termination, death, Disability or Retirement; provided, however, that the number of performance-vested [ ] LTIP Units (PB) shall not be determined until the end of the Performance Period as provided in Section 4;

(ii) if neither the [ ] LTIP Units (PB) remain outstanding after a Change of Control nor equivalent replacement awards are substituted for [ ] LTIP Units (PB) at the time of the Change of Control, then:

(A) the calculations provided in Section 4 hereof shall be performed effective as of the date of the Change of Control as if the Performance Period ended on such date; and

(B) the Grantee shall become fully vested in the number of [ ] LTIP Units (PB) that are determined pursuant to the calculations provided in Section 4 hereof as of the effective date of the Change of Control; and

(iii) an award qualifies as an "equivalent replacement award" if the following conditions are met in the good faith discretion of the Committee:

(A) the replacement award is of the same type as the [ ] LTIP Units (PB) being replaced, including, without limitation, income tax attributes relating to the extent and timing of recognition of taxable income, gain or loss by the Grantee;

(B) the equity securities issuable upon the conversion, exercise, exchange or redemption of the replacement award, or securities underlying the replacement award, as applicable, are listed on a national stock exchange;

(C) the replacement award contains terms relating to vesting (including with respect to a Qualified Termination) that are substantially identical to those of the [ ] LTIP Units (PB);

(D) with respect to the measurement of Total Return, the compounded total annual return that would have been realized by a stockholder who bought one Share on the first day of the Performance Period, reinvested all dividends and other distributions, and liquidated the entire investment on the last day of the Performance Period shall be measured assuming that such stockholder participated in the transaction constituting a Change of Control on the terms applicable to the majority of stockholders and had continued to hold the investment (whether in securities of the Company or the surviving or resulting entity after the Change of Control transaction or in other property received as part of the Change of Control transaction (which in the case of cash shall be deemed reinvested at market rates of return for investments with duration and risk appropriate under the circumstances)), with appropriate adjustments to take into account stock dividends, stock splits, reverse stock splits and the other events set forth in Section 9 that occur during the Performance Period both before, upon and after the effective date of the Change of Control transaction; and

(E) the other terms and conditions of the replacement award are not less favorable to the Grantee than the terms and conditions of the [ ] LTIP Units (PB).]

(c) Except as otherwise provided in Section 5(b), in the event of the Grantee's Qualified Termination, death or Disability or Retirement (as applicable below) prior to the end of the Performance Period, conditioned upon the execution and delivery by the Grantee of a customary release of claims and covenant not to solicit employees of the Company or its Subsidiaries or Affiliates following termination, the Grantee will not forfeit the [ ] LTIP Units (PB) upon such event, but the following provisions of this Section 5(c) shall modify the determination of vesting for the Grantee, subject, in each case, to the provisions of Sections 6.4 and 6.5 of the Stock Plan:

(i) the calculations provided in Section 4 hereof shall be performed as of the end of the Performance Period as if such Qualified Termination, death, Disability or Retirement (as applicable below) had not occurred, and, following such calculations, the Grantee shall become vested in the number of [ ] LTIP Units (PB) determined in accordance with this Section 5(c);

(ii) if the Grantee experiences a Retirement, death or Disability, in each case, prior to the first anniversary of the Effective Date, the number of [ ] LTIP Units (PB) resulting from the calculations provided in Section 4 hereof shall be multiplied by the Partial Service Factor (with the resulting number being rounded to the nearest whole LTIP Unit), and such adjusted number of [ ] LTIP Units (PB) shall become vested and any other [ ] LTIP Units (PB) that are not included in the foregoing calculation shall be immediately forfeited);

(iii) if the Grantee experiences a Retirement, death or Disability, in each case, on or after the first anniversary of the Effective Date, there will be no reduction in the number of [ ] LTIP Units (PB) resulting from the calculations provided in Section 4 hereof, and such unadjusted number of [ ] LTIP Units (PB) shall become vested; and

(iv) if the Grantee experiences a Qualified Termination prior to the end of the Performance Period, the number of [ ] LTIP Units (PB) resulting from the calculations provided in Section 4 hereof shall be multiplied by the Qualified Termination Factor (with the resulting number being rounded to the nearest whole LTIP Unit), and such adjusted number of [ ] LTIP Units (PB) shall become vested and any other [ ] LTIP Units (PB) that are not included in the foregoing calculation shall be immediately forfeited).

(d) If the Grantee becomes engaged in Competitive Activities at any time on or following the effective date of Retirement and before the end of the applicable Performance Period, then the provisions relating to vesting due to Retirement under Section 5(b) or 5(c), as applicable, will not apply, and, upon the date the Grantee becomes engaged in any such Competitive Activities during such period, all [ ] LTIP Units (PB), except for those that, prior to such engagement in Competitive Activities, had previously been vested pursuant to Section 4 hereof during the Grantee's Continuous Service or that otherwise became vested under this Section 5, shall automatically and immediately be forfeited by the Grantee. Any forfeited [ ] LTIP Units (PB) shall, without payment of any consideration by the Partnership, automatically and without notice be and become null and void, and neither the Grantee nor any of his successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such forfeited [ ] LTIP Units (PB).

(e) If the Grantee's employment with the Company or a Subsidiary or affiliate terminates as a result of a retirement under circumstances that do not meet the definition of

"Retirement" under this Agreement, the Committee may, on a case-by-case basis and in its sole discretion, provide for accelerated or continued vesting of some or all of the Grantee's unvested [ ] LTIP Units (PB) that have not previously been forfeited effective prior to the effective date of retirement, but in any such event, the provisions of Section 5(d) will apply as if such retirement was deemed a "Retirement" for purposes of this Agreement, and any such vesting will be conditioned upon the execution and delivery by the Grantee of a customary release of claims and covenant not to solicit employees of the Company or its Subsidiaries or Affiliates following such termination.

(f) In the event of a termination of employment or other cessation of the Grantee's Continuous Service prior to the end of the Performance Period, effective as of the date of such termination or cessation, all [ ] LTIP Units (PB) except for those that had previously vested pursuant to Section 4 hereof and those that otherwise become vested or will continue to vest pursuant to this Section 5 shall automatically and immediately be forfeited by the Grantee. Any forfeited [ ] LTIP Units (PB) shall, without payment of any consideration by the Partnership, automatically and without notice be and become null and void, and neither the Grantee nor any of his successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such forfeited [ ] LTIP Units (PB).

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6. **Payments by Award Recipients**. No amount shall be payable to the Company or the Partnership by the Grantee at any time in respect of this Award.

7. **Distributions**. Distributions on [ ] LTIP Units (PB) will be paid in accordance with the Partnership Agreement as modified hereby as follows:

(a) The LTIP Unit Distribution Participation Date (as defined in the Partnership Agreement) with respect to those [ ] LTIP Units (PB) that have become vested in accordance with Section 4 or 5 hereof shall be the effective date of vesting of [ ] LTIP Units (PB) (*i.e.* the last day of the Performance Period [or such other date as provided in Section 5(b) hereof]). Vested [ ] LTIP Units (PB) shall be entitled to receive the full distribution payable on Units outstanding as of the record date next following the date set forth in the preceding sentence, whether or not they will have been outstanding for the whole period in respect of which any such distribution is otherwise payable.

(b) Prior to the LTIP Unit Distribution Participation Date provided in Section 7(a) above, [ ] LTIP Units (PB) not otherwise forfeited in accordance with Section 4 or 5 hereof shall be entitled to receive 10% of regular periodic distributions payable to holders of Units (the "Current Distributions") and 0% of special, extraordinary or other distributions made not in the ordinary course.

(c) An amount equal to (i) the difference between (x) all distributions (regular, special, extraordinary or otherwise) paid with respect to one Unit between the date of grant of the [ ] LTIP Units (PB) and the LTIP Unit Distribution Participation Date provided in Section 7(a) and (y) the Current Distributions paid with respect to one [ ] LTIP Unit up to the LTIP Unit Distribution Participation Date provided in Section 7(a) (such difference, the "Contingent

Distributions") multiplied by (ii) the number of [ ] LTIP Units (PB) shall be credited to a notional (unfunded) account for the benefit of the Grantee on the books and records of the Partnership subject to vesting. As promptly as practicable after the LTIP Unit Distribution Participation Date, an amount equal to the positive difference (if any) between (A) the Contingent Distributions that would have been paid with respect to those [ ] LTIP Units (PB) that have become vested pursuant to Sections 4 or 5 hereof and (B) if any, the Current Distributions paid to the Grantee prior to the LTIP Unit Distribution Participation Date in accordance with Section 7(b) in respect of the Unearned [ ] LTIP Units (PB) shall be paid to the Grantee. The "Unearned [ ] LTIP Units (PB)" means the number of [ ] LTIP Units (PB), if any, that are forfeited following vesting pursuant to Sections 4 or 5 hereof. Any portion of the notional account that is not payable to the Grantee shall be forfeited and revert to the Partnership free and clear of any claims by the Grantee.

(d) To the extent that the Partnership makes distributions to holders of Units partially in cash and partially in additional Units or other securities, unless the Committee in its sole discretion determines to allow the Grantee to make a different election, the Grantee shall be deemed to have elected with respect to all [ ] LTIP Units (PB) eligible to receive such distribution to receive 10% of such distribution in cash and 90% in Units, with the cash component constituting the Current Distribution prior to the LTIP Unit Distribution Participation Date.

8. **Restrictions on Transfer**. None of the [ ] LTIP Units (PB) shall be sold, assigned, transferred, pledged or otherwise disposed of or encumbered (whether voluntarily or involuntarily or by judgment, levy, attachment, garnishment or other legal or equitable proceeding) (each such action a "Transfer"), or redeemed in accordance with the Partnership Agreement (a) until after they have become vested pursuant to Section 4 or Section 5 other than in connection with a Change of Control, and (b) unless such Transfer is in compliance with all applicable securities laws (including, without limitation, the Securities Act of 1933, as amended (the "Securities Act")), and such Transfer is in accordance with the applicable terms and conditions of the Partnership Agreement; provided, however, that clause (a) above shall not apply with respect to (i) the conversion into Units of [ ] LTIP Units (PB) that have become vested in accordance with Sections 4 or 5 hereof ("Converted LTIP Units") or (ii) any Transfer either of [ ] LTIP Units (PB) that have become vested in accordance with Sections 4 or 5 hereof or of Converted LTIP Units, so long as such Transfer is (A) permitted under the Partnership Agreement and (B) in connection with donative, estate or tax planning by the Grantee; and provided, further, that the Transferee agrees in writing with the Company and the Partnership not to make any further Transfer of such vested [ ] LTIP Units (PB) or Converted LTIP Units other than as permitted by this Section 8. In connection with any Transfer of [ ] LTIP Units (PB) or Converted LTIP Units, the Partnership may require the Grantee to provide an opinion of counsel, satisfactory to the Partnership, that such Transfer is in compliance with all federal and state securities laws (including, without limitation, the Securities Act). Any attempted Transfer of [ ] LTIP Units (PB) not in accordance with the terms and conditions of this Section 8 shall be null and void, and the Partnership shall not reflect on its records any change in record ownership of any [ ] LTIP Units (PB) as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer of any [ ] LTIP Units (PB). The restrictions on Transfer in this Section 8 shall not be interpreted to prohibit the Grantee from designating one or more beneficiaries to receive the Grantee's LTIP Units or Converted LTIP Units

that are payable in the event of the Grantee's death. Any such beneficiary designation shall be on a form provided or approved by the Company.

9. **Changes in Capital Structure**. Without duplication with the provisions of Section 6.2 of the Stock Plan, if (a) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or stock of the Company, spin-off of a Subsidiary, business unit or significant portion of assets or other fundamental transaction similar thereto, (b) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, significant repurchases of stock, or other similar change in the capital structure of the Company shall occur, (c) any extraordinary dividend or other distribution to holders of shares of Common Stock or Units other than regular cash dividends shall be made, or (d) any other event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of appropriate equitable adjustment in the terms of this Award, the LTIP or the [ ] LTIP Units (PB), then the Committee shall take such action as it deems necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Award, the LTIP and the terms of the [ ] LTIP Units (PB) prior to such event, including, without limitation: (i) adjustments in the [ ] LTIP Units (PB), Share Price, Total Return or other pertinent terms of this Award; and (ii) substitution of other awards under the Stock Plan or otherwise. The Grantee shall have the right to vote the [ ] LTIP Units (PB) if and when voting is allowed under the Partnership Agreement, regardless of whether vesting has occurred.

10. **Miscellaneous**.

(a) Amendments; Modifications. This Agreement may be amended or modified only with the consent of the Company and the Partnership; provided that any such amendment or modification materially and adversely affecting the rights of the Grantee hereunder must be consented to by the Grantee to be effective as against him; and provided, further, that the Grantee acknowledges that the Stock Plan may be amended or discontinued in accordance with Section 6.6 thereof and that this Agreement may be amended or canceled by the Committee, on behalf of the Company and the Partnership, for the purpose of satisfying changes in law or for any other lawful purpose, so long as no such action shall impair the Grantee's rights under this Agreement without the Grantee's written consent. Notwithstanding the foregoing, this Agreement may be amended in writing signed only by the Company to correct any errors or ambiguities in this Agreement and/or to make such changes that do not materially adversely affect the Grantee's rights hereunder. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by the parties which are not set forth expressly in this Agreement. This grant shall in no way affect the Grantee's participation or benefits under any other plan or benefit program maintained or provided by the Company.

(b) Incorporation of Stock Plan and Change in Control Arrangement; Committee Determinations. The provisions of the Stock Plan and Change in Control Arrangement are hereby incorporated by reference as if set forth herein. In the event of a conflict between this Agreement and the Stock Plan or this Agreement and the Change in Control Arrangement, this Agreement shall be controlling and determinative. The Committee will make the determinations and certifications required by this Award as promptly as reasonably practicable following the occurrence of the event or events necessitating such determinations or certifications. In the event of a Change of Control, the Committee will perform any calculations set forth in Section 4 or Section 5 hereof required in connection with such Change of Control and make any determinations relevant to vesting with respect to this Award within a period of time that enables the Company to conclude whether [ ] LTIP Units (PB) become vested or are forfeited prior to the effective date of the Change of Control, which determinations could, for the avoidance of doubt, include good faith assumptions.

