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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2011

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 90401
(Address of principal executive office, including zip code)
(310) 394-6000
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve (12) months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety (90) days.

YES ☒ NO o

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

YES ☒ NO o

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

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

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

YES o NO ☒

Number of shares outstanding as of May 3, 2011 of the registrant's common stock, par value $0.01 per share: 130,899,663 shares

THE MACERICH COMPANY

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THE MACERICH COMPANY

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share data)

(Unaudited)

	March 31, 2011	December 31, 2010
ASSETS:		
Property, net	$ 5,686,779	$ 5,674,127
Cash and cash equivalents	188,025	445,645
Restricted cash	76,859	71,434
Marketable securities	26,000	25,935
Tenant and other receivables, net	92,200	95,083
Deferred charges and other assets, net	346,087	316,969
Loans to unconsolidated joint ventures	3,452	3,095
Due from affiliates	8,672	6,599
Investments in unconsolidated joint ventures	1,070,204	1,006,123
Total assets	$ 7,498,278	$ 7,645,010
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY:		
Mortgage notes payable:		
Related parties	$ 277,817	$ 302,344
Others	2,911,860	2,957,131
Total	3,189,677	3,259,475
Bank and other notes payable	634,990	632,595
Accounts payable and accrued expenses	74,287	70,585
Other accrued liabilities	258,613	257,678
Distributions in excess of investments in unconsolidated joint ventures	71,783	65,045
Co-venture obligation	131,274	160,270
Total liabilities	4,360,624	4,445,648
Redeemable noncontrolling interests	11,366	11,366
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Common stock, $0.01 par value, 250,000,000 shares authorized, 131,049,731 and 130,452,032 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively	1,310	1,304
Additional paid-in capital	3,452,875	3,456,569
Accumulated deficit	(630,017)	(564,357)
Accumulated other comprehensive income (loss)	1,593	(3,237)
Total stockholders' equity	2,825,761	2,890,279
Noncontrolling interests	300,527	297,717
Total equity	3,126,288	3,187,996
Total liabilities, redeemable noncontrolling interests and equity	$ 7,498,278	$ 7,645,010

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, 2011	2010
Revenues:		
Minimum rents	$ 109,521	$ 101,980
Percentage rents	2,954	2,987
Tenant recoveries	61,672	61,009
Management Companies	10,584	10,221
Other	6,338	5,917
Total revenues	191,069	182,114
Expenses:		
Shopping center and operating expenses	62,775	60,821
Management Companies' operating expenses	25,855	22,187
REIT general and administrative expenses	7,644	7,518
Depreciation and amortization	64,626	59,215
	160,900	149,741
Interest expense:		
Related parties	4,489	3,102
Other	47,508	52,309
	51,997	55,411
Loss on early extinguishment of debt	9,101	—
Total expenses	221,998	205,152
Equity in income of unconsolidated joint ventures	30,275	16,459
Co-venture expense	(1,296)	(1,384)
Income tax benefit	2,478	1,215
Loss on sale or write down of assets, net	(437)	—
Income (loss) from continuing operations	91	(6,748)
Loss from discontinued operations	—	(113)
Net income (loss)	91	(6,861)
Less net income (loss) attributable to noncontrolling interests	57	(504)
Net income (loss) attributable to the Company	$ 34	$ (6,357)
Earnings per common share attributable to Company—basic:		
Income (loss) from continuing operations	$ —	$ (0.08)
Discontinued operations	—	—
Net income (loss) available to common stockholders	$ —	$ (0.08)
Earnings per common share attributable to Company—diluted:		
Income (loss) from continuing operations	$ —	$ (0.08)
Discontinued operations	—	—
Net income (loss) available to common stockholders	$ —	$ (0.08)
Weighted average number of common shares outstanding:		
Basic	130,574,000	96,951,000
Diluted	130,574,000	96,951,000

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENT OF EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS

(Dollars in thousands, except per share data)

(Unaudited)

	Stockholders' Equity								
	Common Stock								
	Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance January 1, 2011	130,452,032	$ 1,304	$ 3,456,569	$ (564,357)	$ (3,237)	$ 2,890,279	$ 297,717	$ 3,187,996	$ 11,366
Comprehensive income:									
Net income	—	—	—	34	—	34	(14)	20	71
Interest rate swap/cap agreements	—	—	—	—	4,830	4,830	—	4,830	—
Total comprehensive income	—	—	—	34	4,830	4,864	(14)	4,850	71
Amortization of share and unit-based plans	578,599	6	5,446	—	—	5,452	—	5,452	—
Distributions paid ($0.50) per share	—	—	—	(65,694)	—	(65,694)	—	(65,694)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	(7,358)	(7,358)	(71)
Contributions from noncontrolling interests	—	—	—	—	—	—	42	42	—
Other	—	—	1,000	—	—	1,000	—	1,000	—
Conversion of noncontrolling interests to common shares	19,100	—	818	—	—	818	(818)	—	—
Adjustment of noncontrolling interest in Operating Partnership	—	—	(10,958)	—	—	(10,958)	10,958	—	—
Balance March 31, 2011	131,049,731	$ 1,310	$ 3,452,875	$ (630,017)	$ 1,593	$ 2,825,761	$ 300,527	$ 3,126,288	$ 11,366

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, 2011	For the Three Months Ended March 31, 2010
Cash flows from operating activities:		
Net income (loss)	$ 91	$ (6,861)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Loss on early extinguishment of debt	101	—
Loss on sale or write-down of assets, net	437	—
Depreciation and amortization	68,003	61,906
Amortization of net discount on mortgages, bank and other notes payable	2,247	416
Amortization of share and unit-based plans	2,371	2,804
Provision for doubtful accounts	400	1,683
Income tax benefit	(2,478)	(1,215)
Equity in income of unconsolidated joint ventures	(30,275)	(16,459)
Co-venture expense	1,296	1,384
Distributions of income from unconsolidated joint ventures	2,679	3,582
Changes in assets and liabilities, net of acquisitions and dispositions:		
Tenant and other receivables	2,685	3,648
Other assets	(9,523)	(16,656)
Due from affiliates	(2,073)	188
Accounts payable and accrued expenses	2,889	11,659
Other accrued liabilities	2,698	18,838
Net cash provided by operating activities	41,548	64,917
Cash flows from investing activities:		
Acquisitions of property, development, redevelopment and property improvements	(35,995)	(67,191)
Deferred leasing costs	(10,406)	(9,271)
Distributions from unconsolidated joint ventures	37,894	32,230
Contributions to unconsolidated joint ventures	(63,839)	(5,312)
Loans to unconsolidated joint ventures, net	(357)	(389)
Proceeds from sale of assets	4,785	—
Restricted cash	(5,425)	(1,672)
Net cash used in investing activities	(73,343)	(51,605)
Cash flows from financing activities:		
Proceeds from mortgages, bank and other notes payable	127,000	198,948
Payments on mortgages, bank and other notes payable	(248,215)	(194,185)
Deferred financing costs	(1,195)	(2,492)
Dividends and distributions	(73,123)	(9,119)
Distributions to co-venture partner	(30,292)	(3,493)
Net cash used in financing activities	(225,825)	(10,341)
Net (decrease) increase in cash and cash equivalents	(257,620)	2,971
Cash and cash equivalents, beginning of period	445,645	93,255
Cash and cash equivalents, end of period	$ 188,025	$ 96,226
Supplemental cash flow information:		
Cash payments for interest, net of amounts capitalized	$ 48,343	$ 58,023
Non-cash transactions:		
Accrued development costs included in accounts payable and accrued expenses and other accrued liabilities	$ 1,848	$ 28,926
Acquisition of property by assumption of mortgage note payable	$ 51,500	—
Stock dividend	$ —	$ 43,086
Conversion of Operating Partnership units to common stock	$ 818	$ 1,068

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

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

(Unaudited)

1. Organization:

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

The Company commenced operations effective with the completion of its initial public offering on March 16, 1994. As of March 31, 2011, the Company was the sole general partner of and held a 92% 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 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, Westcor Partners, L.L.C., a single member Arizona limited liability company, Macerich Westcor Management LLC, a single member Delaware limited liability company, Westcor Partners of Colorado, LLC, a Colorado limited liability company, MACW Mall Management, Inc., a New York corporation, and MACW Property Management, LLC, a single member New York limited liability company. All seven of the management companies are collectively referred to herein as the "Management Companies."

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

2. Summary of Significant Accounting Policies:

Basis of Presentation:

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

The accompanying consolidated financial statements include the accounts of the Company and the Operating Partnership. Investments in entities in which the Company retains a controlling financial interest or entities that meet the definition of a variable interest entity in which the Company has, as a result of ownership, contractual or other financial interests, both the power to direct activities that most significantly impact the economic performance of the variable interest entity and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the variable interest entity are consolidated; otherwise they are accounted for under the equity method of accounting and are reflected as "Investments in unconsolidated joint ventures." The Company identified two variable interest entities which meet the criteria for consolidation. These variable interest entities included in the accompanying consolidated statements of operations had aggregate revenue of $2,402 and $3,658 for the three months ended March 31, 2011 and 2010, respectively, and aggregate expenses of $3,519

2. Summary of Significant Accounting Policies: (Continued)

and $3,512 for the three months ended March 31, 2011 and 2010, respectively. The significant assets and liabilities of these variable interest entities consisted of property of $79,599 and $81,155 at March 31, 2011 and December 31, 2010, respectively, and mortgage notes payable of $39,234 and $39,675 at March 31, 2011 and December 31, 2010, respectively.