(c) Status as a Partner. As of the grant date set forth on Schedule A, the Grantee shall be admitted as a partner of the Partnership with beneficial ownership of the number of [ ] LTIP Units (PB) issued to the Grantee as of such date pursuant to Section 3(a) hereof by: (A) signing and delivering to the Partnership a copy of this Agreement; and (B) signing, as a Limited Partner, and delivering to the Partnership a counterpart signature page to the Partnership Agreement (attached hereto as Exhibit A).

(d) Status of [ ] LTIP Units (PB) under the Stock Plan. Insofar as the LTIP has been established as an incentive program of the Company and the Partnership, the [ ] LTIP Units (PB) are both issued as equity securities of the Partnership and granted as awards under the Stock Plan. The Company will have the right at its option, as set forth in the Partnership Agreement, to issue shares of Common Stock in exchange for Units into which [ ] LTIP Units (PB) may have been converted pursuant to the Partnership Agreement, subject to certain limitations set forth in the Partnership Agreement, and such shares of Common Stock, if issued, will be issued under the Stock Plan. The Grantee must be eligible to receive the [ ] LTIP Units (PB) in compliance with applicable federal and state securities laws and to that effect is required to complete, execute and deliver certain covenants, representations and warranties (attached as Exhibit B). The Grantee acknowledges that the Grantee will have no right to approve or disapprove such determination by the Committee.

(e) Legend. The records of the Partnership evidencing the [ ] LTIP Units (PB) shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such [ ] LTIP Units (PB) are subject to restrictions as set forth herein, in the Stock Plan and in the Partnership Agreement.

(f) Compliance With Securities Laws. The Partnership and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no [ ] LTIP Units (PB) will become vested or be issued at a time that such vesting or issuance would result in a violation of any such laws.

(g) Investment Representations; Registration. The Grantee hereby makes the covenants, representations and warranties set forth on Exhibit B attached hereto. All of such covenants, warranties and representations shall survive the execution and delivery of this Agreement by the Grantee. The Partnership will have no obligation to register under the Securities Act any [ ] LTIP Units (PB) or any other securities issued pursuant to this Agreement or upon conversion or exchange of [ ] LTIP Units (PB). The Grantee agrees that any resale of the shares of Common Stock received upon the exchange of Units into which [ ] LTIP Units (PB) may be converted shall not occur during the "blackout periods" forbidding sales of Company securities, as set forth in the then applicable Company employee manual or insider trading policy. In addition, any resale shall be made in compliance with the registration requirements of the Securities Act or an applicable exemption therefrom, including, without limitation, the exemption provided by Rule 144 promulgated thereunder (or any successor rule).

(h) Section 83(b) Election. In connection with the issuance of [ ] LTIP Units (PB) under this Award pursuant to Section 3 hereof the Grantee may (but is not required to) make an election to include in gross income in the year of transfer the applicable [ ] LTIP Units (PB) pursuant to Section 83(b) of the Code substantially in the form attached hereto as Exhibit C and, if such an election is made, the Grantee shall provide to the Company a copy thereof and supply to the Company such other information as the Company is required to maintain or file in accordance with the regulations promulgated thereunder.

(i) Severability. If, for any reason, any provision of this Agreement is held invalid, such invalidity shall not affect any other provision of this Agreement not so held invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect. If any provision of this Agreement shall be held invalid in part, such invalidity shall in no way affect the rest of such provision not held so invalid, and the rest of such provision, together with all other provisions of this Agreement, shall to the full extent consistent with law continue in full force and effect.

(j) Governing Law. This Agreement is made under, and will be construed in accordance with, the laws of the State of Delaware, without giving effect to the principles of conflict of laws of such state.

(k) No Obligation to Continue Position as an Employee, Consultant or Advisor. Neither the Company nor any affiliate is obligated by or as a result of this Agreement to continue to have the Grantee as an employee, consultant or advisor and this Agreement shall not interfere in any way with the right of the Company or any affiliate to terminate the Grantee's service relationship at any time.

(l) Notices. Any notice to be given to the Company shall be addressed to the Secretary of the Company at its principal place of business and any notice to be given the Grantee shall be addressed to the Grantee at the Grantee's address as it appears on the employment records of the Company, or at such other address as the Company or the Grantee may hereafter designate in writing to the other.

(m) Withholding and Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for income tax purposes or subject to the Federal Insurance Contributions Act withholding with respect to this Award, the Grantee will pay to the Company or, if appropriate, any of its affiliates, or make arrangements satisfactory to the Committee regarding the payment of, any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee.

(n) Headings. The headings of paragraphs hereof are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

(o) Counterparts. This Agreement may be executed in multiple counterparts with the same effect as if each of the signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

(p) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and any successors to the Company and the Partnership, on the one hand, and any successors to the Grantee, on the other hand, by will or the laws of descent and distribution, but this Agreement shall not otherwise be assignable or otherwise subject to hypothecation by the Grantee.

(q) 409A. To the extent applicable, this Agreement shall be construed, administered and interpreted in accordance with a good faith interpretation of Section 409A of the Code. Any provision of this Agreement that is inconsistent with Section 409A of the Code, to the extent applicable, or that may result in penalties under Section 409A of the Code, shall be amended, in consultation with the Grantee and with the reasonable cooperation of the Grantee and the Company, in the least restrictive manner necessary to (i) exclude the applicable payment or benefit under this Agreement from the definition of “deferred compensation” within the meaning of such Section 409A or (ii) comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions, in each case without diminution in the value of the benefits granted hereby to the Grantee. Notwithstanding anything herein to the contrary, in the event the amounts payable under this Agreement are determined to constitute “nonqualified deferred compensation” subject to Section 409A of the Code, then, to the extent the Grantee is a “specified employee” under Section 409A of the Code subject to the six-month delay thereunder, any such vesting or related payments to be made during the six-month period commencing on the Grantee’s “separation from service” (as defined in Section 409A of the Code) shall be delayed until the expiration of such six-month period.

(r) Complete Agreement. This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Award Agreement to be executed as of the 1st day of January, [ ].

THE MACERICH COMPANY

By: _

THE MACERICH PARTNERSHIP, L.P.
By: The Macerich Company,
its general partner

By: _

GRANTEE

EXHIBIT A

FORM OF LIMITED PARTNER SIGNATURE PAGE

The Grantee, desiring to become one of the within named Limited Partners of The Macerich Company, L.P., hereby accepts all of the terms and conditions of (including, without limitation, the provisions related to powers of attorney), and becomes a party to, the Agreement of Limited Partnership, dated as of March 16, 1994, of The Macerich Partnership, L.P., as amended (the "Partnership Agreement"). The Grantee agrees that this signature page may be attached to any counterpart of the Partnership Agreement and further agrees as follows (where the term "Limited Partner" refers to the Grantee):

1. The Limited Partner hereby confirms that it has reviewed the terms of the Partnership Agreement and affirms and agrees that it is bound by each of the terms and conditions of the Partnership Agreement, including, without limitation, the provisions thereof relating to limitations and restrictions on the transfer of Partnership Units. Without limitation of the foregoing, the Limited Partner is deemed to have made all of the acknowledgements, waivers and agreements set forth in Sections 10.6 and 13.11 of the Partnership Agreement.

2. The Limited Partner hereby confirms that it is acquiring the Partnership Units for its own account as principal, for investment and not with a view to resale or distribution, and that the Partnership Units may not be transferred or otherwise disposed of by the Limited Partner otherwise than in a transaction pursuant to a registration statement filed by the Partnership (which it has no obligation to file) or that is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state and foreign securities laws, and the General Partner may refuse to transfer any Partnership Units as to which evidence of such registration or exemption from registration satisfactory to the General Partner is not provided to it, which evidence may include the requirement of a legal opinion regarding the exemption from such registration. If the General Partner delivers to the Limited Partner shares of common stock of the General Partner ("Common Shares") upon redemption of any Partnership Units, the Common Shares will be acquired for the Limited Partner's own account as principal, for investment and not with a view to resale or distribution, and the Common Shares may not be transferred or otherwise disposed of by the Limited Partner otherwise than in a transaction pursuant to a registration statement filed by the General Partner with respect to such Common Shares (which it has no obligation under the Partnership Agreement to file) or that is exempt from the registration requirements of the Securities Act and all applicable state and foreign securities laws, and the General Partner may refuse to transfer any Common Shares as to which evidence of such registration or exemption from such registration satisfactory to the General Partner is not provided to it, which evidence may include the requirement of a legal opinion regarding the exemption from such registration.

3. The Limited Partner hereby affirms that it has appointed the General Partner, any Liquidator and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, in accordance with Section 6.10 of the Partnership Agreement, which Section is hereby incorporated by reference. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and

not be affected by the death, incompetency, dissolution, disability, incapacity, bankruptcy or termination of the Limited Partner and shall extend to the Limited Partner's heirs, executors, administrators, legal representatives, successors and assigns.

4. The Limited Partner hereby irrevocably consents in advance to any amendment to the Partnership Agreement, as may be recommended by the General Partner, intended to avoid the Partnership being treated as a publicly-traded partnership within the meaning of Section 7704 of the Internal Revenue Code, including, without limitation, (a) any amendment to the provisions of Section 9.1 or the Redemption Rights Exhibit of the Partnership Agreement intended to increase the waiting period between the delivery of a notice of redemption and the redemption date to up to sixty (60) days or (b) any other amendment to the Partnership Agreement intended to make the redemption and transfer provisions, with respect to certain redemptions and transfers, more similar to the provisions described in Treasury Regulations Section 1.7704 1(f).

5. The Limited Partner hereby appoints the General Partner, any liquidator and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, to execute and deliver any amendment referred to in the foregoing paragraph 4(a) on the Limited Partner's behalf. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and not be affected by the death, incompetency, dissolution, disability, incapacity, bankruptcy or termination of the Limited Partner and shall extend to the Limited Partner's heirs, executors, administrators, legal representatives, successors and assigns.

6. The Limited Partner agrees that it will not transfer any interest in the Partnership Units (i) through a national, non-U.S., regional, local or other securities exchange or (ii) an over-the-counter market (including an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers by electronic means or otherwise) or (iii) to or through (a) a person, such as a broker or dealer, that makes a market in, or regularly quotes prices for, interests in the Partnership or (b) a person that regularly makes available to the public (including customers or subscribers) bid or offer quotes with respect to any interests in the Partnership and stands ready to effect transactions at the quoted prices for itself or on behalf of others.

7. The Limited Partner acknowledges that the General Partner shall be a third party beneficiary of the representations, covenants and agreements set forth in Sections 4 and 5 hereof. The Limited Partner agrees that it will transfer, whether by assignment or otherwise, Partnership Units only to the General Partner or to transferees that provide the Partnership and the General Partner with the representations and covenants set forth in Sections 4 and 5 hereof.

8. This Acceptance shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

Signature Line for Limited Partner:

Date: January 1, [ ]

Address of Limited Partner:

EXHIBIT B

GRANTEE'S COVENANTS, REPRESENTATIONS AND WARRANTIES

The Grantee hereby represents, warrants and covenants as follows:

(a) The Grantee has received and had an opportunity to review the following documents (the "Background Documents"):

(i) The Company's latest Annual Report to Stockholders;

(ii) The Company's Proxy Statement for its most recent Annual Meeting of Stockholders;

(iii) The Company's Report on Form 10-K for the fiscal year most recently ended;

(iv) The Company's Form 10-Q, if any, for the most recently ended quarter filed by the Company with the Securities and Exchange Commission since the filing of the Form 10-K described in clause (iii) above;

(v) Each of the Company's Current Report(s) on Form 8-K, if any, filed since the end of the fiscal year most recently ended for which a Form 10-K has been filed by the Company;

(vi) The Partnership Agreement;

(vii) The Stock Plan; and

(viii) The Company's Articles of Amendment and Restatement, as amended.

The Grantee also acknowledges that any delivery of the Background Documents and other information relating to the Company and the Partnership prior to the determination by the Partnership of the suitability of the Grantee as a holder of [ ] LTIP Units (PB) shall not constitute an offer of [ ] LTIP Units (PB) until such determination of suitability shall be made.

(b) The Grantee hereby represents and warrants that

(i) The Grantee either (A) is an "accredited investor" as defined in Rule 501(a) under the Securities Act, or (B) by reason of the business and financial experience of the Grantee, together with the business and financial experience of those persons, if any, retained by the Grantee to represent or advise him with respect to the grant to him of [ ] LTIP Units (PB), the potential conversion of [ ] LTIP Units (PB) into units of limited partnership of the Partnership ("Common Units") and the potential redemption of such Common Units for shares the Company's common stock ("REIT Shares"), has such knowledge, sophistication and experience in financial and business matters and in making investment decisions of this type that the Grantee (I) is capable of evaluating the merits and risks of an investment in the Partnership and potential investment in the Company and of making an informed investment decision, (II) is capable of protecting his own interest or has engaged representatives or advisors to assist him in protecting his interests, and (III) is capable of bearing the economic risk of such investment.

(ii) The Grantee, after due inquiry, hereby certifies that for purposes of Rule 506(d) and Rule 506(e) of the Securities Act, he is not subject to any felony or misdemeanor conviction related to any securities matter; any federal or state order, judgment, decree or injunction related to any securities, insurance, banking or U.S. Postal Service matter; any SEC disciplinary or cease and desist order; or any suspension, expulsion or bar related to a registered national securities exchange, national or affiliated securities association or member thereof, whether it occurred or was issued before, on or after September 23, 2013, and agrees that he will notify the Company immediately upon becoming aware that the foregoing is not, or is no longer, complete and accurate in every material respect, including as a result of events occurring after the date hereof.