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

The unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010. 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, 2010 has been derived from the audited financial statements, but does not include all disclosures required by GAAP.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

3. Earnings per Share ("EPS"):

The following table reconciles the numerator and denominator used in the computation of earnings per share for the three months ended March 31, 2011, and 2010 (shares in thousands):

	For the Three Months Ended March 31, 2011	2010
Numerator		
Income (loss) from continuing operations	$ 91	$ (6,748)
Loss from discontinued operations	—	(113)
(Income) loss attributable to noncontrolling interests	(57)	504
Net income (loss) attributable to the Company	34	(6,357)
Allocation of earnings to participating securities	(542)	(989)
Numerator for basic and diluted earnings per share—net loss available to common stockholders	$ (508)	$ (7,346)
Denominator		
Denominator for basic and diluted earnings per share—weighted average number of common shares outstanding(1)	130,574	96,951
Earnings per common share—basic:		
Income (loss) from continuing operations	$ —	$ (0.08)
Discontinued operations	—	—
Net income (loss) available to common stockholders	$ —	$ (0.08)
Earnings per common share—diluted:		
Income (loss) from continuing operations	$ —	$ (0.08)
Discontinued operations	—	—
Net income (loss) available to common stockholders	$ —	$ (0.08)

(1) The Senior Notes (See Note 11—Bank and Other Notes Payable) are excluded from diluted EPS for the three months ended March 31, 2011 and 2010 as their effect would be antidilutive to net income (loss) available to common stockholders.

Diluted EPS excludes 208,640 convertible non-participating preferred units for the three months ended March 31, 2011 and 2010, as their impact was antidilutive to net income (loss) available to common stockholders.

Diluted EPS excludes 1,125,172 and 1,150,172 of unexercised stock appreciation rights for the three months ended March 31, 2011 and 2010, respectively, as their effect was antidilutive to net income (loss) available to common stockholders.

Diluted EPS excludes 122,500 and 127,500 of unexercised stock options for the three months ended March 31, 2011 and 2010, respectively, as their effect was antidilutive to net income (loss) available to common stockholders.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

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

Diluted EPS excludes 935,358 and 2,185,358 of unexercised stock warrants for the three months ended March 31, 2011 and 2010, respectively, as their effect was antidilutive to net income (loss) available to common stockholders.
Diluted EPS excludes 12,082,710 and 12,232,655 partnership units for the three months ended March 31, 2011 and 2010, respectively, as their effect was antidilutive to net income (loss) available to common stockholders.

4. Investments in Unconsolidated Joint Ventures:

The Company has recently made the following investments in unconsolidated joint ventures:

On February 24, 2011, the Company's joint venture in Kierland Commons, a 434,690 square foot community center in Scottsdale, Arizona, acquired the ownership interest of another partner in the joint venture for $105,550. The Company's share of the purchase price consisted of a cash payment of $34,161 and the assumption of a pro rata share of debt of $18,613. As a result of the acquisition, the Company's ownership interest in Kierland Commons increased from 24.5% to 50.0%. The joint venture recognized a remeasurement gain of $25,019 on the acquisition based on the difference of the fair value received and its previously held investment in Kierland Commons. The Company's pro rata share of the gain recognized was $12,510.

On February 28, 2011, the Company in a 50/50 joint venture, acquired The Shops at Atlas Park, a 400,000 square foot community center in Queens, New York for a total purchase price of $53,750. The Company's share of the purchase price was $26,875. The results of The Shops at Atlas Park are included below for the period subsequent to the acquisition.

On February 28, 2011, the Company acquired the additional 50% ownership interest in Desert Sky Mall, an 893,561 square foot regional shopping center in Phoenix, Arizona, that it did not own for $27,625. The purchase price was funded by a cash payment of $1,875 and the assumption of the third party's pro rata share of the mortgage note payable on the property of $25,750. Concurrent with the purchase of the partnership interest, the Company paid off the $51,500 loan on the property. Prior to the acquisition, the Company had accounted for its investment in Desert Sky Mall under the equity method. Since the date of acquisition, the Company has included Desert Sky Mall in its consolidated financial statements (See Note 15—Acquisition).

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

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

Combined and Condensed Balance Sheets of Unconsolidated Joint Ventures:

	March 31, 2011	December 31, 2010
Assets(1):		
Properties, net	$ 5,174,884	$ 5,047,022
Other assets	470,789	470,922
Total assets	$ 5,645,673	$ 5,517,944
Liabilities and partners' capital(1):		
Mortgage notes payable(2)	$ 4,558,807	$ 4,617,127
Other liabilities	212,697	211,942
Company's capital	416,828	349,175
Outside partners' capital	457,341	339,700
Total liabilities and partners' capital	$ 5,645,673	$ 5,517,944
Investments in unconsolidated joint ventures:		
Company's capital	$ 416,828	$ 349,175
Basis adjustment(3)	581,593	591,903
	$ 998,421	$ 941,078
Assets—Investments in unconsolidated joint ventures	$ 1,070,204	$ 1,006,123
Liabilities—Distributions in excess of investments in unconsolidated joint ventures	(71,783)	(65,045)
	$ 998,421	$ 941,078

(1) These amounts include the assets and liabilities of the following significant subsidiaries as of March 31, 2011 and December 31, 2010:

	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Tysons Corner LLC
As of March 31, 2011:			
Total Assets	$ 814,980	$ 1,083,401	$ 333,366
Total Liabilities	$ 814,538	$ 1,017,460	$ 326,556
As of December 31, 2010:			
Total Assets	$ 817,995	$ 1,101,186	$ 330,117
Total Liabilities	$ 815,884	$ 1,019,513	$ 324,527

(2) Certain mortgage notes payable could become recourse debt to the Company should the joint venture be unable to discharge the obligations of the related debt. As of March 31, 2011 and December 31, 2010, a total of $346,954 and $348,658, respectively, could become recourse debt to

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

the Company. As of March 31, 2011 and December 31, 2010, the Company has an indemnity from one of its joint venture partners for $161,616 and $162,451, respectively, of the guaranteed amount.

Included in mortgage notes payable are amounts due to affiliates of Northwestern Mutual Life ("NML") of $570,984 and $573,239 as of March 31, 2011 and December 31, 2010, respectively. NML is considered a related party because it is a joint venture partner with the Company in Macerich Northwestern Associates—Broadway Plaza. Interest expense incurred on these borrowings amounted to $10,093 and $10,244 for the three months ended March 31, 2011 and 2010, respectively.

(3) This represents the difference between the cost of the investments and the book value of the underlying equity of the joint ventures. The Company amortizes this difference into income on a straight-line basis, consistent with the lives of the underlying assets. The amortization of this difference was $1,435 and $3,702 for the three months ended March 31, 2011 and 2010, respectively.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

Combined and Condensed Statements of Operations of Unconsolidated Joint Ventures:

	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Tysons Corner LLC	Other Joint Ventures	Total
Three Months Ended March 31, 2011					
Revenues:					
Minimum rents	$ 22,094	$ 32,799	$ 15,543	$ 86,561	$ 156,997
Percentage rents	932	1,166	423	2,134	4,655
Tenant recoveries	11,660	13,646	10,263	41,048	76,617
Other	807	1,019	727	8,254	10,807
Total revenues	35,493	48,630	26,956	137,997	249,076
Expenses:					
Shopping center and operating expenses	13,789	14,594	8,601	52,383	89,367
Interest expense	11,460	11,723	3,973	38,473	65,629
Depreciation and amortization	7,469	10,156	4,863	30,411	52,899
Total operating expenses	32,718	36,473	17,437	121,267	207,895
Gain on sale/remeasurement of assets	—	—	—	24,874	24,874
Net income	$ 2,775	$ 12,157	$ 9,519	$ 41,604	$ 66,055
Company's equity in net income	$ 1,388	$ 6,183	$ 3,708	$ 18,996	$ 30,275
Three Months Ended March 31, 2010					
Revenues:					
Minimum rents	$ 22,257	$ 31,691	$ 14,597	$ 89,116	$ 157,661
Percentage rents	724	897	120	2,517	4,258
Tenant recoveries	11,640	12,447	9,506	46,586	80,179
Other	799	1,170	678	6,233	8,880
Total revenues	35,420	46,205	24,901	144,452	250,978
Expenses:					
Shopping center and operating expenses	14,065	13,685	8,106	54,714	90,570
Interest expense	11,497	13,101	4,018	38,918	67,534
Depreciation and amortization	7,625	9,189	4,592	31,381	52,787
Total operating expenses	33,187	35,975	16,716	125,013	210,891
Loss on sale of assets	—	—	—	(1,236)	(1,236)
Loss on early extinguishment of debt	—	(1,352)	—	—	(1,352)
Net income	$ 2,233	$ 8,878	$ 8,185	$ 18,203	$ 37,499
Company's equity in net income	$ 1,116	$ 4,567	$ 4,092	$ 6,684	$ 16,459

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

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

5. Derivative Instruments and Hedging Activities:

Amounts paid (received) as a result of interest rate agreements are recorded as an addition (reduction) to (of) interest expense. The Company recorded other comprehensive income related to the marking-to-market of interest rate agreements of $4,830 and $7,979 for the three months ended March 31, 2011 and 2010, respectively.

The following derivatives were outstanding at March 31, 2011:

Property/Entity(1)	Notional Amount	Product	Rate	Maturity	Fair Value
La Cumbre Plaza	$ 30,000	Cap	3.00%	12/9/2011	$ —
Paradise Valley Mall	85,000	Cap	5.00%	9/12/2011	—
The Oaks	150,000	Cap	6.25%	7/1/2011	—
Victor Valley Mall	100,000	Swap	5.08%	4/25/2011	(307)
Vintage Faire Mall	135,000	Swap	5.08%	4/25/2011	(414)
Westside Pavilion	175,000	Cap	5.50%	6/5/2011	—
Westside Pavilion	165,000	Swap	5.08%	4/25/2011	(507)

(1) See additional disclosure in Note 10—Mortgage Notes Payable.

	Asset Derivatives			Liability Derivatives		
		March 31, 2011	December 31, 2010		March 31, 2011	December 31, 2010
	Balance Sheet Location	Fair Value	Fair Value	Balance Sheet Location	Fair Value	Fair Value
Derivatives designated as hedging instruments						
Interest rate cap agreements	Other assets	$ —	$ —	Other liabilities	$ —	$ —
Interest rate swap agreements	Other assets	—	—	Other liabilities	1,228	6,061
Total derivatives designated as hedging instruments		—	—		1,228	6,061
Derivatives not designated as hedging instruments						
Interest rate cap agreements	Other assets	—	—	Other liabilities	—	—
Interest rate swap agreements	Other assets	—	—	Other liabilities	—	—
Total derivatives not designated as hedging instruments		—	—		—	—
Total derivatives		$ —	$ —		$ 1,228	$ 6,061

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

5. Derivative Instruments and Hedging Activities: (Continued)

The following table presents the Company's derivative instruments measured at fair value as of March 31, 2011:

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Derivative instruments	$ —	$ —	$ —	$ —
Liabilities				
Derivative instruments	—	1,228	—	1,228

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 itself and its counterparties. However, as of March 31, 2011, 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 derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

6. Property:

Property consists of the following:

	March 31, 2011	December 31, 2010
Land	$ 1,169,314	$ 1,158,139
Building improvements	4,984,435	4,934,391
Tenant improvements	399,884	398,556
Equipment and furnishings	117,125	124,530
Construction in progress	293,516	292,891
	6,964,274	6,908,507
Less accumulated depreciation	(1,277,495)	(1,234,380)
	$ 5,686,779	$ 5,674,127

Depreciation expense was $54,442 and $49,589 for the three months ended March 31, 2011 and 2010, respectively.

During the three months ended March 31, 2011, the Company recognized a gain of $542 on the sale of land and a loss of $2,817 on the sale or write-down of assets. In addition, the Company recognized a gain of $1,838 on the purchase of a 50% interest in Desert Sky Mall. See Note 15—Acquisition.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

7. Marketable Securities:

Marketable Securities consist of the following:

	March 31, 2011	December 31, 2010
Government debt securities, at par value	$ 26,509	$ 26,509
Less discount	(509)	(574)
	26,000	25,935
Unrealized gain	2,276	2,612
Fair value	$ 28,276	$ 28,547

Future contractual maturities of marketable securities are as follows:

1 year or less	$ 1,461
2 to 5 years	25,048
	$ 26,509

The proceeds from maturities and interest receipts from the marketable securities are restricted to the service of the Greeley Note (See Note 11—Bank and Other Notes Payable).

8. Tenant and Other Receivables, net:

Included in tenant and other receivables, net, is an allowance for doubtful accounts of $3,794 and $5,411 at March 31, 2011 and December 31, 2010, respectively. Also included in tenant and other receivables, net are accrued percentage rents of $1,604 and $5,827 at March 31, 2011 and December 31, 2010, respectively.

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

On March 31, 2006, the Company received a note receivable that is secured by a deed of trust, bears interest at 5.5% and matures on March 31, 2031. At March 31, 2011 and December 31, 2010, the note had a balance of $8,929 and $8,992, respectively.

On August 18, 2009, the Company received a note receivable from J&R Holdings XV, LLC ("Pederson") that bears interest at 11.55% and matures on December 31, 2013. Pederson is considered a related party because it has an ownership interest in Promenade at Casa Grande. The note is secured by Pederson's interest in Promenade at Casa Grande. The balance on the note at March 31, 2011 and December 31, 2010 was $3,445. Interest income on the note was $102 and $44 for the three months ended March 31, 2011 and 2010, respectively.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

9. Deferred Charges and Other Assets, net:

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

	March 31, 2011	December 31, 2010
Leasing	$ 209,924	$ 189,853
Financing	57,024	57,564
Intangible assets:		
In-place lease values	97,114	99,328
Leasing commissions and legal costs	29,616	29,088
Other assets	162,982	152,167
	556,660	528,000
Less accumulated amortization(1)	(210,573)	(211,031)
	$ 346,087	$ 316,969

(1) Accumulated amortization includes $93,973 and $60,859 relating to intangible assets at March 31, 2011 and December 31, 2010, respectively. Amortization expense for intangible assets was $3,965 and $4,133 for the three months ended March 31, 2011 and 2010, respectively.

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

	March 31, 2011	December 31, 2010
Above-Market Leases		
Original allocated value	$ 62,934	$ 50,615
Less accumulated amortization	(36,955)	(36,935)
	$ 25,979	$ 13,680
Below-Market Leases		
Original allocated value	$ 120,948	$ 121,813
Less accumulated amortization	(83,811)	(83,780)
	$ 37,137	$ 38,033

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

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

10. Mortgage Notes Payable:

Mortgage notes payable at March 31, 2011 and December 31, 2010 consist of the following:

	Carrying Amount of Mortgage Notes(1)						
	March 31, 2011		December 31, 2010				
Property Pledged as Collateral	Related Party	Other	Related Party	Other	Interest Rate(2)	Monthly Payment Term(3)	Maturity Date
Capitola Mall(4)	$ —	$ —	$ 33,459	$ —	—	$ —	—
Chandler Fashion Center(5)		158,412	—	159,360	5.50%	1,043	2012
Chesterfield Towne Center(6)	—	—	—	50,462	—	—	—
Danbury Fair Mall	119,135	119,136	109,657	109,657	5.53%	1,351	2020
Deptford Mall	—	172,500	—	172,500	5.41%	778	2013
Deptford Mall	—	15,191	—	15,248	6.46%	101	2016
Fiesta Mall	—	84,000	—	84,000	4.98%	348	2015
Flagstaff Mall	—	37,000	—	37,000	5.03%	155	2015
Freehold Raceway Mall(5)	—	232,900	—	232,900	4.20%	805	2018
Fresno Fashion Fair	82,534	82,534	82,791	82,792	6.76%	1,104	2015
Great Northern Mall	—	37,868	—	38,077	5.19%	234	2013
Hilton Village	—	8,586	—	8,581	5.27%	37	2012
La Cumbre Plaza(7)	—	21,561	—	23,113	2.43%	27	2011
Northgate, The Mall at(8)		38,115	—	38,115	7.00%	191	2013
Oaks, The(9)	—	165,000	—	165,000	2.31%	318	2011
Oaks, The(10)	—	92,264	—	92,264	2.83%	182	2011
Pacific View	—	83,651	—	84,096	7.23%	649	2011
Paradise Valley Mall(11)	—	85,000	—	85,000	6.30%	446	2012
Prescott Gateway	—	60,000	—	60,000	5.86%	293	2011
Promenade at Casa Grande(12)	—	78,959	—	79,104	5.21%	296	2013
Rimrock Mall	—	40,445	—	40,650	7.57%	320	2011
Salisbury, Center at	—	115,000	—	115,000	5.83%	559	2016
SanTan Village Regional Center(13)	—	138,087	—	138,087	2.99%	344	2011
Shoppingtown Mall	—	39,234	—	39,675	5.01%	319	2011
South Plains Mall	—	103,773	—	104,132	6.53%	383	2015
South Towne Center	—	87,433	—	87,726	6.39%	554	2015
Towne Mall	—	13,211	—	13,348	4.99%	100	2012
Tucson La Encantada	76,148	—	76,437	—	5.84%	358	2012
Twenty Ninth Street(14)	—	107,000	—	106,244	3.15%	467	2016
Valley River Center	—	120,000	—	120,000	5.59%	559	2016
Valley View Center(15)	—	125,000	—	125,000	5.81%	605	2011
Victor Valley, Mall of(16)	—	100,000	—	100,000	6.94%	578	2011
Vintage Faire Mall(17)	—	135,000	—	135,000	8.37%	942	2015
Westside Pavilion(18)	—	175,000	—	175,000	7.81%	1,139	2011
Wilton Mall(19)	—	40,000	—	40,000	1.25%	42	2013
	$ 277,817	$ 2,911,860	$ 302,344	$ 2,957,131			

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

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

10. Mortgage Notes Payable: (Continued)

Debt premiums (discounts) consist of the following:

Property Pledged as Collateral	March 31, 2011	December 31, 2010
Deptford Mall	$ (29)	$ (30)
Great Northern Mall	(76)	(82)
Hilton Village	(14)	(19)
Shoppingtown Mall	216	482
Towne Mall	159	183
	$ 256	$ 534

(2) The interest rate disclosed represents the effective interest rate, including the debt premiums (discounts), deferred finance costs and notional amounts covered by interest rate swap agreements.

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

(4) On March 15, 2011, the loan was paid off in full.

(5) On September 30, 2009, 49.9% of the loan was assumed by a third party in connection with entering into a co-venture arrangement with that unrelated party. See Note 12—Co-Venture Arrangement.

(6) On February 1, 2011, the loan was paid off in full. As a result of the pay off of the debt, the Company recognized a loss on early extinguishment of $9,101, which included a $9,000 prepayment penalty and $101 of unamortized financing costs then outstanding.

(7) The loan bears interest at LIBOR plus 0.88% and matures on December 9, 2011 with an extension option, subject to certain conditions, to extend to June 9, 2012. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 3.0% over the loan term. See Note 5—Derivative Instruments and Hedging Activities. The total interest rate was 2.43% and 2.44% at March 31, 2011 and December 31, 2010, respectively.

(8) The construction loan allows for total borrowings of up to $60,000, bears interest at LIBOR plus 4.50% with a total interest rate floor of 6.0% and matures on January 1, 2013, with two one-year extension options. The loan also includes options for additional borrowings of up to $20,000 depending on certain conditions. The total interest rate was 7.00% at March 31, 2011 and December 31, 2010.

(9) The loan bears interest at LIBOR plus 1.75% and matures on July 10, 2011 with two one-year extension options. The Company placed an interest rate cap agreement on the loan that effectively prevents LIBOR from exceeding 6.25% on $150,000 of the loan amount over the loan term. See Note 5—Derivative Instruments and Hedging Activities. At March 31, 2011 and December 31, 2010, the total interest rate was 2.31%.

(10) The construction loan allows for total borrowings of up to $135,000, bears interest at LIBOR plus a spread of 1.75% to 2.10%, depending on certain conditions and matures on July 10, 2011, with two one-year extension options. At March 31, 2011 and December 31, 2010, the total interest rate was 2.83%.

(11) The loan bears interest at LIBOR plus 4.0% with a total interest rate floor of 5.50% and matures on August 31, 2012 with two one-year extension options. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 5.0% until September 12, 2011. See Note 5—Derivative Instruments and Hedging Activities. At March 31, 2011 and December 31, 2010, the total interest rate was 6.30%.

(12) The loan bears interest at LIBOR plus 4.0% with a LIBOR rate floor of 0.50% and matures on December 30, 2013. At March 31, 2011 and December 31, 2010, the total interest rate was 5.21%.