(iii) The Grantee understands that (A) the Grantee is responsible for consulting his own tax advisors with respect to the application of the U.S. federal income tax laws, and the tax laws of any state, local or other taxing jurisdiction to which the Grantee is or by reason of the award of [ ] LTIP Units (PB) may become subject, to his particular situation; (B) the Grantee has not received or relied upon business or tax advice from the Company, the Partnership or any of their respective employees, agents, consultants or advisors, in their capacity as such; (C) the Grantee provides services to the Partnership on a regular basis and in such capacity has access to such information, and has such experience of and involvement in the business and operations of the Partnership, as the Grantee believes to be necessary and appropriate to make an informed decision to accept the award of [ ] LTIP Units (PB); and (D) an investment in the Partnership and/or the Company involves substantial risks. The Grantee has been given the opportunity to make a thorough investigation of matters relevant to the [ ] LTIP Units (PB) and has been furnished with, and has reviewed and understands, materials relating to the Partnership and the Company and their respective activities (including, but not limited to, the Background Documents). The Grantee has been afforded the opportunity to obtain any additional information (including any exhibits to the Background Documents) deemed necessary by the Grantee to verify the accuracy of information conveyed to the Grantee. The Grantee confirms that all documents, records, and books pertaining to his receipt of [ ] LTIP Units (PB) which were requested by the Grantee have been made available or delivered to the Grantee. The Grantee has had an opportunity to ask questions of and receive answers from the Partnership and the Company, or from a person or persons acting on their behalf, concerning the terms and conditions of the [ ] LTIP Units (PB). **The Grantee has relied upon, and is making its decision solely upon, the Background Documents and other written information provided to the Grantee by the Partnership or the Company.**

(iv) The [ ] LTIP Units (PB) to be issued, the Common Units issuable upon conversion of the [ ] LTIP Units (PB) and any REIT Shares issued in connection with the redemption of any such Common Units will be acquired for the account of the Grantee for investment only and not with a current view to, or with any intention of, a distribution or resale thereof, in whole or in part, or the grant of any participation therein, without prejudice, however, to the Grantee's right (subject to the terms of the [ ] LTIP Units (PB), the Stock Plan, the agreement of limited partnership of the Partnership, the articles of organization of the Company, as amended, and the Award Agreement) at all times to sell or otherwise dispose of all or any part of his [ ] LTIP Units (PB), Common Units or REIT Shares in compliance with the Securities Act, and applicable state securities laws, and subject, nevertheless, to the disposition of his assets being at all times within his control.

(v) The Grantee acknowledges that (A) neither the [ ] LTIP Units (PB) to be issued, nor the Common Units issuable upon conversion of the [ ] LTIP Units (PB), have been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws and, if such [ ] LTIP Units (PB) or Common Units are represented by certificates, such certificates will bear a legend to such effect, (B) the reliance by the Partnership and the Company on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Grantee contained herein, (C) such [ ] LTIP Units (PB) or Common Units, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, (D) there is no public market for such [ ] LTIP Units (PB) and Common Units and (E) neither the Partnership nor the Company has any obligation or intention to register such [ ] LTIP Units (PB) or the Common Units issuable upon conversion of the [ ] LTIP Units (PB) under the Securities Act or any state securities laws or to take any action that would make available any exemption from the registration requirements of such laws, except, that, upon the redemption of the Common Units for REIT Shares, the Company may issue such REIT Shares under the Stock Plan and pursuant to a Registration Statement on Form S-8 under the Securities Act, to the extent that (I) the Grantee is eligible to receive such REIT Shares under the Stock Plan at the time of such issuance, (II) the Company has filed a Form S-8 Registration Statement with the Securities and Exchange Commission registering the issuance of such REIT Shares and (III) such Form S-8 is effective at the time of the issuance of such REIT Shares. The Grantee hereby acknowledges that because of the restrictions on transfer or assignment of such [ ] LTIP Units (PB) acquired hereby and the Common Units issuable upon conversion of the [ ] LTIP Units (PB) which are set forth in the Partnership Agreement or this Agreement, the Grantee may have to bear the economic risk of his ownership of the [ ] LTIP Units (PB) acquired hereby and the Common Units issuable upon conversion of the [ ] LTIP Units (PB) for an indefinite period of time.

(vi) The Grantee has determined that the [ ] LTIP Units (PB) are a suitable investment for the Grantee.

(vii) No representations or warranties have been made to the Grantee by the Partnership or the Company, or any officer, director, stockholder, agent, or affiliate of any of them, and the Grantee has received no information relating to an investment in the Partnership or the [ ] LTIP Units (PB) except the information specified in paragraph (b) above.

(c) So long as the Grantee holds any [ ] LTIP Units (PB), the Grantee shall disclose to the Partnership in writing such information as may be reasonably requested with respect to ownership of [ ] LTIP Units (PB) as the Partnership may deem reasonably necessary to ascertain and to establish compliance with provisions of the Code, applicable to the Partnership or to comply with requirements of any other appropriate taxing authority.

(d) The Grantee hereby agrees to make an election under Section 83(b) of the Code with respect to the [ ] LTIP Units (PB) awarded hereunder, and has delivered with this Agreement a completed, executed copy of the election form attached hereto as Exhibit C. The Grantee agrees to file the election (or to permit the Partnership to file such election on the Grantee's behalf) within thirty (30) days after the award of the [ ] LTIP Units (PB) hereunder with the IRS Service Center at which such Grantee files his personal income tax returns, and to file a copy of such election with the Grantee's U.S. federal income tax return for the taxable year in which [ ] LTIP Units (PB) are issued or awarded to the Grantee.

(e) The address set forth on the signature page of this Agreement is the address of the Grantee's principal residence, and the Grantee has no present intention of becoming a resident of any country, state or jurisdiction other than the country and state in which such residence is sited.

EXHIBIT C

ELECTION TO INCLUDE IN GROSS INCOME IN YEAR OF TRANSFER OF PROPERTY PURSUANT TO SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, Treasury Regulations Section 1.83-2 promulgated thereunder, and Rev. Proc. 2012-29, 2012-28 IRB, 06/26/2012, to include in gross income as compensation for services the excess (if any) of the fair market value of the property described below over the amount paid for such property.

1. The name, address and taxpayer identification number of the undersigned are:

   Name: __ (the "Taxpayer")

   Address: __

   ____

   Social Security No./Taxpayer Identification No.: __

   Taxable Year: Calendar Year [__]

2. Description of property with respect to which the election is being made:

   The election is being made with respect to __ [ ] LTIP Units (PB) in The Macerich Partnership, L.P. (the "Partnership").

3. The date on which the [ ] LTIP Units (PB) were transferred to the undersigned is __, [__].

4. Nature of restrictions to which the [ ] LTIP Units (PB) are subject:

   (a) Until the [ ] LTIP Units (PB) vest, the Taxpayer may not transfer in any manner any portion of the [ ] LTIP Units (PB) without the consent of the Partnership.

   (b) The Taxpayer's [ ] LTIP Units (PB) vest in accordance with the vesting provisions described in the Schedule attached hereto. Unvested [ ] LTIP Units (PB) are forfeited in accordance with the vesting provisions described in the Schedule attached hereto.

5. The fair market value at time of transfer (determined without regard to any restrictions other than a nonlapse restriction as defined in Treasury Regulations Section 1.83-3(h)) of the [ ] LTIP Units (PB) with respect to which this election is being made was $0 per [ ] LTIP Unit (PB).

6. The amount paid by the Taxpayer for the [ ] LTIP Units (PB) was $0 per [ ] LTIP Unit (PB).

7. The amount to include in gross income is $0.

The undersigned taxpayer will file this election with the Internal Revenue Service office with which taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. A copy of the election also will be furnished to the person for whom the services were performed. Additionally, the undersigned will include a copy of the election with his or her income tax return for the taxable year in which the property is transferred. The undersigned is the person performing the services in connection with which the property was transferred.

Dated: __

<u>SCHEDULE TO 83(b) ELECTION</u>

Vesting Provisions of [ ] LTIP Units (PB)

The [ ] LTIP Units (PB) are subject to performance-based vesting. Performance-based vesting will be from 0-100% based on The Macerich Company's (the "<u>Company</u>") per-share total return to holders of common stock (the "<u>Total Return</u>") for the period from January 1, [ ] through December 31, [ ] (or earlier in certain circumstances). The [ ] LTIP Units (PB) may vest depending on the percentile rank of the Company in terms of Total Return relative to the Total Return of a group of peer REITs (the "<u>Peer REITs</u>"), as measured at the end of the performance period. Vesting of the [ ] LTIP Units (PB) will occur as follows:

<u>Percentile Rank</u>	**<u>Award Vested (*)</u>**
At or above the 75th percentile	100%
At the 50th percentile	66-2/3%
At the 25th percentile	33-1/3%
Below the 25th percentile	0%

(*) Linear interpolation between the 25th and 75th percentiles.

The above vesting is conditioned upon the Taxpayer remaining an employee of the Company through the applicable vesting date, subject to acceleration under specified circumstances. Unvested [ ] LTIP Units (PB) are subject to forfeiture in the event of failure to vest.

SCHEDULE A TO [ ] LTIP UNIT AWARD AGREEMENT
(PERFORMANCE-BASED)

Date of Award Agreement:	January 1, [__]
Name of Grantee:	
Number of [ ] LTIP Units (PB) Subject to Grant:	
Grant Date:	January 1, [__]

Initials of Company representative: __

Initials of Grantee: __

Exhibit 10.2

THE MACERICH COMPANY
[ ] LTIP UNIT AWARD AGREEMENT
(SERVICE-BASED)

[ ] LTIP UNIT AWARD AGREEMENT (Service-Based) made as of the date set forth on Schedule A hereto between The Macerich Company, a Maryland corporation (the "Company"), its subsidiary The Macerich Partnership, L.P., a Delaware limited partnership and the entity through which the Company conducts substantially all of its operations (the "Partnership"), and the party listed on Schedule A (the "Grantee").

RECITALS

A. The Grantee is a key employee of the Company or one of its Subsidiaries or affiliates and provides services to the Partnership.

B. Pursuant to its Long-Term Incentive Plan ("LTIP") the Company can award units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement (as defined herein) under The Macerich Company 2003 Equity Incentive Plan, as amended (the "2003 Plan"), to provide certain key employees of the Company or its Subsidiaries and affiliates, including the Grantee, in connection with their employment with the long-term incentive compensation described in this Award Agreement (this "Agreement" or "Award Agreement"), and thereby provide additional incentive for them to promote the progress and success of the business of the Company and its Subsidiaries and affiliates, including the Partnership, while increasing the total return to the Company's stockholders. [ ] LTIP Units (SB) (as defined herein) have been awarded by the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") pursuant to authority delegated to it by the Board as set forth in the Committee's charter, including authority to make grants of equity interests in the Partnership which may, under certain circumstances, become exchangeable for shares of the Company's Common Stock reserved for issuance under the 2003 Plan, or any successor equity plan (as any such plan may be amended, modified or supplemented from time to time, collectively the "Stock Plan"). This Agreement evidences an award to the Grantee under the LTIP (this "Award"), which is subject to the terms and conditions set forth herein.

C. The Grantee was selected by the Committee to receive this Award as one of a select group of highly compensated or management employees who, through the effective execution of their assigned duties and responsibilities, are in a position to have a direct and measurable impact on the Company's long-term financial results. Effective as of the grant date specified in Schedule A hereto, the Committee awarded to the Grantee the number of [ ] LTIP Units (SB) (as defined herein) set forth in Schedule A.

NOW, THEREFORE, the Company, the Partnership and the Grantee agree as follows:

1. **Administration.** The LTIP and all awards thereunder, including this Award, shall be administered by the Committee, which in the administration of the LTIP shall have all the powers and authority it has in the administration of the Stock Plan, as set forth in the Stock Plan. The Committee may from time to time adopt any rules or procedures it deems necessary or desirable

for the proper and efficient administration of the LTIP, consistent with the terms hereof and of the Stock Plan. The Committee's determinations and interpretations with respect to the LTIP and this Agreement shall be final and binding on all parties.

2. **Definitions**. Capitalized terms used herein without definitions shall have the meanings given to those terms in the Stock Plan. In addition, as used herein:

"[ ] LTIP Units (SB)" has the meaning set forth in Section 3(a).

"Cause" for termination of the Grantee's employment means that the Company, acting in good faith based upon the information then known to the Company, determines that the Grantee has:

(a) failed to perform in a material respect without proper cause his obligations under the Grantee's Service Agreement (if one exists);

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

(c) 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 (as defined below) 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 Grantee in good faith and in the best interests of the Company. The cessation of employment of the Grantee shall not be deemed to be for Cause under clause (a) or (c) above unless and until there shall have been delivered to the Grantee 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 Grantee and any relative of the Grantee, if the Grantee 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 Grantee and the Grantee is given an opportunity, together with counsel for the Grantee, to be heard before the Applicable Board), finding that, in the good faith opinion of the Applicable Board, the Grantee is guilty of the conduct described in clause (a) or (c) above, and specifying the particulars thereof in reasonable detail. For purposes of the definition of Cause, "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.

"Change in Control Arrangement" means [The Macerich Company Change in Control Severance Pay Plan For the CEO, President and Senior Executive Vice Presidents][The Macerich Company Change in Control Severance Pay Plan for Executive Vice Presidents], as may be amended or modified from time to time.

"Change of Control" means any of the following:

(a) The acquisition by any 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 (c)(i), (c)(ii) and (c)(iii) below;

(b) 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;

(c) 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, (i) 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, (ii) 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 (iii) 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

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

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

"Common Stock" means shares of the Company's common stock, par value $0.01 per share, either currently existing or authorized hereafter.