(13) The construction loan allows for total borrowings of up to $145,000 and bears interest at LIBOR plus a spread of 2.10% to 2.25%, depending on certain conditions. The loan matures on June 13, 2011, with two one-year extension options. At March 31, 2011 and December 31, 2010, the total interest rate was 2.99% and 2.94%, respectively.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

10. Mortgage Notes Payable: (Continued)

(14) The loan bears interest at LIBOR plus 3.40% with a total interest rate floor of 5.25% and was to mature on March 25, 2011. At December 31, 2010, the total interest rate was 5.45%. On January 18, 2011, the Company replaced the existing loan on the property with a new $107,000 loan that bears interest at LIBOR plus 2.63% with no interest rate floor and matures on January 18, 2016. At March 31, 2011, the total interest rate was 3.15%.

(15) On July 15, 2010, a court appointed receiver ("Receiver") assumed operational control of Valley View Center and responsibility for managing all aspects of the property. The Company anticipates the disposition of the asset, which is under the control of the Receiver, will be executed through foreclosure, deed in lieu of foreclosure, or by some other means, and is expected to be completed within the next twelve months. Although the Company is no longer funding any cash shortfall, it will continue to record the operations of Valley View Center until the title for the Center is transferred and its obligation for the loan is discharged. Once title to the Center is transferred, the Company will remove the net assets and liabilities from the Company's consolidated balance sheets. The mortgage note payable on Valley View Center is non-recourse to the Company.

(16) The loan bears interest at LIBOR plus 1.60% and was due to mature on May 6, 2011, with two one-year extension options. On May 6, 2011, the Company exercised an option to extend the maturity to May 6, 2012. The Company placed an interest rate swap on the loan that effectively converts the loan from floating rate debt to fixed rate debt of 6.94% until April 25, 2011. See Note 5—Derivative Instruments and Hedging Activities. At March 31, 2011 and December 31, 2010, the total interest rate on the loan was 6.94%.

(17) The loan bears interest at LIBOR plus 3.0% and matures on April 27, 2015. The Company placed an interest rate swap on the loan that effectively converts the loan from floating rate debt to fixed rate debt of 8.37% until April 25, 2011. See Note 5—Derivative Instruments and Hedging Activities. At March 31, 2011 and December 31, 2010, the total interest rate was 8.37%.

(18) The loan bears interest at LIBOR plus 2.00% and matures on June 5, 2011, with two one-year extension options. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 5.50% over the initial loan term. In addition, the Company placed an interest rate swap on the loan that effectively converts $165,000 of the loan amount from floating rate debt to fixed rate debt of 8.08% until April 25, 2011. See Note 5—Derivative Instruments and Hedging Activities. At March 31, 2011 and December 31, 2010, the total interest rate on the loan was 7.81%.

(19) The loan bears interest at LIBOR plus 0.675% and matures August 1, 2013. As additional collateral for the loan, the Company is required to maintain a deposit of $40,000 with the lender. The interest on the deposit is not restricted. At March 31, 2011 and December 31, 2010, the total interest rate on the loan was 1.25% and 1.26%, respectively.

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

The Company expects all 2011 loan maturities, except Valley View Center, will be refinanced, extended and/or paid-off from the Company's line of credit or with cash on hand.

Total interest expense capitalized during the three months ended March 31, 2011 and 2010 was $3,335 and $8,188, respectively.

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

The fair value of mortgage notes payable at March 31, 2011 and December 31, 2010 was $3,336,688 and $3,438,674, respectively, based on current interest rates for comparable loans. The method for computing fair value was determined using a present value model and an interest rate that included a credit value adjustment based on the estimated value of the property that serves as collateral for the underlying debt.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

11. Bank and Other Notes Payable:

Bank and other notes payable consist of the following:

Convertible Senior Notes ("Senior Notes"):

On March 16, 2007, the Company issued $950,000 in Senior Notes that are to mature on March 15, 2012. The Senior Notes bear interest at 3.25%, payable semiannually, are senior to unsecured debt of the Company and are guaranteed by the Operating Partnership. Prior to December 14, 2011, upon the occurrence of certain specified events, the Senior Notes will be convertible at the option of the holder into cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the election of the Company, at an initial conversion rate of 8.9702 shares per $1 principal amount. On and after December 15, 2011, the Senior Notes will be convertible at any time prior to the second business day preceding the maturity date at the option of the holder at the initial conversion rate. The initial conversion price of approximately $111.48 per share represented a 20% premium over the closing price of the Company's common stock on March 12, 2007. In addition, the Senior Notes are covered by two capped calls that effectively increased the conversion price of the Senior Notes to approximately $130.06, which represents a 40% premium to the March 12, 2007 closing price of $92.90 per common share of the Company. The initial conversion rate is subject to adjustment under certain circumstances. Holders of the Senior Notes do not have the right to require the Company to repurchase the Senior Notes prior to maturity except in connection with the occurrence of certain fundamental change transactions.

The carrying value of the Senior Notes at March 31, 2011 and December 31, 2010 was $609,560 and $606,971, respectively, which included unamortized discount of $10,072 and $12,661, respectively. The unamortized discount is amortized into interest expense over the term of the Senior Notes in a manner that approximates the effective interest method. As of March 31, 2011 and December 31, 2010, the effective interest rate was 5.41%. The fair value of the Senior Notes at March 31, 2011 and December 31, 2010 was $619,632 based on the quoted market price on each date.

Line of Credit:

The Company had a $1,500,000 revolving line of credit that bore interest at LIBOR plus a spread of 0.75% to 1.10% depending on the Company's overall leverage that matured on April 25, 2011. On May 2, 2011, the Company obtained a new $1,500,000 revolving line of credit that bears interest at LIBOR plus a spread of 1.75% to 3.0% depending on the Company's overall leverage and matures on May 2, 2015 with a one-year extension option. Based on the Company's current leverage levels, the borrowing rate on the new facility is LIBOR plus 2.0%. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2,000,000. (See Note 21—Subsequent Events).

Greeley Note:

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

11. Bank and Other Notes Payable: (Continued)

matures in September 2013. At March 31, 2011 and December 31, 2010, the Greeley note had a balance outstanding of $25,430 and $25,624, respectively. The fair value of the note at March 31, 2011 and December 31, 2010 was $27,593 and $23,967, respectively, based on current interest rates for comparable loans. The method for computing fair value was determined using a present value model and an interest rate that included a credit value adjustment based on the estimated value of the property that serves as collateral for the underlying debt.

As of March 31, 2011 and December 31, 2010, the Company was in compliance with all applicable financial loan covenants.

12. Co-Venture Arrangement:

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

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

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 92% ownership interest in the Operating Partnership as of March 31, 2011 and December 31, 2010. The remaining 8% limited partnership interest as of March 31, 2011 and December 31, 2010, 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 units of the Operating Partnership ("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 ten trading days ending on the respective balance sheet date. Accordingly, as of March 31, 2011 and

13. Noncontrolling Interests: (Continued)

December 31, 2010, the aggregate redemption value of the then-outstanding OP Units not owned by the Company was $581,178 and $538,794, respectively.

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

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

The outside ownership interests in the Company's joint venture in Shoppingtown Mall have a purchase option for $11,366. In addition, under certain conditions as defined by the partnership agreement, these partners have the right to "put" their partnership interests to the Company. Due to the redemption feature of the ownership interest in Shoppingtown Mall, these noncontrolling interests have been included in temporary equity.

14. Stockholders' Equity:

Stock Dividends:

On March 22, 2010, the Company issued 1,449,542 common shares to its common stockholders and OP Unit holders in connection with a declaration of a quarterly dividend of $0.60 per share of common stock to holders of record on February 16, 2010, consisting of a combination of cash and shares of the Company's common stock. The cash component of the dividend (not including cash paid in lieu of fractional shares) was 10% in the aggregate, or $0.06 per share, with the balance paid in shares of the Company's common stock.

In accordance with the provisions of Internal Revenue Service Revenue Procedure 2009-15, stockholders were asked to make an election to receive the dividends all in cash or all in shares. To the extent that more than 10% of cash was elected in the aggregate, the cash portion was prorated. Stockholders who elected to receive the dividends in cash received a cash payment of at least $0.06 per share. Stockholders who did not make an election received 10% in cash and 90% in shares of common stock. The number of shares issued on March 22, 2010 as a result of the dividend was calculated based on the volume weighted average trading prices of the Company's common stock on the New York Stock Exchange on March 10, 2010 through March 12, 2010 of $38.53 per share.

Warrants:

On September 3, 2009, the Company issued three warrants in connection with the sale of a 75% ownership interest in FlatIron Crossing. The warrants provided for a purchase in the aggregate of 1,250,000 shares of the Company's common stock. The warrants were valued at $8,068 and recorded as a credit to additional paid-in capital. In May 2010, the warrants were exercised pursuant to the holders' net issue exercise request and the Company elected to deliver a cash payment of $17,589 in exchange for the warrants.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

14. Stockholders' Equity: (Continued)

On September 30, 2009, the Company issued a warrant in connection with its formation of a co-venture to own and operate Freehold Raceway Mall and Chandler Fashion Center. (See Note 12—Co-Venture Arrangement.) The warrant provides for the purchase of 935,358 shares of the Company's common stock. The warrant was valued at $6,496 and recorded as a credit to additional paid-in capital. The warrant was immediately exercisable upon its issuance and will expire 30 days after the refinancing or repayment of each loan encumbering the Centers has closed. The warrant has an exercise price of $46.68 per share, with such price subject to anti-dilutive adjustments. The warrant allows for either gross or net issue settlement at the option of the warrant holder. In the event that the warrant holder elects a net issue settlement, the Company may elect to settle the warrant in cash or shares; provided, however, that in the event the Company elects to deliver cash, the holder may elect to instead have the exercise of the warrant satisfied in shares. In addition, the Company entered into a registration rights agreement with the warrant holder whereby the Company provided certain registration rights regarding the resale of shares of common stock underlying the warrant.

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

Stock Offering:

On April 20, 2010, the Company completed an offering of 30,000,000 newly issued shares of its common stock and on April 23, 2010 issued an additional 1,000,000 newly issued shares of common stock in connection with the underwriters' exercise of its over-allotment option. The net proceeds of the offering, after giving effect to the issuance and sale of all 31,000,000 shares of common stock at an initial price to the public of $41.00 per share, were approximately $1,220,829 after deducting underwriting discounts, commissions and other transaction costs. The Company used a portion of the net proceeds of the offering to pay down its line of credit in full and reduce certain property indebtedness. The Company used the remaining cash for debt repayments and/or general corporate purposes.

15. Acquisition:

On February 28, 2011, the Company acquired the additional 50% ownership interest in Desert Sky Mall, an 893,561 square foot regional shopping center in Phoenix, Arizona, that it did not own for $27,625. The acquisition was completed in order to gain 100% ownership and control over this well located asset. The purchase price was funded by a cash payment of $1,875 and the assumption of the third party's pro rata share of the mortgage note payable on the property of $25,750. Concurrent with the purchase of the partnership interest, the Company paid off the $51,500 loan on the property. Prior to the acquisition, the Company had accounted for its investment under the equity method (See Note 4—Investments in Unconsolidated Joint Ventures). As a result of this transaction, the Company obtained 100% ownership of Desert Sky Mall.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

15. Acquisition: (Continued)

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

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

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

Fair value of existing ownership interest (at 50% ownership)	$ 4,134
Carrying value of investment in Desert Sky Mall	(2,296)
Gain on remeasurement	$ 1,838

The Company has included the gain on remeasurement in the loss on sale or writedown of assets, net for the three months ended March 31, 2011. See Note 6—Property.

Since the date of acquisition, the Company has included Desert Sky Mall in its consolidated financial statements. Desert Sky Mall has generated incremental revenue of $888 and incremental shopping center expense of $518.

16. Discontinued Operations:

Revenues from discontinued operations consisted of $0 and $(4) for the three months ended March 31, 2011 and 2010, respectively. Loss from discontinued operations was $0 and $(113) for the three months ended March 31, 2011 and 2010, respectively.

17. Commitments and Contingencies:

The Company has certain properties subject to non-cancelable operating ground leases. The leases expire at various times through 2107, 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. Ground rent expenses were $2,212 and $1,587 for the three months ended

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

17. Commitments and Contingencies: (Continued)

March 31, 2011 and 2010, respectively. No contingent rent was incurred during the three months ended March 31, 2011 or 2010.

As of March 31, 2011 and December 31, 2010, the Company was contingently liable for $24,402 and $26,771, respectively, in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company. In addition, the Company has a $11,366 letter of credit outstanding at March 31, 2011 that serves as collateral to a liability assumed in the acquisition of Shoppingtown Mall.

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 agreement. At March 31, 2011, the Company had $14,838 in outstanding obligations under these agreements, which it believes will be settled in 2011.

A putative class action complaint was filed on September 1, 2010 involving a single plaintiff based on alleged wage and hour violations. The Company has denied all material allegations asserted in this complaint and is vigorously defending this action.

18. Related-Party Transactions:

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

	For the Three Months Ended March 31,	
	2011	2010
Management Fees	$ 6,263	$ 6,910
Development and Leasing Fees	2,384	2,167
	$ 8,647	$ 9,077

Certain mortgage notes on the properties are held by NML (See Note 10—Mortgage Notes Payable). Interest expense in connection with these notes was $4,489 and $3,102 for the three months ended March 31, 2011 and 2010, respectively. Included in accounts payable and accrued expenses is interest payable on these notes of $1,373 and $1,439 at March 31, 2011 and December 31, 2010, respectively.

As of March 31, 2011 and December 31, 2010, the Company had loans to unconsolidated joint ventures of $3,452 and $3,095, respectively. Interest income associated with these notes was $94 and $31 for the three months ended March 31, 2011 and 2010, respectively. These loans represent initial funds advanced to development stage projects prior to construction loan funding. Correspondingly, loan payables in the same amount have been accrued as an obligation by the various joint ventures.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

18. Related-Party Transactions: (Continued)

Due from affiliates of $8,672 and $6,599 at March 31, 2011 and December 31, 2010, respectively, represents unreimbursed costs and fees due from unconsolidated joint ventures under management agreements.

19. Share and Unit-Based Plans:

On February 28, 2011, the Company granted 190,000 limited partnership units of the Operating Partnership ("LTIP Units") under the Long-Term Incentive Plan ("LTIP") to four executive officers at a weighted average grant date fair value of $43.30 per LTIP Unit. The new grants vest over a service period ending January 31, 2012 based on the percentile ranking of the Company in terms of total return to stockholders (the "Total Return") per common stock share relative to the Total Return of a group of peer REITs, as measured at the end of the measurement period. Upon the occurrence of specified events and subject to the satisfaction of applicable vesting conditions, LTIP Units (after conversion into OP Units) are ultimately redeemable for common stock on a one-unit for one-share basis.

The fair value of the Company's LTIP Units granted in 2011 was estimated on the date of grant using a Monte Carlo Simulation model. The stock price of the Company, along with the stock prices of the group of peer REITs, was assumed to follow the Multivariate Geometric Brownian Motion Process. Multivariate Geometric Brownian Motion modeling is commonly used in financial markets, as it allows the modeled quantity (in this case, the stock price) to vary randomly from its current value based on the stock price's expected volatility and current market interest rates. The volatilities of the returns on the price of the Company and the peer group REITs were estimated based on a .92-year look-back period. The expected growth rate of the stock prices over the derived service period was determined with consideration of the risk free rate as of the grant date.

On January 27, 2011, as part of a separation agreement with a former executive, the Company modified the terms of 20,949 stock units and 460 stock awards then outstanding. As a result of this modification, the Company recognized an additional $955 of compensation cost during the three months ended March 31, 2011.

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

	For the Three Months Ended March 31,	
	2011	2010
LTIP Units	$ 1,901	$ 1,500
Stock awards	493	1,562
Stock units	2,813	1,458
Stock options	—	147
Stock appreciation rights ("SARs")	321	295
Phantom stock units	240	242
	$ 5,768	$ 5,204

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

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

The Company capitalized share and unit-based compensation costs of $3,081 and $2,400 for the three months ended March 31, 2011 and 2010, respectively.

The following table summarizes the activity of the non-vested share and unit based plans:

	LTIP Units		Stock Awards		Phantom Stock		SARs		Stock Units	
	Units	Value(1)	Shares	Value(1)	Units	Value(1)	Units	Value(1)	Shares	Value(1)
Balance at January 1, 2011	272,226	$ 50.68	63,351	$ 53.69	29,783	$ 34.18	1,059,122	$ 7.51	1,038,549	$ 7.17
Granted	422,631	46.38	10,850	48.36	3,863	47.31	—	—	64,463	48.36
Vested	(504,857)	49.85	(53,239)	57.49	(6,088)	39.49	(1,034,122)	7.51	(519,272)	7.17
Forfeited	—	—	—	—	—	—	(25,000)	7.51	(6,470)	7.17
Balance at March 31, 2011	190,000	$ 43.30	20,962	$ 40.35	27,558	$ 34.84	—	$ —	577,270	$ 11.77

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

Unrecognized compensation cost of share and unit-based plans at March 31, 2011 consisted of $7,809 from LTIP Units, $820 from stock awards, $960 from phantom stock units and $5,060 from 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 Internal Revenue 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 Westcor Partners, L.L.C.

The income tax benefit of the TRSs is as follows:

	For the Three Months Ended March 31,	
	2011	2010
Current	$ —	$ —
Deferred	2,478	1,215
Total income tax benefit	$ 2,478	$ 1,215

The net operating loss carryforwards are currently scheduled to expire through 2030, beginning in 2021. Net deferred tax assets of $22,997 and $19,525 were included in deferred charges and other assets, net at March 31, 2011 and December 31, 2010, respectively.

The tax years 2007-2010 remain open to examination by the taxing jurisdictions to which the Company is subject. The Company does not expect that the total amount of unrecognized tax benefits will materially change within the next 12 months.

21. Subsequent Events:

On April 1, 2011, the Company's joint venture in SDG Macerich Properties, L.P. conveyed Granite Run Mall to the mortgage note lender with a deed-in-lieu foreclosure. The mortgage note is non-recourse. The Company estimates its pro rata share of gain on the transaction to be $7,667.

On April 29, 2011, the Company announced a dividend/distribution of $0.50 per share for common stockholders and OP Unit holders of record on May 10, 2011. All dividends/distributions will be paid 100% in cash on June 8, 2011.

On April 29, 2011, the Company purchased a fee interest in a freestanding Kohl's store at Capitola Mall for $28,500. The purchase price was paid from cash on hand.

On May 2, 2011, the Company obtained a new $1,500,000 revolving line of credit that bears interest at LIBOR plus a spread of 1.75% to 3.0% depending on the Company's overall leverage and matures on May 2, 2015 with a one-year extension option. Based on the Company's current leverage levels, the borrowing rate on the new facility is LIBOR plus 2.0%. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2,000,000.

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 its financial condition or results of operations; and
- the Company's expectations for refinancing its indebtedness, entering into debt obligations and entering into joint venture arrangements.

Stockholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company or the industry to differ materially from the Company's future results, performance or achievements, or those of the industry, expressed or implied in such forward-looking statements. You are urged to carefully review the disclosures we make concerning risks and other factors that may affect our business and operating results, including those made in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010, as well as our other reports filed with the Securities and Exchange Commission, which disclosures are incorporated herein by reference. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. The Company does not intend, and undertakes no obligation, to update any forward-looking information to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, unless required by law to do so.

Management's Overview and Summary

The Company is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community shopping centers located throughout the United States. The Company is the sole general partner of, and owns a majority of the ownership interests in, the Operating Partnership. As of March 31, 2011, the Operating Partnership owned or had an ownership interest in 71 regional shopping centers and 14 community shopping centers totaling approximately 73 million square feet of gross leasable area. These 85 regional and community shopping centers are referred to hereinafter as the "Centers," unless the context otherwise requires. The Company is a self-administered and self-managed REIT and conducts all of its operations through the Operating Partnership and the Management Companies.

The following discussion is based primarily on the consolidated financial statements of the Company for the three months ended March 31, 2011 and 2010. It compares the results of operations and cash flows for the three months ended March 31, 2011 to the results of operations and cash flows for the three months ended March 31, 2010. This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Acquisitions:

On February 24, 2011, the Company increased its ownership interest in Kierland Commons, a 434,690 square foot community center in Scottsdale, Arizona, from 24.5% to 50%. The Company's share of the purchase price for this transaction was $34.2 million in cash and the assumption of $18.6 million of existing debt.