"Competitive Activities" means that the Grantee, directly or indirectly, whether as owner, partner, shareholder, consultant, agent, employee, co-venturer or otherwise, engages, participates, assists or invests in any Competing Business (as hereinafter defined). The term "Competing Business" shall mean a publicly-traded real estate investment trust that is identified by the National Association of Real Estate Investment Trusts as a "mall REIT" or "shopping center REIT" (other than the Company or a surviving or resulting entity upon a Change of Control or any of their respective affiliates). Notwithstanding the foregoing, the Grantee may own equity securities of an entity which constitutes or is affiliated with a Competing Business, so long at their value does not exceed two percent (2%) of the aggregate equity market capitalization of the Competing Business.

"Continuous Service" means the continuous service to the Company or any Subsidiary or affiliate, without interruption or termination, in any capacity of employee, or, with the written consent of the Committee, consultant. Continuous Service shall not be considered interrupted in the case of (A) any approved leave of absence, (B) transfers among the Company and any Subsidiary or affiliate, or any successor, in any capacity of employee, or with the written consent of the Committee, consultant, or (C) any change in status as long as the individual remains in the service of the Company and any Subsidiary or affiliate in any capacity of employee, member of the Board or (if the Company specifically agrees in writing that the Continuous Service is not uninterrupted) a consultant. An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave.

"Disability" means (A) a "permanent and total disability" within the meaning of Section 22(e)(3) of the Code, or (B) the absence of the Grantee 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 Grantee 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 Grantee from performing his or her duties.

"Effective Date" means January 1, [ ].

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Good Reason" means an action taken by the Company, without the Grantee's written consent thereto, resulting in a material negative change in the employment relationship, to the extent not remedied by the Company within 30 days after receipt by the Company of written notice from the Grantee provided to the Company within 90 days (the "Cure Period") of the Grantee's knowledge of the occurrence of such material negative change in the employment relationship specifying in reasonable detail such occurrence. For these purposes, a "material negative change in the employment relationship" shall include, without limitation, any one or more of the following reasons, set forth in clauses (a) through (e) below:

(a) the assignment to the Grantee of any duties materially inconsistent in any respect with the Grantee's position (including status, offices, titles and 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);

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

(c) the taking of any action by the Company to eliminate benefit plans in which the Grantee 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;

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

(e) any material breach by the Company of the Grantee's Service Agreement (if one exists).

In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Grantee'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 Grantee suffers a Disability or dies following the occurrence of such material negative change in the employment relationship and the Grantee 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 Grantee's physical or mental incapacity or death shall not affect the ability of the Grantee or his heirs or beneficiaries, as applicable, to treat the Grantee's termination of employment as a termination for Good Reason, Retirement, death or Disability. For purposes of the definition of Good Reason, the term "Base Salary" means the annual base rate of compensation payable to Grantee by the Company prior to any reduction thereof, before deductions or voluntary deferrals authorized by the Grantee or required by law to be withheld from the Grantee by the Company. Salary excludes all other extra pay such as overtime, pensions, severance payments, bonuses, equity-based incentives, living or other allowances, and other perquisites.

"LTIP Units" means units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement awarded pursuant to this Agreement under the LTIP having the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption set forth in the Partnership Agreement.

"Partial Service Factor" means a factor carried out to the sixth decimal, but never greater than one (1.000000), determined by dividing (A) the number of calendar days that have elapsed since the Effective Date to and including the date of the Grantee's Retirement, death or Disability (as applicable) by (B) 365.

"Partnership Agreement" means the Amended and Restated Limited Partnership Agreement of the Partnership, dated as of March 16, 1994, among the Company, as general partner, and the limited partners who are parties thereto, as amended from time to time.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, other entity or "group" (as defined in the Exchange Act).

"Prior LTIP Units" means units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement awarded to Grantee prior to the Effective Date under the LTIP (or any other predecessor plan or equity or partnership interest plan) that are subject to service-based vesting requirements.

"Qualified Termination" means a termination of the Grantee's employment (A) by the Company for no reason, or for any reason (other than for Cause, death or Disability) or, (B) by the Grantee for Good Reason.

"Qualified Termination Factor" means a factor carried out to the sixth decimal, but never greater than one (1.000000), determined by dividing (A) the number of days between the last Vesting Date that occurred prior to Grantee's Qualified Termination (or, if such Qualified Termination occurs prior to the occurrence of the first Vesting Date, the Effective Date) and the date of the Grantee's termination of employment divided by (B) 365.

"Restricted Period" means January 1, [ ] through the December 31, [ ].

"Retirement" means: (A) if the Grantee is a party to a Service Agreement immediately prior to such event, and "Retirement" is defined therein, then "Retirement" shall have the meaning set forth in such Service Agreement, or (B) if the Grantee is not party to a Service Agreement immediately prior to such event and/or the Grantee's Service Agreement does not define "Retirement," then "Retirement" shall mean the Grantee's voluntary termination of employment with the Company and its Subsidiaries on or after the attainment of age 55 and completion of ten

(10) years of employment with the Company and/or a Subsidiary, provided that following Retirement the Grantee does not engage in Competitive Activities during the balance of the Restricted Period.

"Service Agreement" means, as of a particular date, any employment, consulting or similar service agreement, including, without limitation, management continuity agreement, then in effect between the Grantee, on the one hand, and the Company or one of its affiliates, on the other hand, as amended or supplemented through such date.

"Units" means Partnership Units (as defined in the Partnership Agreement) that are outstanding or are issuable upon the conversion, exercise, exchange or redemption of any securities of any kind convertible, exercisable, exchangeable or redeemable for Partnership Units.

"Vesting Date" means each of the vesting dates set forth in Section 4.

"Vesting Schedule" means the vesting schedule set forth in Section 4.

3. **Award of [ ] LTIP Units (SB).**

(a) On the terms and conditions set forth in this Agreement, as well as the terms and conditions of the Stock Plan, the Grantee is hereby granted this Award consisting of the number of [ ] LTIP Units (SB) set forth on Schedule A hereto opposite "[ ] LTIP Units (SB)", which is incorporated herein by reference (the "[ ] LTIP Units (SB)").

(b) [ ] LTIP Units (SB) shall constitute and be treated as the property of the Grantee as of the applicable grant date, subject to the terms of this Agreement and the Partnership Agreement. Every grant of [ ] LTIP Units (SB) to the Grantee pursuant to this Award shall be set forth in minutes of the meetings of the Committee. [ ] LTIP Units (SB) will be: (A) subject to vesting and/or forfeiture to the extent provided in Section 4 and Section 5 hereof; and (B) subject to restrictions on transfer as provided in Section 8 hereof.

4. **Vesting of [ ] LTIP Units (SB).**

(a) Except as otherwise provided in this Section 4 or Section 5 hereof and/or the Stock Plan, the [ ] LTIP Units (SB) shall become vested in the amounts provided in Schedule A hereto, provided that the Continuous Service of the Grantee continues through and on the relevant Vesting Date.

(b) The Grantee agrees to provide Continuous Service to the Company in consideration for the conditional rights to the unvested [ ] LTIP Units (SB). Except as otherwise provided in Section 5 or pursuant to the Stock Plan, the Vesting Schedule provided in Schedule A hereto requires Continuous Service through each applicable Vesting Date as a condition to the vesting of the applicable installment and rights and benefits under this Agreement. Partial service, even if substantial, during any vesting period will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service except as provided in Section 5 below or under the Stock Plan.

(c) Any [ ] LTIP Units (SB) that do not become vested pursuant to this Section 4 or Section 5 below shall, without payment of any consideration by the Partnership, automatically and without notice terminate, be forfeited and be and become null and void, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested [ ] LTIP Units (SB).

5. **Change of Control or Termination of Grantee's Service Relationship.**

(a) If the Grantee is a party to a Service Agreement, the provisions of this Section 5 shall govern the vesting of the Grantee's [ ] LTIP Units (SB) exclusively in the event of a Change of Control or termination of the Grantee's service relationship with the Company or any Subsidiary or affiliate, unless the Service Agreement contains provisions that expressly refer to this Section 5 and provides that those provisions of the Service Agreement shall instead govern the vesting of the Grantee's [ ] LTIP Units (SB). The foregoing sentence will be deemed an amendment to any applicable Service Agreement to the extent required to apply its terms consistently with this Section 5, such that, by way of illustration, any provisions of the Service Agreement with respect to accelerated vesting or payout of the Grantee's bonus or incentive compensation awards in the event of certain types of terminations of Grantee's service relationship (such as, for example, termination at the end of the term, termination without Cause by the employer or termination for Good Reason by the employee) shall not (unless the Service Agreement contains provisions that expressly refer to this Section 5 and provides that those provisions of the Service Agreement shall instead govern the vesting of the Grantee's [ ] LTIP Units (SB)) be interpreted as requiring that any vesting occur with respect to this Award other than as specifically provided in this Section 5. In the event an entity ceases to be a Subsidiary or affiliate of the Company, such action shall be deemed to be a termination of employment of all employees of that entity for purposes of this Agreement, resulting in any then unvested [ ] LTIP Units (PB), without payment of any consideration by the Partnership, being automatically and without notice forfeited, provided that the Committee, in its sole and absolute discretion, may make provision in such circumstances for accelerated vesting of some or all of the Grantee's remaining unvested [ ] LTIP Units (SB) that have not previously been forfeited effective immediately prior to such event.

(b) In the event of a Change of Control prior to December 31, [ ], then:

(i) if the [ ] LTIP Units (SB) remain outstanding after a Change of Control or equivalent replacement awards (as defined in Section 5(b)(iii) hereof) are substituted for the [ ] LTIP Units (SB) at the time of the Change of Control, then unvested [ ] LTIP Units (SB) shall remain subject to vesting tied to the Grantee's Continuous Service until December 31, [ ] as if no Change of Control had occurred, except that the Grantee shall become fully vested in such [ ] LTIP Units (SB) immediately (A) upon the Grantee's Qualified Termination in connection with or within twenty-four (24) months after the Change of Control, or (B) upon the Grantee's death, Disability or Retirement;

(ii) if neither the [ ] LTIP Units (SB) remain outstanding after a Change of Control nor equivalent replacement awards (as defined in Section 5(b)(iii) hereof) are substituted for the [ ] LTIP Units (SB) at the time of the Change of Control, then the Grantee shall become fully vested in all unvested [ ] LTIP Units (SB) as of the date of the Change of Control; and

(iii) an award shall qualify as an "equivalent replacement award" if the following conditions are met in the good faith discretion of the Committee:

(A) the replacement award is of the same type as the [ ] LTIP Units (SB) being replaced, including, without limitation, income tax attributes relating to the extent and timing of recognition of taxable income, gain or loss by the Grantee;

(B) the replacement award has a value equal to the Fair Market Value of the [ ] LTIP Units (SB) being replaced as of the effective date of the Change of Control;

(C) the equity securities issuable upon the conversion, exercise, exchange or redemption of the replacement award, or securities underlying the replacement award, as applicable, are listed on a national stock exchange;

(D) the replacement award contains terms relating to vesting (including with respect to the Grantee's Qualified Termination, death, Disability or Retirement) that are substantially identical to those of the [ ] LTIP Units (SB); and

(E) the other terms and conditions of the replacement award are not less favorable to the Grantee than the terms and conditions of the [ ] LTIP Units (SB).

(c) Except as otherwise provided in Section 5(b), in the event of the Grantee's Qualified Termination, death or Disability or Retirement (as applicable below) prior to the end of the Restricted Period, conditioned upon the execution and delivery by the Grantee of a customary release of claims and covenant not to solicit employees of the Company or its Subsidiaries or Affiliates following termination, the following provisions of this Section 5(c) shall modify the vesting for the Grantee, subject, in each case, to the provisions of Sections 6.4 and 6.5 of the Stock Plan:

(i) if the Grantee experiences a Retirement, death or Disability, in each case, prior to the first anniversary of the Effective Date, the [ ] LTIP Units (SB) shall continue to vest in accordance with the Vesting Schedule; provided, however, that the number of unvested [ ] LTIP Units (SB) that vest on each Vesting Date following Grantee's termination of employment shall equal (i) the number of [ ] LTIP Units (SB) scheduled to vest on such Vesting Date as set forth in Schedule A multiplied by (ii) the Partial Service Factor (with the resulting number being rounded up to the nearest whole LTIP Unit);

(ii) if Grantee experiences a Retirement, death or Disability, in each case, on or following the first anniversary of the Effective Date, any portion of the [ ] LTIP Units (SB) that has not then vested shall continue to vest in accordance with the Vesting Schedule; and

(iii) If the Grantee experiences a Qualified Termination prior to the end of the Restricted Period, the Grantee shall immediately vest in a number of [ ] LTIP Units (SB) equal to (i) the number of [ ] LTIP Units (SB) scheduled to vest on the first Vesting Date following the date on which Grantee's Qualified Termination occurs as set forth in Schedule A, multiplied by (ii) the Qualified Termination Factor (with the resulting number being rounded up to the nearest whole LTIP Unit).

(d) If the Grantee becomes engaged in Competitive Activities at any time on or following the effective date of Retirement and before the end of the applicable Restricted Period, then the provisions relating to vesting due to Retirement under Section 5(b) or 5(c), as applicable, will not apply, and, upon the date the Grantee becomes engaged in any such Competitive Activities during such period, all [ ] LTIP Units (SB), except for those that, prior to such engagement in Competitive Activities, had previously been vested pursuant to Section 4 hereof during the Grantee's Continuous Service or that otherwise became vested under this Section 5, shall automatically and immediately be forfeited by the Grantee. Any forfeited Award [ ] LTIP Units (SB) shall, without payment of any consideration by the Partnership, automatically and without notice be and become null and void, and neither the Grantee nor any of his successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such forfeited Award [ ] LTIP Units (SB).

(e) If the Grantee's employment with the Company or a Subsidiary or affiliate terminates as a result of a retirement under circumstances that do not meet the definition of "Retirement" under this Agreement, the Committee may, on a case-by-case basis and in its sole discretion, provide for accelerated or continued vesting of some or all of the Grantee's unvested [ ] LTIP Units (SB) that have not previously been forfeited effective prior to the effective date of retirement, but in any such event, the provisions of Section 5(d) will apply as if such retirement was deemed a "Retirement" for purposes of this Agreement, and any such vesting will be conditioned upon the execution and delivery by the Grantee of a customary release of claims and covenant not to solicit employees of the Company or its Subsidiaries or Affiliates following such termination.