On February 28, 2011, the Company, in a 50/50 joint venture, acquired The Shops at Atlas Park, a 400,000 square foot community center in Queens, New York, for a total purchase price of $53.8 million. The Company's share of the purchase price was $26.9 million and was funded from the Company's cash on hand.

On February 28, 2011, the Company acquired the additional 50% ownership interest in Desert Sky Mall, an 893,561 square foot regional shopping center in Phoenix, Arizona, that it did not own. The total purchase price was $27.6 million which included the assumption of the third party's pro rata share of the mortgage note payable on the property of $25.7 million. Concurrent with the purchase of the partnership interest, the Company paid off the $51.5 million loan on the property. Desert Sky Mall is referred to herein as the "Acquisition Property."

Mervyn's:

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

On March 4, 2011, the Company sold a fee interest in a former Mervyn's store for $3.4 million, resulting in a loss on sale of $2.2 million. The Company used the proceeds from the sale for general corporate purposes.

As of March 31, 2011, eight former Mervyn's stores in the Company's portfolio remain vacant. The Company is currently seeking replacement tenants for these spaces.

Other Transactions and Events:

On July 15, 2010, a court appointed receiver ("Receiver") assumed operational control of Valley View Center and responsibility for managing all aspects of the property. The Company anticipates the disposition of the asset, which is under the control of the Receiver, will be executed through foreclosure, deed in lieu of foreclosure, or by some other means, and will be completed within the next twelve months. Although the Company is no longer funding any cash shortfall, it continues to record the operations of the Valley View Center until the title for the Center is transferred and its obligation for the loan is discharged. Once title to the Center is transferred, the Company will remove the net assets and liabilities from the Company's consolidated balance sheets. The mortgage note payable on Valley View Center is non-recourse to the Company.

Inflation:

In the last three years, inflation has not had a significant impact on the Company because of a relatively low inflation rate. Most of the leases at the Centers have rent adjustments periodically through the lease term. These rent increases are either in fixed increments or based on an annual multiple of increases in the Consumer Price Index ("CPI"). In addition, about 6% to 13% of the leases expire each year, which enables the Company to replace existing leases with new leases at higher base rents if the rents of the existing leases are below the then existing market rate. Historically the majority of the leases also required the tenants to pay their pro rata share of operating expenses. In January 2005, the Company began entering 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. This change shifts the burden of cost control to the Company.

Seasonality:

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

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Some of these estimates and assumptions include judgments on revenue recognition, estimates for common area maintenance and real estate tax accruals, provisions for uncollectible accounts, impairment of long-lived assets, the allocation of purchase price between tangible and intangible assets, and estimates for environmental matters. The Company's significant accounting policies are described in more detail in Note 2—Summary of Significant Accounting Policies in the Company's Notes to the Consolidated Financial Statements. However, the following policies are deemed to be critical.

Revenue Recognition:

Minimum rental revenues are recognized on a straight-line basis over the term of the related lease. The difference between the amount of rent due in a year and the amount recorded as rental income is referred to as the "straight line rent adjustment." Currently, 59% of the Mall Store and Freestanding Store leases contain provisions for CPI rent increases periodically throughout the term of the lease. The Company believes that using an annual multiple of CPI increases, rather than fixed contractual rent increases, results in revenue recognition that more closely matches the cash revenue from each lease and will provide more consistent rent growth throughout the term of the leases. Percentage rents are recognized when the tenants' specified sales targets have been met. Estimated recoveries from certain tenants for their pro rata share of real estate taxes, insurance and other shopping center operating expenses are recognized as revenues in the period the applicable expenses are incurred. Other tenants pay a fixed rate and these tenant recoveries' revenues are recognized on a straight-line basis over the term of the related leases.

Property:

The Company capitalizes costs incurred in redevelopment and development of properties. The costs of land and buildings under development include specifically identifiable costs. The capitalized costs include pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. Capitalized costs are allocated to the specific components of a project that are benefited. The Company considers a construction project as completed and held available for occupancy and ceases capitalization of costs when the areas under development have been substantially completed.

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

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

Buildings and improvements	5 - 40 years
Tenant improvements	5 - 7 years
Equipment and furnishings	5 - 7 years

Accounting for Acquisitions:

The Company first determines the value of land and buildings utilizing an "as if vacant" methodology. The Company then assigns a fair value to any debt assumed at acquisition. The purchase price is allocated to tenant improvements and identifiable intangible assets or liabilities. 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 an estimate of renewal of the acquired leases. Above or below market leases are classified in deferred charges and other assets or in other accrued liabilities, depending on whether the contractual terms are above or below market. The allocated values of above and below-market leases are amortized into minimum rents on a straight-line basis over the individual remaining lease terms. The remaining lease terms of below-market leases may include certain below-market fixed-rate renewal periods. In considering whether or not a lessee will execute a below-market fixed-rate lease renewal option, the Company evaluates economic factors and certain qualitative factors at the time of acquisition such as tenant mix in the center, the Company's relationship with the tenant and the availability of competing tenant space.

Asset Impairment:

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

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

Fair Value of Financial Instruments:

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

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

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

Deferred Charges:

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

Deferred lease costs	1 - 15 years
Deferred financing costs	1 - 15 years
In-place lease values	Remaining lease term plus an estimate for renewal
Leasing commissions and legal costs	5 - 10 years

Results of Operations

Many of the variations in the results of operations, discussed below, occurred due to the transactions described above, including the Acquisition Property, the Mervyn's Properties and the Redevelopment Centers. The "Same Centers" include all consolidated Centers, excluding the Mervyn's Properties, the Acquisition Property and the Redevelopment Centers.

The "Redevelopment Centers" include Santa Monica Place and Shoppingtown Mall. The increase in revenue and expenses of the Redevelopment Centers during the three months ended March 31, 2011 in comparison to the three months ended March 31, 2010 is primarily due to the opening of Santa Monica Place in August 2010.

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 from unconsolidated joint ventures.

The U.S. economy, the retail industry as well as certain of the Company's operating results continued to improve during the first quarter of 2011. The Company's total regional mall occupancy as of March 31, 2011 increased compared to March 31, 2010. In addition, the recent trend of retail sales growth continued in this quarter with mall tenant sales per square foot increasing compared to the twelve months ended March 31, 2010 and December 31, 2010. While recent economic data has shown signs of a positive trend, the U.S. economy is still experiencing weakness, high levels of unemployment have persisted, and rental rates and valuations for retail space have not fully recovered to pre-recession levels. If this positive trend does not continue, any further continuation of these adverse conditions could harm the Company's business, results of operations and financial condition.

Comparison of Three Months Ended March 31, 2011 and 2010

Revenues:

Minimum and percentage rents (collectively referred to as "rental revenue") increased by $7.5 million, or 7.2%, from 2010 to 2011. The increase in rental revenue is attributed to an increase of $3.6 million from the Redevelopment Centers, $2.2 million from the Same Centers, $1.0 million from the Mervyn's Properties and $0.7 million from the Acquisition Property. The increase in rental revenue from the Same Centers is primarily due to an increase in occupancy and an increase in lease termination income as described below.

Rental revenue includes the amortization of above and below-market leases, the amortization of straight-line rents and lease termination income. The amortization of above and below-market leases increased from $2.0 million in 2010 to $2.2 million in 2011. The amortization of straight-lined rents decreased from $0.4 million in 2010 to $0.2 million in 2011. Lease termination income increased from $0.7 million in 2010 to $1.3 million in 2011.

Tenant recoveries increased $0.7 million, or 1.1%, from 2010 to 2011. The increase in tenant recoveries is attributed to an increase of $2.5 million from the Redevelopment Centers, $0.3 million from the Mervyn's Properties and $0.3 million from the Acquisition Property offset in part by a decrease of $2.4 million from the Same Centers. The decrease in tenant recoveries from the Same Centers is primarily due to a decrease in recoverable expenses.

Shopping Center and Operating Expenses:

Shopping center and operating expenses increased $2.0 million, or 3.2%, from 2010 to 2011. The increase in shopping center and operating expenses is attributed to an increase of $2.9 million from the Redevelopment Centers, $0.6 million from the Acquisition Property and $0.3 million from the Mervyn's Properties offset in part by a decrease of $1.8 million from the Same Centers. The decrease in shopping center and operating expenses at the Same Centers is primarily due to a decrease in property taxes and bad debt expense.

Management Companies' Operating Expenses:

Management Companies' operating expenses increased $3.7 million from 2010 to 2011 due to an increase in compensation costs in 2011.

REIT General and Administrative Expenses:

REIT general and administrative expenses increased by $0.1 million from 2010 to 2011.

Depreciation and Amortization:

Depreciation and amortization increased $5.4 million from 2010 to 2011. The increase in depreciation and amortization is primarily attributed to an increase of $3.5 million from the Redevelopment Centers, $1.3 million from the Same Centers and $0.3 million from the Acquisition Property.

Interest Expense:

Interest expense decreased $3.4 million from 2010 to 2011. The decrease in interest expense was primarily attributed to a decrease of $5.1 million from the Same Centers, $1.2 million from borrowings under the Company's line of credit and $0.2 million from the Senior Notes offset in part by an increase of $3.1 million from the Redevelopment Centers. The decrease in interest expense at the Same Centers is primarily attributed to the maturity of a $450.0 million interest rate swap agreement in April 2010.

The above interest expense items are net of capitalized interest, which decreased from $8.2 million in 2010 to $3.3 million in 2011, primarily due to a decrease in redevelopment activity.

Loss on Early Extinguishment of Debt:

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

Equity in Income of Unconsolidated Joint Ventures:

Equity in income of unconsolidated joint ventures increased $13.8 million from 2010 to 2011. The increase in equity in income of unconsolidated joint ventures is primarily attributed to the Company's $12.5 million pro rata share of the remeasurement gain on the acquisition of an underlying ownership interest in Kierland Commons in 2011, see "Acquisitions."

Net Income (loss):

Net income increased from a net loss of $6.9 million in 2010 to $0.1 million of net income in 2011. The increase in net income is primarily attributed to an increase in equity in income from unconsolidated joint ventures of $13.8 million offset in part by the loss on early extinguishment of debt of $9.1 million in 2011.

Funds From Operations ("FFO"):

Primarily as a result of the factors mentioned above, FFO—diluted increased 2.9% from $71.6 million in 2010 to $73.7 million in 2011. For a reconciliation of FFO and FFO—diluted to net income (loss) available to common stockholders, the most directly comparable GAAP financial measure, see "Funds from Operations."

Operating Activities:

Cash provided by operating activities decreased from $64.9 million in 2010 to $41.5 million in 2011. The decrease was primarily due to changes in assets and liabilities and the results at the Centers as discussed above, including a $9.1 million loss on early extinguishment of debt.

Investing Activities:

Cash used in investing activities increased from $51.6 million in 2010 to $73.3 million in 2011. The increase was primarily due to an increase in contributions to unconsolidated joint ventures of $58.5 million offset in part by a decrease in acquisitions of property, development, redevelopment and property improvements of $31.2 million. The increase in contributions to unconsolidated joint ventures is primarily attributed to the Kierland Commons and The Shops at Atlas Park transactions (See "Acquisitions").

Financing Activities:

Cash used in financing activities increased from $10.3 million in 2010 to $225.8 million in 2011. The increase was primarily attributed to a decrease in proceeds from mortgages, bank and other notes payable of $71.9 million, an increase in cash dividends and distributions of $64.0 million, an increase in payments on mortgages, bank and other notes payable of $54.0 million and an increase in distributions to the co-venture partner of $26.8 million.

Liquidity and Capital Resources

The Company anticipates meeting its liquidity needs for its operating expenses and debt service and dividend requirements through cash generated from operations, working capital reserves and/or borrowings under its unsecured line of credit. The completion of the Company's stock offering in April 2010, which raised net proceeds of approximately $1.2 billion, provided the Company with additional liquidity.

The following tables summarize capital expenditures incurred at the Centers:

	For the Three Months Ended March 31,	
(Dollars in thousands)	2011	2010
Consolidated Centers:		
Acquisitions of property and equipment	$ 38,017	$ 2,183
Development, redevelopment and expansion of Centers	19,345	35,686
Renovations of Centers	1,855	2,193
Tenant allowances	3,078	2,024
Deferred leasing charges	9,482	8,153
	$ 71,777	$ 50,239
Joint Venture Centers (at Company's pro rata share):		
Acquisitions of property and equipment	$ 61,391	$ 144
Development, redevelopment and expansion of Centers	7,604	7,059
Renovations of Centers	1,089	1,400
Tenant allowances	1,333	567
Deferred leasing charges	1,464	1,185
	$ 72,881	$ 10,355

The Company expects amounts to be incurred in future years for tenant allowances and deferred leasing charges to be comparable or less than 2010 and that capital for those expenditures will be available from working capital, cash flow from operations, borrowings on property specific debt or unsecured corporate borrowings. The Company expects to incur between $100 million and $200 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 equity or debt financings, which include borrowings under the Company's line of credit and construction loans. In addition to the Company's April 2010 equity offering and property refinancings, the Company has also generated additional liquidity in the past through joint venture transactions and the sale of non-core assets, and may continue to do so in the future.

The capital and credit markets can fluctuate, and at times, limit access to debt and equity financing for companies. As demonstrated by the Company's recent activity, including its new $1.5 billion line of credit and April 2010 equity offering, the Company was 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 create 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 at March 31, 2011 was $6.0 billion (including $609.6 million of unsecured debt and $2.2 billion of its pro rata share of joint venture debt). The majority of the Company's debt consists of fixed-rate conventional mortgages payable collateralized by individual properties. Approximately $270.5 million of the outstanding total indebtedness matures in 2011 (at the Company's pro rata share and excluding loans with extensions and refinancing transactions that have recently closed). The Company expects that all of these maturities during the next twelve months, except the mortgage note payable on Valley View Center, will be refinanced, restructured, extended and/or paid off from the Company's line of credit or cash on hand.

The Company's Senior Notes bear interest at 3.25%, payable semiannually, mature on March 15, 2012 and are senior to unsecured debt of the Company and are guaranteed by the Operating Partnership. The carrying value of the Senior Notes at March 31, 2011 was $609.6 million. See Note 11—Bank and Other Notes Payable in the Company's Notes to the Consolidated Financial Statements.

The Company had, through the Operating Partnership, a $1.5 billion revolving line of credit that bore interest at LIBOR plus a spread of 0.75% to 1.10% depending on the Company's overall leverage that matured on April 25, 2011. On May 2, 2011, the Company, through the Operating Partnership, obtained a new $1.5 billion revolving line of credit that bears interest at LIBOR plus a spread of 1.75% to 3.0% depending on the Company's overall leverage and matures on May 2, 2015 with a one-year extension option. Based on the Company's current leverage levels, the borrowing rate on the new facility is LIBOR plus 2.0%. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2.0 billion. All obligations under the line of credit are unconditionally guaranteed by the Company and certain of its direct and indirect subsidiaries and are secured, subject to certain exceptions, by pledges of direct and indirect ownership interests in certain of the subsidiary guarantors.

Cash dividends and distributions for the three months ended March 31, 2011 were $73.1 million. A total of $41.5 million was funded by cash flows provided by operations. The remaining $31.6 million was funded through distributions received from unconsolidated joint ventures which are included in the cash flows from investing activities section of the Company's Consolidated Statement of Cash Flows.

At March 31, 2011, the Company was in compliance with all applicable loan covenants under its agreements.

At March 31, 2011, the Company had cash and cash equivalents available of $188.0 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."

In addition, certain joint ventures also have secured debt that could become recourse debt to the Company or its subsidiaries, in excess of the Company's pro rata share, should the joint ventures be unable to discharge the obligations of the related debt. At March 31, 2011, the balance of the debt that could be recourse to the Company was $347.0 million offset in part by an indemnity from one of its joint venture partners for $161.6 million. The maturities of the recourse debt, net of indemnification, are $8.5 million in 2011, $172.5 million in 2013 and $4.4 million in 2014.

Additionally, as of March 31, 2011, the Company is contingently liable for $24.4 million in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company.

Long-term Contractual Obligations:

The following is a schedule of long-term contractual obligations as of March 31, 2011 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)	$ 4,032,595	$ 1,774,090	$ 766,055	$ 880,620	$ 611,830
Operating lease obligations(1)	822,635	13,920	28,434	25,325	754,956
Purchase obligations(1)	14,838	14,838	—	—	—
Other long-term liabilities	252,893	206,898	4,177	4,136	37,682
	$ 5,122,961	$ 2,009,746	$ 798,666	$ 910,081	$ 1,404,468

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

Funds From Operations

The Company uses FFO in addition to net income to report its operating and financial results and considers FFO and FFO—diluted as supplemental measures for the real estate industry and a supplement to GAAP measures. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as net income (loss) computed in accordance with GAAP, excluding gains (or losses) from extraordinary items and sales of depreciated operating properties, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis.

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 more meaningful measure of its operating results in comparison to the operating results of other REITs. Further, FFO on a diluted basis is one of the measures investors find most useful in measuring the dilutive impact of outstanding convertible securities.

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. The reconciliation of FFO and FFO—diluted to net income (loss) available to common stockholders is provided below.

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 FFO and FFO-diluted to net income (loss) available to common stockholders. Management believes that to further understand the Company's performance, FFO should be compared with the Company's reported net income (loss) and considered in addition to cash flows in accordance with GAAP, as presented in the Company's Consolidated Financial Statements.

The following reconciles net income (loss) available to common stockholders to FFO and FFO-diluted (dollars and shares in thousands):

	For the Three Months Ended March 31,	
	2011	2010
Net income (loss) available to common stockholders	$ 34	$ (6,357)
Adjustments to reconcile net income (loss) to FFO—basic and diluted:		
Noncontrolling interest in the Operating Partnership	3	(798)
Loss on sale or write-down of consolidated assets, net(1)	437	—
Add: gain on undepreciated assets—consolidated assets(1)	542	—
(Gain) loss on sale, remeasurement or write-down of assets from unconsolidated joint ventures, net(2)	(12,550)	62
Add: gain (loss) on sale of undepreciated assets—from unconsolidated joint ventures(2)	40	(31)
Less write down of unconsolidated joint ventures(2)	—	(32)
Depreciation and amortization on consolidated assets	64,626	59,215
Less: depreciation and amortization attributable to noncontrolling interest on consolidated joint ventures	(4,494)	(5,093)
Depreciation and amortization on unconsolidated joint ventures(2)	28,525	27,455
Less: depreciation on personal property	(3,482)	(2,824)
FFO—basic and diluted	$ 73,681	$ 71,597
Weighted average number of FFO shares outstanding for FFO—basic and diluted(3):	142,477	109,118

(1) The net total of these line items equal the loss (gain) on sales of depreciated assets. These line items are included in this reconciliation to provide the Company's investors with more detailed information and do not represent a departure from FFO as defined by NAREIT.

(2) Unconsolidated assets are presented at the Company's pro rata share.

(3) Calculated based upon basic net income as adjusted to reach basic FFO. As of March 31, 2011 and 2010, 12.1 million and 12.2 million OP Units were outstanding, respectively.