(f) In the event of a termination of employment or other cessation of the Grantee's Continuous Service prior to the end of the Restricted Period, effective as of the date of such termination or cessation, all [ ] LTIP Units (SB) except for those that had previously vested pursuant to Section 4 hereof and those that otherwise become vested or will continue to vest pursuant to this Section 5 shall automatically and immediately be forfeited by the Grantee. Any forfeited [ ] LTIP Units (SB) shall, without payment of any consideration by the Partnership, automatically and without notice be and become null and void, and neither the Grantee nor any of his successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such forfeited [ ] LTIP Units (SB).

(g) With respect to any Prior LTIP Units, in the event of Grantee's Qualified Termination (as defined in the award agreement applicable to such Prior LTIP Units) or termination of employment due to death, Disability (as defined in the award agreement applicable to such Prior LTIP Units) or Retirement (as defined in the award agreement applicable to such Prior LTIP Units), if Grantee is entitled to any accelerated vesting or continued vesting of any such Prior LTIP Units under the terms of the award agreement applicable to such Prior LTIP units, such vesting shall be conditioned upon the execution and delivery by the Grantee of a customary release of claims and covenant not to solicit employees of the Company or its Subsidiaries or affiliates following termination.

6. **Payments by Award Recipients**. No amount shall be payable to the Company or the Partnership by the Grantee at any time in respect of this Award.

7. **Distributions.** Distributions on [ ] LTIP Units (SB) will be paid in accordance with the Partnership Agreement as modified hereby as follows:

(a) The LTIP Unit Distribution Participation Date (as defined in the Partnership Agreement) with respect to the [ ] LTIP Units (SB) shall be the Effective Date and the [ ] LTIP Units (SB) shall be entitled to the full distribution payable on Units outstanding as of the record date for the quarterly distribution in which the Effective Date falls even though the [ ] LTIP Units (SB) will not have been outstanding for the whole quarterly period. All distributions paid with respect to [ ] LTIP Units (SB) shall be fully vested and non-forfeitable when paid whether the underlying [ ] LTIP Units (SB) are vested or unvested.

(b) To the extent that the Partnership makes distributions to holders of Units partially in cash and partially in additional Units or other securities, unless the Committee in its sole discretion determines to allow the Grantee to make a different election, the Grantee shall be deemed to have elected with respect to all [ ] LTIP Units (SB) eligible to receive such distribution to receive 10% of such distribution in cash and 90% in Units.

8. **Restrictions on Transfer**. None of the [ ] LTIP Units (SB) shall be sold, assigned, transferred, pledged or otherwise disposed of or encumbered (whether voluntarily or involuntarily or by judgment, levy, attachment, garnishment or other legal or equitable proceeding) (each such action a "Transfer"), or redeemed in accordance with the Partnership Agreement (a) prior to vesting, and (b) unless such Transfer is in compliance with all applicable securities laws (including, without limitation, the Securities Act of 1933, as amended (the "Securities Act")), and such Transfer is in accordance with the applicable terms and conditions of the Partnership Agreement; provided, however, that clause (a) above shall not apply with respect to (i) the conversion into Units of [ ] LTIP Units (SB) that have become vested in accordance with Sections 4 or 5 hereof ("Converted LTIP Units") or (ii) any Transfer either of [ ] LTIP Units (SB) that have become vested in accordance with Sections 4 or 5 hereof or of Converted LTIP Units, so long as such Transfer is (A) permitted under the Partnership Agreement and (B) in connection with donative, estate or tax planning by the Grantee; and provided, further, that the Transferee agrees in writing with the Company and the Partnership not to make any further Transfer of such vested [ ] LTIP Units (SB) or Converted LTIP Units other than as permitted by this Section 8. In connection with any Transfer of [ ] LTIP Units (SB) or Converted LTIP Units, the Partnership may require the Grantee to provide an opinion

of counsel, satisfactory to the Partnership, that such Transfer is in compliance with all federal and state securities laws (including, without limitation, the Securities Act). Any attempted Transfer of [ ] LTIP Units (SB) not in accordance with the terms and conditions of this Section 8 shall be null and void, and the Partnership shall not reflect on its records any change in record ownership of any [ ] LTIP Units (SB) as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer of any [ ] LTIP Units (SB). The restrictions on Transfer in this Section 8 shall not be interpreted to prohibit the Grantee from designating one or more beneficiaries to receive the Grantee's LTIP Units or Converted LTIP Units that are payable in the event of the Grantee's death. Any such beneficiary designation shall be on a form provided or approved by the Company.

9. **Changes in Capital Structure**. Without duplication with the provisions of Section 6.2 of the Stock Plan, if (a) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or stock of the Company, spin-off of a Subsidiary, business unit or significant portion of assets or other fundamental transaction similar thereto, (b) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, significant repurchases of stock, or other similar change in the capital structure of the Company shall occur, (c) any extraordinary dividend or other distribution to holders of shares of Common Stock or Units other than regular cash dividends shall be made, or (d) any other event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of appropriate equitable adjustment in the terms of this Award, the LTIP or the [ ] LTIP Units (SB), then the Committee shall take such action as it deems necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Award, the LTIP and the terms of the [ ] LTIP Units (SB) prior to such event, including, without limitation: (i) adjustments in the [ ] LTIP Units (SB) or other pertinent terms of this Award; and (ii) substitution of other awards under the Stock Plan or otherwise. The Grantee shall have the right to vote the [ ] LTIP Units (SB) if and when voting is allowed under the Partnership Agreement, regardless of whether vesting has occurred.

10. **Miscellaneous.**

(a) Amendments; Modifications. This Agreement may be amended or modified only with the consent of the Company and the Partnership; provided that any such amendment or modification materially and adversely affecting the rights of the Grantee hereunder must be consented to by the Grantee to be effective as against him; and provided, further, that the Grantee acknowledges that the Stock Plan may be amended or discontinued in accordance with Section 6.6 thereof and that this Agreement may be amended or canceled by the Committee, on behalf of the Company and the Partnership, for the purpose of satisfying changes in law or for any other lawful purpose, so long as no such action shall impair the Grantee's rights under this Agreement without the Grantee's written consent. Notwithstanding the foregoing, this Agreement may be amended in writing signed only by the Company to correct any errors or ambiguities in this Agreement and/or to make such changes that do not materially adversely affect the Grantee's rights hereunder. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by the parties which are not set forth expressly in this Agreement. This grant shall in no way affect the Grantee's participation or benefits under any other plan or benefit program maintained or provided by the Company.

(b) Incorporation of Stock Plan and Change in Control Arrangement; Committee Determinations. The provisions of the Stock Plan and the Change in Control Arrangement are hereby incorporated by reference as if set forth herein. In the event of a conflict between this Agreement and the Stock Plan or this Agreement and the Change in Control Arrangement, this Agreement shall be controlling and determinative. The Committee will make the determinations and certifications required by this Award as promptly as reasonably practicable following the occurrence of the event or events necessitating such determinations or certifications.

(c) Status as a Partner. As of the grant date set forth on Schedule A, the Grantee shall be admitted as a partner of the Partnership with beneficial ownership of the number of [ ] LTIP Units (SB) issued to the Grantee as of such date pursuant to Section 3(a) hereof by: (A) signing and delivering to the Partnership a copy of this Agreement; and (B) signing, as a Limited Partner, and delivering to the Partnership a counterpart signature page to the Partnership Agreement (attached hereto as Exhibit A).

(d) Status of [ ] LTIP Units (SB) under the Stock Plan. Insofar as the LTIP has been established as an incentive program of the Company and the Partnership, the [ ] LTIP Units (SB) are both issued as equity securities of the Partnership and granted as awards under the Stock Plan. The Company will have the right at its option, as set forth in the Partnership Agreement, to issue shares of Common Stock in exchange for Units into which [ ] LTIP Units (SB) may have been converted pursuant to the Partnership Agreement, subject to certain limitations set forth in the Partnership Agreement, and such shares of Common Stock, if issued, will be issued under the Stock Plan. The Grantee must be eligible to receive the [ ] LTIP Units (SB) in compliance with applicable federal and state securities laws and to that effect is required to complete, execute and deliver certain covenants, representations and warranties (attached as Exhibit B). The Grantee acknowledges that the Grantee will have no right to approve or disapprove such determination by the Committee.

(e) Legend. The records of the Partnership evidencing the [ ] LTIP Units (SB) shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such [ ] LTIP Units (SB) are subject to restrictions as set forth herein, in the Stock Plan and in the Partnership Agreement.

(f) Compliance With Securities Laws. The Partnership and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no [ ] LTIP Units (SB) will become vested or be issued at a time that such vesting or issuance would result in a violation of any such laws.

(g) Investment Representations; Registration. The Grantee hereby makes the covenants, representations and warranties set forth on Exhibit B attached hereto. All of such covenants, warranties and representations shall survive the execution and delivery of this Agreement by the Grantee. The Partnership will have no obligation to register under the Securities Act any [ ] LTIP Units (SB) or any other securities issued pursuant to this Agreement or upon conversion or exchange of [ ] LTIP Units (SB). The Grantee agrees that any resale of the shares of Common

Stock received upon the exchange of Units into which [ ] LTIP Units (SB) may be converted shall not occur during the "blackout periods" forbidding sales of Company securities, as set forth in the then applicable Company employee manual or insider trading policy. In addition, any resale shall be made in compliance with the registration requirements of the Securities Act or an applicable exemption therefrom, including, without limitation, the exemption provided by Rule 144 promulgated thereunder (or any successor rule).

(h) Section 83(b) Election. In connection with the issuance of [ ] LTIP Units (SB) under this Award pursuant to Section 3 hereof the Grantee may (but is not required to) make an election to include in gross income in the year of transfer the applicable [ ] LTIP Units (SB) pursuant to Section 83(b) of the Code substantially in the form attached hereto as Exhibit C and, if such an election is made, the Grantee shall provide to the Company a copy thereof and supply to the Company such other information as the Company is required to maintain or file in accordance with the regulations promulgated thereunder.

(i) Severability. If, for any reason, any provision of this Agreement is held invalid, such invalidity shall not affect any other provision of this Agreement not so held invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect. If any provision of this Agreement shall be held invalid in part, such invalidity shall in no way affect the rest of such provision not held so invalid, and the rest of such provision, together with all other provisions of this Agreement, shall to the full extent consistent with law continue in full force and effect.

(j) Governing Law. This Agreement is made under, and will be construed in accordance with, the laws of the State of Delaware, without giving effect to the principles of conflict of laws of such state.

(k) No Obligation to Continue Position as an Employee, Consultant or Advisor. Neither the Company nor any affiliate is obligated by or as a result of this Agreement to continue to have the Grantee as an employee, consultant or advisor and this Agreement shall not interfere in any way with the right of the Company or any affiliate to terminate the Grantee's service relationship at any time.

(l) Notices. Any notice to be given to the Company shall be addressed to the Secretary of the Company at its principal place of business and any notice to be given the Grantee shall be addressed to the Grantee at the Grantee's address as it appears on the employment records of the Company, or at such other address as the Company or the Grantee may hereafter designate in writing to the other.

(m) Withholding and Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for income tax purposes or subject to the Federal Insurance Contributions Act withholding with respect to this Award, the Grantee will pay to the Company or, if appropriate, any of its affiliates, or make arrangements satisfactory to the Committee regarding the payment of, any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee.

(n) Headings. The headings of paragraphs hereof are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

(o) Counterparts. This Agreement may be executed in multiple counterparts with the same effect as if each of the signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

(p) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and any successors to the Company and the Partnership, on the one hand, and any successors to the Grantee, on the other hand, by will or the laws of descent and distribution, but this Agreement shall not otherwise be assignable or otherwise subject to hypothecation by the Grantee.

(q) 409A. To the extent applicable, this Agreement shall be construed, administered and interpreted in accordance with a good faith interpretation of Section 409A of the Code. Any provision of this Agreement that is inconsistent with Section 409A of the Code to the extent applicable, or that may result in penalties under Section 409A of the Code, shall be amended, in consultation with the Grantee and with the reasonable cooperation of the Grantee and the Company, in the least restrictive manner necessary to (i) exclude the applicable payment or benefit under this Agreement from the definition of "deferred compensation" within the meaning of such Section 409A or (ii) comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions, in each case without diminution in the value of the benefits granted hereby to the Grantee. Notwithstanding anything herein to the contrary, in the event the amounts payable under this Agreement are determined to constitute "nonqualified deferred compensation" subject to Section 409A of the Code, then, to the extent the Grantee is a "specified employee" under Section 409A of the Code subject to the six-month delay thereunder, any such vesting or related payments to be made during the six-month period commencing on the Grantee's "separation from service" (as defined in Section 409A of the Code) shall be delayed until the expiration of such six-month period.

(r) Complete Agreement. This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Award Agreement to be executed as of the 1st day of January, [ ].

THE MACERICH COMPANY

By: __

THE MACERICH PARTNERSHIP, L.P.

By: The Macerich Company,
its general partner

By: __

GRANTEE

EXHIBIT A

FORM OF LIMITED PARTNER SIGNATURE PAGE

The Grantee, desiring to become one of the within named Limited Partners of The Macerich Company, L.P., hereby accepts all of the terms and conditions of (including, without limitation, the provisions related to powers of attorney), and becomes a party to, the Agreement of Limited Partnership, dated as of March 16, 1994, of The Macerich Partnership, L.P., as amended (the "Partnership Agreement"). The Grantee agrees that this signature page may be attached to any counterpart of the Partnership Agreement and further agrees as follows (where the term "Limited Partner" refers to the Grantee):

1. The Limited Partner hereby confirms that it has reviewed the terms of the Partnership Agreement and affirms and agrees that it is bound by each of the terms and conditions of the Partnership Agreement, including, without limitation, the provisions thereof relating to limitations and restrictions on the transfer of Partnership Units. Without limitation of the foregoing, the Limited Partner is deemed to have made all of the acknowledgements, waivers and agreements set forth in Sections 10.6 and 13.11 of the Partnership Agreement.

2. The Limited Partner hereby confirms that it is acquiring the Partnership Units for its own account as principal, for investment and not with a view to resale or distribution, and that the Partnership Units may not be transferred or otherwise disposed of by the Limited Partner otherwise than in a transaction pursuant to a registration statement filed by the Partnership (which it has no obligation to file) or that is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state and foreign securities laws, and the General Partner may refuse to transfer any Partnership Units as to which evidence of such registration or exemption from registration satisfactory to the General Partner is not provided to it, which evidence may include the requirement of a legal opinion regarding the exemption from such registration. If the General Partner delivers to the Limited Partner shares of common stock of the General Partner ("Common Shares") upon redemption of any Partnership Units, the Common Shares will be acquired for the Limited Partner's own account as principal, for investment and not with a view to resale or distribution, and the Common Shares may not be transferred or otherwise disposed of by the Limited Partner otherwise than in a transaction pursuant to a registration statement filed by the General Partner with respect to such Common Shares (which it has no obligation under the Partnership Agreement to file) or that is exempt from the registration requirements of the Securities Act and all applicable state and foreign securities laws, and the General Partner may refuse to transfer any Common Shares as to which evidence of such registration or exemption from such registration satisfactory to the General Partner is not provided to it, which evidence may include the requirement of a legal opinion regarding the exemption from such registration.

3. The Limited Partner hereby affirms that it has appointed the General Partner, any liquidator and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, in accordance with Section 6.10 of the Partnership Agreement, which Section is hereby incorporated by reference. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and

not be affected by the death, incompetency, dissolution, disability, incapacity, bankruptcy or termination of the Limited Partner and shall extend to the Limited Partner's heirs, executors, administrators, legal representatives, successors and assigns.

4. The Limited Partner hereby irrevocably consents in advance to any amendment to the Partnership Agreement, as may be recommended by the General Partner, intended to avoid the Partnership being treated as a publicly-traded partnership within the meaning of Section 7704 of the Internal Revenue Code, including, without limitation, (a) any amendment to the provisions of Section 9.1 or the Redemption Rights Exhibit of the Partnership Agreement intended to increase the waiting period between the delivery of a notice of redemption and the redemption date to up to sixty (60) days or (b) any other amendment to the Partnership Agreement intended to make the redemption and transfer provisions, with respect to certain redemptions and transfers, more similar to the provisions described in Treasury Regulations Section 1.7704 1(f).

5. The Limited Partner hereby appoints the General Partner, any Liquidator and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, to execute and deliver any amendment referred to in the foregoing paragraph 4(a) on the Limited Partner's behalf. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and not be affected by the death, incompetency, dissolution, disability, incapacity, bankruptcy or termination of the Limited Partner and shall extend to the Limited Partner's heirs, executors, administrators, legal representatives, successors and assigns.

6. The Limited Partner agrees that it will not transfer any interest in the Partnership Units (i) through a national, non-U.S., regional, local or other securities exchange or (ii) an over-the-counter market (including an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers by electronic means or otherwise) or (iii) to or through (a) a person, such as a broker or dealer, that makes a market in, or regularly quotes prices for, interests in the Partnership or (b) a person that regularly makes available to the public (including customers or subscribers) bid or offer quotes with respect to any interests in the Partnership and stands ready to effect transactions at the quoted prices for itself or on behalf of others.

7. The Limited Partner acknowledges that the General Partner shall be a third party beneficiary of the representations, covenants and agreements set forth in Sections 4 and 5 hereof. The Limited Partner agrees that it will transfer, whether by assignment or otherwise, Partnership Units only to the General Partner or to transferees that provide the Partnership and the General Partner with the representations and covenants set forth in Sections 4 and 5 hereof.

8. This Acceptance shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

Signature Line for Limited Partner:

Date: January 1, [ ]

Address of Limited Partner:

EXHIBIT B

GRANTEE'S COVENANTS, REPRESENTATIONS AND WARRANTIES

The Grantee hereby represents, warrants and covenants as follows:

(a) The Grantee has received and had an opportunity to review the following documents (the "Background Documents"):

(i) The Company's latest Annual Report to Stockholders;

(ii) The Company's Proxy Statement for its most recent Annual Meeting of Stockholders;

(iii) The Company's Report on Form 10-K for the fiscal year most recently ended;

(iv) The Company's Form 10-Q, if any, for the most recently ended quarter filed by the Company with the Securities and Exchange Commission since the filing of the Form 10-K described in clause (iii) above;

(v) Each of the Company's Current Report(s) on Form 8-K, if any, filed since the end of the fiscal year most recently ended for which a Form 10-K has been filed by the Company;

(vi) The Partnership Agreement;

(vii) The Stock Plan; and

(viii) The Company's Articles of Amendment and Restatement, as amended.

The Grantee also acknowledges that any delivery of the Background Documents and other information relating to the Company and the Partnership prior to the determination by the Partnership of the suitability of the Grantee as a holder of [ ] LTIP Units (SB) shall not constitute an offer of [ ] LTIP Units (SB) until such determination of suitability shall be made.

(b) The Grantee hereby represents and warrants that

(i) The Grantee either (A) is an "accredited investor" as defined in Rule 501(a) under the Securities Act, or (B) by reason of the business and financial experience of the Grantee, together with the business and financial experience of those persons, if any, retained by the Grantee to represent or advise him with respect to the grant to him of [ ] LTIP Units (SB), the potential conversion of [ ] LTIP Units (SB) into units of limited partnership of the Partnership ("Common Units") and the potential redemption of such Common Units for shares the Company's common stock ("REIT Shares"), has such knowledge, sophistication and experience in financial and business matters and in making investment decisions of this type that the Grantee (I) is capable of evaluating the merits and risks of an investment in the Partnership and potential investment in the Company and of making an informed investment decision, (II) is capable of protecting his own interest or has engaged representatives or advisors to assist him in protecting his interests, and (III) is capable of bearing the economic risk of such investment.

(ii) The Grantee, after due inquiry, hereby certifies that for purposes of Rule 506(d) and Rule 506(e) of the Securities Act, he is not subject to any felony or misdemeanor conviction related to any securities matter; any federal or state order, judgment, decree or injunction related to any securities, insurance, banking or U.S. Postal Service matter; any SEC disciplinary or cease and desist order; or any suspension, expulsion or bar related to a registered national securities exchange, national or affiliated securities association or member thereof, whether it occurred or was issued before, on or after September 23, 2013, and agrees that he will notify the Company immediately upon becoming aware that the foregoing is not, or is no longer, complete and accurate in every material respect, including as a result of events occurring after the date hereof.

(iii) The Grantee understands that (A) the Grantee is responsible for consulting his own tax advisors with respect to the application of the U.S. federal income tax laws, and the tax laws of any state, local or other taxing jurisdiction to which the Grantee is or by reason of the award of [ ] LTIP Units (SB) may become subject, to his particular situation; (B) the Grantee has not received or relied upon business or tax advice from the Company, the Partnership or any of their respective employees, agents, consultants or advisors, in their capacity as such; (C) the Grantee provides services to the Partnership on a regular basis and in such capacity has access to such information, and has such experience of and involvement in the business and operations of the Partnership, as the Grantee believes to be necessary and appropriate to make an informed decision to accept the award of [ ] LTIP Units (SB); and (D) an investment in the Partnership and/or the Company involves substantial risks. The Grantee has been given the opportunity to make a thorough investigation of matters relevant to the [ ] LTIP Units (SB) and has been furnished with, and has reviewed and understands, materials relating to the Partnership and the Company and their respective activities (including, but not limited to, the Background Documents). The Grantee has been afforded the opportunity to obtain any additional information (including any exhibits to the Background Documents) deemed necessary by the Grantee to verify the accuracy of information conveyed to the Grantee. The Grantee confirms that all documents, records, and books pertaining to his receipt of [ ] LTIP Units (SB) which were requested by the Grantee have been made available or delivered to the Grantee. The Grantee has had an opportunity to ask questions of and receive answers from the Partnership and the Company, or from a person or persons acting on their behalf, concerning the terms and conditions of the [ ] LTIP Units (SB). **The Grantee has relied upon, and is making its decision solely upon, the Background Documents and other written information provided to the Grantee by the Partnership or the Company.**

(iv) The [ ] LTIP Units (SB) to be issued, the Common Units issuable upon conversion of the [ ] LTIP Units (SB) and any REIT Shares issued in connection with the redemption of any such Common Units will be acquired for the account of the Grantee for investment only and not with a current view to, or with any intention of, a distribution or resale thereof, in whole or in part, or the grant of any participation therein, without prejudice, however, to the Grantee's right (subject to the terms of the [ ] LTIP Units (SB), the Stock Plan, the agreement of limited partnership of the Partnership, the articles of organization of the Company, as amended, and the Award Agreement) at all times to sell or otherwise dispose of all or any part of his [ ] LTIP Units (SB), Common Units or REIT Shares in compliance with the Securities Act, and applicable state securities laws, and subject, nevertheless, to the disposition of his assets being at all times within his control.

(v) The Grantee acknowledges that (A) neither the [ ] LTIP Units (SB) to be issued, nor the Common Units issuable upon conversion of the [ ] LTIP Units (SB), have been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws and, if such [ ] LTIP Units (SB) or Common Units are represented by certificates, such certificates will bear a legend to such effect, (B) the reliance by the Partnership and the Company on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Grantee contained herein, (C) such [ ] LTIP Units (SB) or Common Units, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, (D) there is no public market for such [ ] LTIP Units (SB) and Common Units and (E) neither the Partnership nor the Company has any obligation or intention to register such [ ] LTIP Units (SB) or the Common Units issuable upon conversion of the [ ] LTIP Units (SB) under the Securities Act or any state securities laws or to take any action that would make available any exemption from the registration requirements of such laws, except, that, upon the redemption of the Common Units for REIT Shares, the Company may issue such REIT Shares under the Stock Plan and pursuant to a Registration Statement on Form S-8 under the Securities Act, to the extent that (I) the Grantee is eligible to receive such REIT Shares under the Stock Plan at the time of such issuance, (II) the Company has filed a Form S-8 Registration Statement with the Securities and Exchange Commission registering the issuance of such REIT Shares and (III) such Form S-8 is effective at the time of the issuance of such REIT Shares. The Grantee hereby acknowledges that because of the restrictions on transfer or assignment of such [ ] LTIP Units (SB) acquired hereby and the Common Units issuable upon conversion of the [ ] LTIP Units (SB) which are set forth in the Partnership Agreement or this Agreement, the Grantee may have to bear the economic risk of his ownership of the [ ] LTIP Units (SB) acquired hereby and the Common Units issuable upon conversion of the [ ] LTIP Units (SB) for an indefinite period of time.

(vi) The Grantee has determined that the [ ] LTIP Units (SB) are a suitable investment for the Grantee.

(vii) No representations or warranties have been made to the Grantee by the Partnership or the Company, or any officer, director, stockholder, agent, or affiliate of any of them, and the Grantee has received no information relating to an investment in the

Partnership or the [ ] LTIP Units (SB) except the information specified in paragraph (b) above.

(c) So long as the Grantee holds any [ ] LTIP Units (SB), the Grantee shall disclose to the Partnership in writing such information as may be reasonably requested with respect to ownership of [ ] LTIP Units (SB) as the Partnership may deem reasonably necessary to ascertain and to establish compliance with provisions of the Code, applicable to the Partnership or to comply with requirements of any other appropriate taxing authority.

(d) The Grantee hereby agrees to make an election under Section 83(b) of the Code with respect to the [ ] LTIP Units (SB) awarded hereunder, and has delivered with this Agreement a completed, executed copy of the election form attached hereto as Exhibit C. The Grantee agrees to file the election (or to permit the Partnership to file such election on the Grantee's behalf) within thirty (30) days after the award of the [ ] LTIP Units (SB) hereunder with the IRS Service Center at which such Grantee files his personal income tax returns, and to file a copy of such election with the Grantee's U.S. federal income tax return for the taxable year in which [ ] LTIP Units (SB) are issued or awarded to the Grantee.

(e) The address set forth on the signature page of this Agreement is the address of the Grantee's principal residence, and the Grantee has no present intention of becoming a resident of any country, state or jurisdiction other than the country and state in which such residence is sited.

EXHIBIT C

ELECTION TO INCLUDE IN GROSS INCOME IN YEAR OF TRANSFER OF PROPERTY PURSUANT TO SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, Treasury Regulations Section 1.83-2 promulgated thereunder, and Rev. Proc. 2012-29, 2012-28 IRB, 06/26/2012, to include in gross income as compensation for services the excess (if any) of the fair market value of the property described below over the amount paid for such property.

1. The name, address and taxpayer identification number of the undersigned are:

   Name: __ (the "Taxpayer")

   Address: __

   __

   Social Security No./Taxpayer Identification No.: _____________

   Taxable Year: Calendar Year [ ]

2. Description of property with respect to which the election is being made:

   The election is being made with respect to __________ [ ] LTIP Units (SB) in The Macerich Partnership, L.P. (the "Partnership").

3. The date on which the [ ] LTIP Units (SB) were transferred to the undersigned is ___________, [ ].

4. Nature of restrictions to which the [ ] LTIP Units (SB) are subject:

   (a) Until the [ ] LTIP Units (SB) vest, the Taxpayer may not transfer in any manner any portion of the [ ] LTIP Units (SB) without the consent of the Partnership.

   (b) The Taxpayer's [ ] LTIP Units (SB) vest in accordance with the vesting provisions described in the Schedule attached hereto. Unvested [ ] LTIP Units (SB) are forfeited in accordance with the vesting provisions described in the Schedule attached hereto.

5. The fair market value at time of transfer (determined without regard to any restrictions other than a nonlapse restriction as defined in Treasury Regulations Section 1.83-3(h)) of the [ ] LTIP Units (SB) with respect to which this election is being made was $0 per [ ] LTIP Unit (SB).

6. The amount paid by the Taxpayer for the [ ] LTIP Units (SB) was $0 per [ ] LTIP Unit (SB).

7. The amount to include in gross income is $0.

The undersigned taxpayer will file this election with the Internal Revenue Service office with which taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. A copy of the election also will be furnished to the person for whom the services were performed. Additionally, the undersigned will include a copy of the election with his or her income tax return for the taxable year in which the property is transferred. The undersigned is the person performing the services in connection with which the property was transferred.

Dated: __

__

SCHEDULE TO 83(b) ELECTION

Vesting Provisions of [ ] LTIP Units (SB)

LTIP Units are subject to service-based vesting with 33 1/3% of such units vesting on December 31, [ ], December 31, [ ] and December 31, [ ]. The above vesting is conditioned upon the Taxpayer remaining an employee of The Macerich Company (the "Company") through the applicable vesting dates, and subject to acceleration or continued vesting in the event of a change of control of the Company or termination of the Taxpayer's service relationship with the Company under specified circumstances. Unvested LTIP Units are subject to forfeiture in the event of failure to vest based on the passage of time and continued employment with the Company or its subsidiaries.

SCHEDULE A TO [ ] LTIP UNIT AWARD AGREEMENT
(SERVICE-BASED)

Date of Award Agreement:	January 1, [ ]
Name of Grantee:	
Number of [ ] LTIP Units (SB) Subject to Grant:	
Grant Date:	January 1, [ ]

Vesting Schedule:

Vesting Date	Number of [ ] LTIP Units (SB) Becoming Vested	Cumulative Percentage Vested
December 31, [ ]	(33 1/3%)	33 1/3%
December 31, [ ]	(33 1/3%)	66 2/3%
December 31, [ ]	(33 1/3%)	100%

Initials of Company representative: _________

Initials of Grantee: _________

Exhibit 10.3

THE MACERICH COMPANY
CHANGE IN CONTROL SEVERANCE PAY PLAN
FOR EXECUTIVE VICE PRESIDENTS

The Macerich Company sets forth herein the terms of its Change in Control Severance Pay Plan for Executive Vice Presidents (the "Plan") as follows as of May 3, 2019 (the "Effective Date"):

SECTION 1. PURPOSE

The Board of Directors of the Company (defined below) believes that it is in the best interests of the Company to encourage the continued dedication to the Company of certain of the Company's and its Subsidiaries' employees in the face of potentially distracting circumstances arising from the possibility or occurrence of a change in control of the Company, and the Board (defined below) has established the Plan for this purpose. The purpose of the Plan is to provide severance benefits in the event certain employees incur a Qualified Termination during the Change in Control Period. The adoption of this Plan in no event guarantees any employee severance benefits in the event she/he is terminated by the Company or the Employer prior to a Change in Control.

SECTION 2. DEFINITIONS

(a) "Accrued Obligations" means, with respect to an Eligible Employee, the sum of the Eligible Employee's (i) Base Salary through the Date of Termination to the extent earned and not theretofore paid, (ii) accrued vacation pay and/or personal days to the extent earned and payable in connection with the termination of employment pursuant to the Company's policy, (iii) accrued annual incentive bonus for the fiscal year immediately preceding the year in which the Date of Termination occurs, to the extent such bonus is determined to otherwise have been earned based on the Company's achievement of applicable performance targets but not theretofore paid, and (iv) vested rights under any equity, compensation or benefit plan, policy, practice or program of or any other contract or agreement with the Company or the Employer including, without limitation, any acceleration of vesting of equity awards that shall occur upon a Qualifying Termination as set forth in the applicable equity award agreement and/or equity incentive plan pursuant to which such awards have been granted ("Double Trigger Equity Vesting"). Accrued Obligations described in clauses (i) and (ii) shall be paid in a lump sum in cash within the time required by law but in no event more than 30 days after the Date of Termination. Accrued Obligations described in clause (iii) shall be paid at such time as annual incentive bonuses for such fiscal year are otherwise paid pursuant to the terms of the applicable plan but in no event later than 75 days after the end of such fiscal year. Accrued Obligations described in clause (iv) (including without limitation the Double Trigger Equity Vesting) shall be paid at such time(s) as required under the terms of the applicable plan or program.

(b) "Base Salary" means the annual base rate of compensation payable as salary to the Eligible Employee by the Employer as of the Eligible Employee's Date of Termination or as of immediately prior to the first day of the Change in Control Period, whichever is higher, before deductions of voluntary deferrals authorized by the Eligible Employee or required by law to be withheld from the Eligible Employee by the Employer, and excludes all other extra pay such as overtime, pensions, severance payments, bonuses, stock incentives, living or other allowances, and other benefits and perquisites.

(c) "Board" means the Board of Directors of the Company.

(d) "Bonus" means, with respect to an Eligible Employee, the average of the annual incentive bonuses awarded to the Eligible Employee in respect of the immediately preceding three years (including, for the avoidance of doubt, the grant date fair value of any annual incentive bonuses awarded in the form of cash and/or equity, but excluding for the avoidance of doubt, any equity incentive awards granted as part of the Company's long-term equity incentive award program, which exists separate and apart from the Company's annual short-term incentive bonus program).

(e) "Cause" with respect to an Eligible Employee, means a termination of service based upon a finding by the Employer, acting in good faith based on upon the information then known to the Employer, that the Eligible Employee:

(i) has failed to perform job duties in a material respect without proper cause; or

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

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

Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Applicable Board (as defined below) or upon the instructions of an executive officer of the Company or the Eligible Employee's direct or indirect supervisor, or based upon the advice of counsel or independent accountants for the Employer or the Company shall be conclusively presumed for purposes of this Plan to be done, or omitted to be done, by the Eligible Employee in good faith and in the best interests of the Employer or the Company. For purposes of the definition of Cause, "Applicable Board" means the Board or, if the Company is not publicly-traded, the board of directors of the ultimate parent of the Company.

A termination for Cause shall be deemed to occur on the date on which the Employer first delivers written notice to the Eligible Employee of a finding of termination for Cause; provided, however, that such termination shall only occur following the Eligible Employee's failure to cure, within ten days after receiving notice from the Company of an allegation of an act or failure to act of the kind described in clause (i) or (ii) above, to the extent the Company determines such act or failure to act is curable.

(f) "Change in Control" means any of the following:

(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 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 in 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 (f)(iii)(1), (f)(iii)(2) or (f)(iii)(3) below;

(ii) individuals who, as of the Effective Date, 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 her/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;

(iii) 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, (1) 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, (2) 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 (3) 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

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(g) "Change in Control Period" means the period commencing upon the consummation of a Change in Control and ending 24 months after such Change in Control.

(h) "Code" means Internal Revenue Code of 1986, as amended.

(i) "Company" means The Macerich Company, a Maryland corporation, or, from and after a Change in Control, the successor to the Company in any such Change in Control.

(j) "Compensation Committee" means the Compensation Committee of the Board.

(k) "Date of Termination" means, with respect to an Eligible Employee, the effective date of termination of the Eligible Employee's employment with the Employer.

(l) "Eligible Employee" means an employee of the Employer with a title of Executive Vice President and who is not a party to an individual agreement with the Employer that provides for greater severance payments and benefits, in the aggregate.

(m) "Employer" means Macerich Management Company or other Subsidiary that employs one or more Eligible Employees, or, from and after the Change in Control, any other subsidiaries of the successor to the Company that employ the Eligible Employees.

(n) "Good Reason" means an action taken by the Employer, without the Eligible Employee's written consent thereto, resulting in a material negative change in the employment relationship. For these purposes, a "material negative change in the employment relationship" shall include, without limitation, any one or more of the following reasons, to the extent not remedied by the Employer within 30 days after receipt by the Employer of written notice from the Eligible Employee provided to the Company within 90 days (the "Cure Period") of the Eligible Employee's knowledge of the occurrence of an event or circumstance set forth in clauses (i) through (v) below specifying in reasonable detail such occurrence:

(i) the assignment to the Eligible Employee of any duties materially inconsistent in any respect with the Eligible Employee's position (including status, offices, titles and 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);

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

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

(iv) any one or more reductions in the Eligible Employee's Base Salary and/or Target Bonus that, individually or in the aggregate, exceed 10% of the Eligible Employee's Base Salary and Target Bonus, in the aggregate; or

(v) any material breach by the Employer of the Eligible Employee's service agreement (if one exists).

In the event that the Employer fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Eligible Employee's "termination of employment" must occur, if at all, within 120 days of the end of the Cure Period but not later than the last day of the Change in Control Period (such that, for the avoidance of doubt, if an event giving rise to a claim of Good Reason first occurs within 120 days prior to the last day of the Change in Control Period, the Company acknowledges that the Eligible Employee may resign for Good Reason prior to the expiration of the 30-day notice and/or applicable Cure Period, if applicable).

(o) "Pro-Rata Bonus" means a pro-rated annual incentive bonus otherwise payable under the Company's applicable annual incentive bonus plan pursuant to which the Eligible Employee was eligible to earn a bonus for the year of termination, determined by multiplying the Eligible Employee's Target Bonus by a fraction, the numerator of which is the number of days the Eligible Employee is employed in the year of termination and the denominator of which is 365.

(p) "Qualified Termination" means (i) any termination of employment of an Eligible Employee by the Employer (other than for Cause or because of the Eligible Employee's death or Total Disability) during a Change in Control Period, and (ii) any termination of employment by an Eligible Employee for Good Reason during a Change in Control Period.

(q) "Severance Payment" means an amount determined pursuant to

Schedule A.

(r) "Subsidiary" means any direct or indirect subsidiary of the Company or The Macerich Partnership, L.P., or, from and after the Change in Control, any other subsidiaries of the successor to the Company or The Macerich Partnership, L.P.

(s) "Target Bonus" means an Eligible Employee's target annual incentive bonus that the Eligible Employee was eligible to earn under the Company's applicable annual incentive bonus plan for the year of termination (or the immediately prior year, if such a target annual incentive bonus has not been determined for the year of termination).

(t) "Total Disability" means a "permanent and total disability" within the meaning of Section 22(a)(3) of the Code and such other disabilities, infirmities, afflictions or conditions as the Administrator by rule may include.

SECTION 3. TERM

This Plan shall be effective during the Change in Control Period; provided, however, that this initial term of the Plan shall be automatically extended, if necessary, so that this Plan remains in full force and effect until all payments required to be made hereunder have been made. References herein to the term of this Plan shall include the initial term and any additional period for which this Plan is extended or renewed.

SECTION 4. SEVERANCE BENEFITS FOLLOWING A CHANGE IN CONTROL

(a) If an Eligible Employee suffers a Qualified Termination, the Employer shall pay the Eligible Employee the Accrued Obligations in accordance with the payment provisions set forth in Section 2(a). In addition, subject to the execution and effectiveness of a Release Agreement substantially in the form set forth in Schedule B, the Eligible Employee shall be entitled to the following payments and benefits:

(i) the Eligible Employee's Severance Payment;

(ii) the Eligible Employee's Pro-Rata Bonus;

(iii) outplacement services pursuant to the Company's outplacement services plan for senior executives, for the period provided in Schedule A;

(iv) a payment equal to the product of (x) the total amount of the COBRA continuation (medical, vision and dental) monthly premium rate that would otherwise be payable by the Eligible Employee for such COBRA continuation for the Eligible Employee and any eligible dependents, as applicable, as of the Date of Termination and (y) 36; and

(v) the amounts payable under Sections 4(a)(i), (ii) and (iv) shall be paid out in a lump-sum within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such amounts shall be paid in the second calendar year by the last day of such 60-day period.

The mere occurrence of a Change in Control shall not be treated as a termination of an Eligible Employee's employment under this Plan, nor shall the mere transfer of an Eligible Employee's employment to and between the Employer and/or any Subsidiary be treated as a termination under this Plan.

(b) Cause; Other Than for Good Reason. If an Eligible Employee's employment is terminated for Cause during the Change in Control Period or the Eligible Employee voluntarily terminates employment without Good Reason, the Eligible Employee shall be entitled to only her/his Accrued Obligations through the Date of Termination to the extent theretofore unpaid.

SECTION 5. REDUCTION OF CERTAIN BENEFITS

(a) Reduction in Benefits. Anything in this Plan to the contrary notwithstanding, in the event that the receipt of all payments or distributions by the Company or the Employer in the nature of compensation to or for the Eligible Employee's benefit, whether paid or payable pursuant to this Plan or otherwise (a "Payment"), would subject the Eligible Employee 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 such corporate transaction (the "Accounting Firm"), shall determine whether to reduce any of the Payments to the Reduced Amount (as defined below). The Payments shall be reduced to the Reduced Amount *only if* the Accounting Firm determines that the Eligible Employee would have a greater Net After-Tax Receipt (as defined below) of aggregate Payments if the Eligible Employee's Payments were reduced to the Reduced Amount. If such a determination is not made by the Accounting Firm, the Eligible Employee shall receive all Payments to which Eligible Employee is entitled to receive.

(b) Order of Reduction. If the Accounting Firm determines that aggregate Payments should be reduced to the Reduced Amount, the Company shall promptly give the Eligible Employee notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 5 shall be made as soon as reasonably practicable and in no event later than 60 days following the date of termination of employment or such earlier date as requested by the Company and the Eligible Employee. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding on the Company, its Subsidiaries and the Eligible Employee. For purposes of reducing the Payments to the Reduced Amount, the Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Payments that are to be paid or become vested the furthest in time from consummation of the Change in Control: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that all amounts or payments that are not subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c).

(c) Underpayment or Overpayment. 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 Eligible Employee pursuant to this Plan 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 Eligible Employee pursuant to this Plan 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 a

Subsidiary or the Eligible Employee which the Accounting Firm believes has a high probability of success, determines that an Overpayment has been made, the Eligible Employee 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 Eligible Employee to the Company if and to the extent such payment would not either reduce the amount on which the Eligible Employee 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 60 days following the date on which the Underpayment is determined) by the Company to or for the benefit of the Eligible Employee together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(d) Reduced Amount and After-Tax Receipt. 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 12 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 the Eligible Employee 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 Eligible Employee's taxable income for the immediately preceding taxable year, or such other rate(s) as the Eligible Employee certifies, in the Eligible Employee's sole discretion, as likely to apply to her/him in the relevant tax year(s).

SECTION 6. WITHHOLDING

Notwithstanding anything in this Plan to the contrary, all payments required to be made by the Employer hereunder to an Eligible Employee or her/his estate or beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Employer reasonably may determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, in whole or in part, the Employer may, in its sole discretion, accept other provisions for the payment of taxes and any withholdings as required by law, provided that the Employer is satisfied that all requirements of law affecting its responsibilities to withhold compensation have been satisfied.

SECTION 7. NO DUTY TO MITIGATE

An Eligible Employee's payments received hereunder shall be considered severance pay in consideration of past service, and entitlement thereto shall not be governed by any duty to mitigate damages by seeking further employment. In addition, no payments received hereunder shall be offset by any payments or benefits an Eligible Employee may receive from any future employer.

SECTION 8. AMENDMENT, SUSPENSION OR TERMINATION

Prior to a Change in Control, this Plan may be amended, suspended or terminated at any time by the Compensation Committee; provided, however, that, any amendment, suspension or termination that reduces benefits, changes the definition of Eligible Employees or otherwise adversely impairs an Eligible Employee's ability to receive any of the severance payments or benefits that could be provided under this Plan will not be effective until 12 months after notice of any such change is provided to the Eligible Employees. No such amendment, suspension or termination will be effective if a Change in Control occurs during the 12-month notice period and no such amendment, suspension or termination may occur after a Change in Control. This Plan may otherwise be amended, suspended or terminated by the Compensation Committee following the expiration of the Change in Control Period and the satisfaction of all obligations the Company may have to any Eligible Employee under the Plan.

SECTION 9. ADMINISTRATION

The Plan shall be administered by either the Compensation Committee or the person(s) appointed by the Compensation Committee from time to time to administer the Plan (in either case, the "Administrator"). The Administrator shall have the power and authority to interpret the terms and provisions of the Plan, to make all determinations it deems advisable for the administration of the Plan, to decide all disputes arising in connection with the Plan and to otherwise supervise the administration of the Plan, with all decisions and interpretations of the Administrator to be binding on all persons. Notwithstanding the foregoing, however, on and after a Change in Control, all disputes arising in connection with the Plan (including without limitation regarding any determinations, decisions and interpretations of the Plan) shall be subject to dispute resolution as set forth in Section 10, and no decisions or interpretations of the Plan by the Administrator shall be binding on all persons, with any decisions and interpretations to be reviewed *de novo*, in the event of any such dispute.

SECTION 10. GOVERNING LAW; DISPUTE RESOLUTION

(a) This Plan shall be governed by the laws of the United States to the extent applicable and otherwise by the laws of the State of California, excluding the choice of law rules thereof.

(b) On and after a Change in Control, any controversy or claim arising out of or relating to this Plan, 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 Eligible Employee'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 Eligible Employee), to the full extent permitted by law, all legal fees and expenses that the Eligible Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Eligible Employee or others of the validity or enforceability of, or liability under, any provision of this Plan or any guarantee of performance thereof (including as a result of any contest by the Eligible Employee about the amount of any payment pursuant to this Plan), 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 Eligible Employee under Section 409A of the Code, (i) in no event shall the payments by the Company under this Section 10(b) 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 Eligible Employee 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 Eligible Employee'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 Eligible Employee's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date). Nothing in this paragraph shall affect the Eligible Employee's or the Company's ability to seek from a court injunctive or equitable relief.

SECTION 11. SEVERABILITY

If any part of any provision of this Plan shall be invalid or unenforceable under applicable law, such part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of such provision or the remaining provisions of this Plan.

SECTION 12. DISCLAIMER OF RIGHTS

No provision in this Plan shall be construed to confer upon any individual the right to remain in the employ or service of the Employer, or to interfere in any way with any contractual or other right or authority of the Employer either to increase or decrease the compensation or other payments to any individual at any time, to terminate any employment or other relationship between any individual and the Employer or to require the Employer to pay severance for any termination of employment prior to a Change in Control. The obligation of the Employer to pay any benefits pursuant to this Plan shall be interpreted as a contractual obligation to pay only those amounts described herein, in the manner and under the conditions prescribed herein. The Plan shall in no way be interpreted to require the Employer to transfer any amounts to a third party trustee or otherwise hold any amounts in trust or escrow for payment to any participant or beneficiary under the terms of the Plan.

SECTION 13. CAPTIONS

The use of captions in this Plan is for the convenience of reference only and shall not affect the meaning of any provision of this Plan.

SECTION 14. <u>NUMBER AND GENDER</u>

With respect to words used in this Plan, the singular form shall include the plural form, the masculine gender shall include the feminine gender, etc., as the context requires.

SECTION 15. <u>SECTION 409A</u>

(a) Anything in this Plan to the contrary notwithstanding, if at the time of the Eligible Employee's "separation from service" within the meaning of Section 409A of the Code, the Company determines that the Eligible Employee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Eligible Employee becomes entitled to under this Plan on account of the Eligible Employee's separation from service would be considered "nonqualified deferred compensation" subject to Section 409A(a) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Eligible Employee's separation from service, or (B) the Eligible Employee's death. Each payment under this Plan constitutes a separate payment for purposes of Section 409A of the Code.

(b) The parties intend that this Plan will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Plan is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Plan may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(c) All in-kind benefits provided and expenses eligible for reimbursement under this Plan shall be provided by the Employer or incurred by the Eligible Employee during the time periods set forth in this Plan. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) To the extent that any payment or benefit described in this Plan constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Eligible Employee's termination of employment, then such payments or benefits shall be payable only upon the Eligible Employee's "separation from service." All references to an Eligible Employee's termination of employment under this Plan shall only occur if the same also constitutes a "separation from service" as defined under Section 409A of the

Code. The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(e) The Company makes no representation or warranty and shall have no liability to the Eligible Employee or any other person if any provisions of this Plan are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

Schedule A

Severance Payment

Title	Severance Payment	Outplacement Services
Executive Vice President	3 times the sum of Base Salary and Bonus	The highest level of outplacement benefits provided for under the outplacement services agreement in effect immediately prior to the Date of Termination, for 12 months

Schedule B

Release Agreement

THIS RELEASE AGREEMENT is entered into as of ____________, 20__ (the "Effective Date"), by _____________ (the "Employee") in consideration of the severance payments and benefits (collectively, the "Severance Payment") provided to the Employee by The Macerich Company ("Company") pursuant to The Macerich Company Change in Control Severance Pay Plan for Executive Vice Presidents (the "Plan"). All capitalized terms used in this Release Agreement and not otherwise defined shall be as defined in the Plan.

1. Waiver and Release. The Employee, on her/his own behalf and on behalf of her/his heirs, executors, administrators, attorneys and assigns, hereby unconditionally and irrevocably releases, waives and forever discharges Company and each of its affiliates, parents, successors, predecessors, and the subsidiaries, directors, owners, members, shareholders, officers, agents, and employees of the Company and its affiliates, parents, successors, predecessors, and subsidiaries (collectively, all of the foregoing are referred to as the "Employer"), from any and all causes of action, claims and damages, including attorneys' fees, whether known or unknown, foreseen or unforeseen, presently asserted or otherwise arising through the date of her/his signing of this Release Agreement, concerning her/his employment or separation from employment. This release includes, but is not limited to, any claim or entitlement to salary, bonuses, any other payments, benefits or damages arising under any federal law (including, but not limited to, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act, Executive Order 11246, the Family and Medical Leave Act, and the Worker Adjustment and Retraining Notification Act, each as amended) and any other federal, state, local or foreign law relating to notice of employment termination or to severance pay; any claim arising under any state or local laws, ordinances or regulations (including, but not limited to, any state or local laws, ordinances or regulations requiring that advance notice be given of certain workforce reductions); and any claim arising under any common law principle or public policy, including, but not limited to, all suits in tort or contract, such as wrongful termination, defamation, emotional distress, invasion of privacy or loss of consortium.

The Employee understands that by signing this Release Agreement she/he is waiving any right to monetary recovery or individual relief should any federal, state or local agency (including the Equal Employment Opportunity Commission) pursue any claim on her/his behalf arising out of or related to her/his employment with and/or separation from employment with the Employer. The Employee understands that this Release Agreement, does not limit or interfere with the Employee's right, without notice to or authorization of the Employer, to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority, or any other self-regulatory organization or any other federal, state or local governmental agency or commission (each a "Governmental Agency"), or to testify, assist or participate in any investigation, hearing or proceeding conducted by a Governmental Agency in the event Employee file a charge or complaint with a Governmental Agency, or a Governmental Agency asserts a claim on the Employee's behalf, the Employee agrees that the

Employee's release of claims in this Release Agreement shall nevertheless bar the Employee's right (if any) to any monetary or other recovery (including reinstatement) with respect to released claims, except that the Employee does not waive: (i) the Employee's right to receive an award from the Securities and Exchange Commission pursuant to Section 21 F of the Securities Exchange Act of 1934, and (ii) any other claims or administrative charges which cannot be waived by law.

The Employee expressly waives the benefits of Section 1542 of the California Civil Code which provides that:

"A general release does not extend to claims which the creditor does not know or suspect to exist in her/his favor at the time of executing the release, which if known by her/him must have materially affected her/his settlement with the debtor."

The Employee, being aware of said code section, understands and acknowledges the significance and consequences of such specific waiver of Section 1542 and agrees to expressly waive any rights Employee may have thereunder, as well as under any other statute or common law principles of similar effect. The Employee hereby assumes full responsibility for any injuries, damages or losses that the Employee may incur as a result of such waiver.

2. Acknowledgments. The Employee is signing this Release Agreement knowingly and voluntarily. She/he acknowledges that:

(a) He or she is hereby advised by the Company to discuss all aspects of this Release Agreement with an attorney before signing this Release Agreement;

(b) He or she has relied solely on her/his own judgment and/or that of her/his attorney regarding the consideration for and the terms of this Release Agreement and is signing this Release Agreement knowingly and voluntarily of her/his own free will;

(c) He or she is not entitled to the Severance Payment unless she/he agrees to and fully complies with the terms of this Release Agreement;

(d) He or she has been given at least [twenty-one (21)] [forty-five (45)] calendar days to consider this Release Agreement (the "Consideration Period"). If she/he signs this Release Agreement before the end of the Consideration Period, she/he acknowledges by signing this Release Agreement that such decision was entirely voluntary and that she/he had the opportunity to consider this Release Agreement for the entire Consideration Period.

(e) He or she may revoke this Release Agreement within seven (7) calendar days after signing it by submitting a written notice of revocation to the Employer. She/he further understands that this Release Agreement is not fully effective until the next business day after the seven (7) day period of revocation has expired without revocation, and that if she/he revokes this Release Agreement within the seven (7) day revocation period, she/he will not receive the Severance Payment;

(f) He or she has read and understands this Release Agreement and further understands that it includes a general release of any and all known and unknown, foreseen or unforeseen claims presently asserted or otherwise arising through the date of her/his signing of this Release Agreement that she/he may have against the Employer; and

(g) No statements made or conduct by the Employer has in any way coerced or unduly influenced her/him to execute this Release Agreement.

(h) Except for the Severance Payment, she/he has been paid all wages, bonuses, compensation, benefits and other amounts that the Employer ever owed to him or her. Further she/he acknowledges and agrees that she/he is not entitled to any other severance pay, benefits or equity rights including without limitation, pursuant to any other severance plan, or program or arrangement.

3. No Admission of Liability. This Release Agreement does not constitute an admission of liability or wrongdoing on the part of the Employer, the Employer does not admit there has been any wrongdoing whatsoever against the Employee, and the Employer expressly denies that any wrongdoing has occurred.

4. Entire Agreement. There are no other agreements of any nature between the Employer and the Employee with respect to the matters discussed in this Release Agreement, except as expressly stated herein, and in signing this Release Agreement, the Employee is not relying on any agreements or representations, except those expressly contained in this Release Agreement.

5. Execution. It is not necessary that the Employer sign this Release Agreement following the Employee's full and complete execution of it for it to become fully effective and enforceable.

6. Severability. If any provision of this Release Agreement is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or controlling law, the remainder of this Release Agreement shall continue in full force and effect.

7. Governing Law. This Release Agreement shall be governed by the laws of the State of California, excluding the choice of law rules thereof.

8. Headings. Section and subsection headings contained in this Release Agreement are inserted for the convenience of reference only. Section and subsection headings shall not be deemed to be a part of this Release Agreement for any purpose, and they shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the day and year first herein above written.

EMPLOYEE:

Exhibit 31.1

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 March 31, 2019 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

Chief Executive Officer

Date: May 7, 2019

Exhibit 31.2

THE MACERICH COMPANY

SECTION 302 CERTIFICATION

I, Scott W. Kingsmore, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended March 31, 2019 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/ SCOTT W. KINGSMORE

Executive Vice President and Chief Financial Officer

Date: May 7, 2019

Exhibit 32.1

THE MACERICH COMPANY

WRITTEN STATEMENT

PURSUANT TO

18 U.S.C. SECTION 1350

The undersigned, Thomas E. O'Hern and Scott W. Kingsmore, 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 March 31, 2019 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: May 7, 2019

/s/ THOMAS E. O'HERN

Chief Executive Officer

/s/ SCOTT W. KINGSMORE

Executive Vice President and Chief Financial Officer