The computation of FFO—diluted shares outstanding includes the effect of share and unit-based compensation plans and the Senior Notes using the treasury stock method. It also assumes the conversion of MACWH, LP common and preferred units to the extent that they are dilutive to the FFO computation. The MACWH, LP preferred units were antidilutive to the calculations for the three months ended March 31, 2011 and 2010 and were not included in the above calculations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

The following table sets forth information as of March 31, 2011 concerning the Company's long term debt obligations, including principal cash flows by scheduled maturity, weighted average interest rates and estimated fair value ("FV") (dollars in thousands):

	For the years ended March 31,							
	2012	2013	2014	2015	2016	Thereafter	Total	FV
CONSOLIDATED CENTERS:								
Long term debt:								
Fixed rate(1)	$ 1,266,926	$ 414,963	$ 71,217	$ 96,210	$ 627,116	$ 582,249	$ 3,058,681	$ 3,214,202
Average interest rate	6.10%	5.52%	5.77%	5.16%	6.69%	5.08%	5.91%	
Floating rate	418,662	121,365	118,959	—	107,000	—	765,986	769,711
Average interest rate	2.67%	6.52%	3.88%		3.15%		3.54%	
Total debt—Consolidated Centers	$ 1,685,588	$ 536,328	$ 190,176	$ 96,210	$ 734,116	$ 582,249	$ 3,824,667	$ 3,983,913
UNCONSOLIDATED JOINT VENTURE CENTERS:								
Long term debt (at Company's pro rata share):								
Fixed rate	$ 60,938	$ 406,750	$ 476,976	$ 65,594	$ 375,801	$ 580,250	$ 1,966,309	$ 2,118,310
Average interest rate	6.00%	7.05%	5.36%	7.65%	5.76%	6.10%	6.10%	
Floating rate	146,806	58,846	10,277	—	—	25,000	240,929	240,725
Average interest rate	1.20%	5.07%	3.38%			3.56%	2.48%	
Total debt—Unconsolidated Joint Venture Centers	$ 207,744	$ 465,596	$ 487,253	$ 65,594	$ 375,801	$ 605,250	$ 2,207,238	$ 2,359,035

(1) Fixed rate debt includes the $400.0 million of floating rate mortgages payable. These amounts have effective fixed rates over the remaining term due to the swap agreements as discussed below.

The consolidated Centers' total fixed rate debt at March 31, 2011 and December 31, 2010 was $3.1 billion. The average interest rate on fixed rate debt at March 31, 2011 and December 31, 2010 was 5.91% and 5.98%, respectively. The consolidated Centers' total floating rate debt at March 31, 2011 and December 31, 2010 was $766.0 million and $766.9 million, respectively. The average interest rate on floating rate debt at March 31, 2011 and December 31, 2010 was 3.54% and 3.85%, respectively.

The Company's pro rata share of the Joint Venture Centers' fixed rate debt at March 31, 2011 and December 31, 2010 was $2.0 billion. The average interest rate on fixed rate debt at March 31, 2011 and December 31, 2010 was 6.10% and 6.11%, respectively. The Company's pro rata share of the Joint

Venture Centers' floating rate debt at March 31, 2011 and December 31, 2010 was $240.9 million and $241.7 million, respectively. The average interest rate on the floating rate debt at March 31, 2011 and December 31, 2010 was 2.48% and 2.24%, 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 (See Note 5—Derivative Instruments and Hedging Activities in the Company's Notes to the Consolidated Financial Statements).

The following are outstanding derivatives at March 31, 2011 (amounts in thousands):

Property/Entity	Notional Amount	Product	Rate	Maturity	Company's Ownership	Fair Value(1)
La Cumbre Plaza	$ 30,000	Cap	3.00%	12/9/2011	100%	$ —
Paradise Valley Mall	85,000	Cap	5.00%	9/12/2011	100%	—
Superstition Springs Center	67,500	Cap	8.63%	9/9/2011	33%	—
The Oaks	150,000	Cap	6.25%	7/1/2011	100%	—
Victor Valley Mall	100,000	Swap	5.08%	4/25/2011	100%	(307)
Vintage Faire Mall	135,000	Swap	5.08%	4/25/2011	100%	(414)
Westside Pavilion	175,000	Cap	5.50%	6/5/2011	100%	—
Westside Pavilion	165,000	Swap	5.08%	4/25/2011	100%	(507)

(1) Fair value at the Company's ownership percentage.

Interest rate cap agreements ("Cap") offer protection against floating rates on the notional amount from exceeding the rates noted in the above schedule, and interest rate swap agreements ("Swap") effectively replace a floating rate on the notional amount with a fixed rate as noted above.

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 $10.1 million per year based on $1.0 billion outstanding of floating rate debt at March 31, 2011.

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

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, 2011, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) were effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is (a) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (b) is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

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

PART II OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

There have been no material changes to the risk factors relating to the Company set forth under the caption "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

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

The Company, as general partner of the Operating Partnership, issued 1,200,858 shares of common stock of the Company upon the redemption of a total of 1,200,858 common partnership units of the Operating Partnership by four limited partners of the Operating Partnership on various dates through May 6, 2011. These shares of common stock were issued in private placements to the four limited partners pursuant to Section 4(2) of the Securities Act of 1933, as amended.

Item 3. Defaults Upon Senior Securities

Not Applicable

Item 4. Removed and Reserved

Item 5. Other Information

Not Applicable

Item 6. Exhibits

Exhibit Number	Description
3.1	Articles of Amendment and Restatement of the Company (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-11, as amended (No. 33-68964)).
3.1.1	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 30, 1995).
3.1.2	Articles Supplementary of the Company (with respect to the first paragraph) (incorporated by reference as an exhibit to the Company's 1998 Form 10-K).
3.1.3	Articles Supplementary of the Company (Series D Preferred Stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 26, 2002).
3.1.4	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-3, as amended (No. 333-88718)).
3.1.5	Articles of Amendment (declassification of Board) (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
3.1.6	Articles Supplementary (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date February 5, 2009).
3.1.7	Articles of Amendment (increased authorized shares) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date June 30, 2010).
4.1	Form of Common Stock Certificate (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, as amended, event date November 10, 1998).
4.2	Form of Preferred Stock Certificate (Series D Preferred Stock) (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-3 (No. 333-107063)).
4.3	Indenture, dated as of March 16, 2007, among the Company, the Operating Partnership and Deutsche Bank Trust Company Americas (includes form of the Notes and Guarantee) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date March 16, 2007).
4.4	Warrant to Purchase Common Stock, dated as of September 30, 2009, between the Company and Heitman M-rich Investors LLC (incorporated by reference as an exhibit to the Company's 2009 Form 10-K).
10.1*	Form of 2011 LTIP Unit Award Agreement under 2003 Equity Incentive Plan (Performance-Based)
10.2	$1,500,000,000 Revolving Loan Facility Credit Agreement, dated as of May 2, 2011, by and among the Operating Partnership, the Company and the other guarantors party thereto, Deutsche Bank Trust Company Americas, as administrative agent and as collateral agent, Deutsche Bank Securities Inc. and J.P. Morgan Securities LLC, as joint lead arrangers and joint bookrunning managers; JPMorgan Chase Bank, N.A., as syndication agent, and various lenders party thereto (includes the form of pledge and security agreement) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 2, 2011).

Exhibit Number	Description
10.3	Unconditional Guaranty, dated as of May 2, 2011, by and between the Company and Deutsche Bank Trust Company Americas, as administrative agent (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 2, 2011).
10.4	Unconditional Guaranty, dated as of May 2, 2011, by and among the Guarantors and Deutsche Bank Trust Company Americas, as administrative agent (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 2, 2011).
31.1	Section 302 Certification of Arthur Coppola, Chief Executive Officer
31.2	Section 302 Certification of Thomas O'Hern, Chief Financial Officer
32.1	Section 906 Certifications of Arthur Coppola and Thomas O'Hern
101	The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, formatted in XBRL (Extensible Business Reporting Language): (1) the Consolidated Balance Sheets, (2) the Consolidated Statements of Operations, (3) the Consolidated Statement of Equity, (4) the Consolidated Statements of Cash Flows, and (5) Notes to Consolidated Financial Statements, tagged as blocks of text.

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

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Signature

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

THE MACERICH COMPANY

By: /s/ THOMAS E. O'HERN

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

Date: May 6, 2011

Exhibit 10.1

THE MACERICH COMPANY
2011 LTIP UNIT
AWARD AGREEMENT

2011 LTIP UNIT AWARD AGREEMENT made as of 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. 2011 LTIP Units (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 2011 LTIP Units (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:

"Award 2011 LTIP Units" has the meaning set forth in Section 3(a).

"Award 2011-2 LTIP Units" has the meaning set forth in Section 3(b).

"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 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.

"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 (1) a "permanent and total disability" within the meaning of Section 22(e)(3) of the Code, or (2) 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.

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

"Fair Market Value" of a Share as of a particular date means the fair market value of a Share as 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 Shares are then listed on a national stock exchange, the closing sales price per share on the principal national stock exchange on which Shares are listed on such date (or, if such date is not a trading date on which there was a sale of such shares on such exchange, the last preceding date on which there was a sale of Shares on such exchange), (b) if Shares are not then listed on a national stock exchange but are then traded on an over-the-counter market, the average of the closing bid and asked prices for Shares in the principal over-the-counter market on which Shares are traded on such date (or, if such date is not a trading date on which there was a sale of Shares on such market, for the last preceding date on which there was a sale of Shares in such market), or (c) if Shares are not then listed on a national stock exchange or traded on an over-the-counter market, 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. 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 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 an event or circumstance set forth in clauses (a) through (e) below specifying in reasonable detail such occurrence:

(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 any of the events described in clauses (a) through (e) above 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. 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 as of the Grantee's date of termination, 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, stock incentives, living or other allowances, and other perquisites.

"2011 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.

"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 part of the constituent companies contained in the FTSE NAREIT Index excluding all REITs classified as "hybrid REITs" and all REITs classified as "mortgage REITs" within that FTSE NAREIT Index. The Committee may in its sole and absolute discretion exclude from the group of Peer REITs any REIT (A) that is in bankruptcy at any point during the Performance Period or (B) that was added to or removed from the FTSE NAREIT Index during the Performance Period or otherwise was not part of the index for the full Performance Period. In lieu of excluding such Peer REIT altogether, the Committee may adjust the calculation of Total Return to the extent determined by the Committee in its reasonable discretion.

"Peer REIT Total Return" means, for a 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.

"Performance Period" means, the period commencing on February 1, 2011 and concluding on the earliest of (a) January 31, 2012, (b) the date of a Change of Control or (c) the date of a Qualified Termination.

"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, (B) by the Grantee for Good Reason, or (C) as a result of the Grantee's death or Disability.

"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 Price" means, as of a particular date, the Fair Market Value of one Share for 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.

"Share" means a share of Common Stock, subject to adjustments pursuant to Section 6.2 of the 2003 Plan.

"Total Return" means, with respect to the Performance Period, the compounded total annual return that would have been realized by a stockholder who (1) bought one Share on the first day of the Performance Period at the Share Price on such date, (2) 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 Share Price on the applicable dividend payment date and (3) sold such Shares on the last day of such Performance Period at the Share Price on such date. As set forth in, and pursuant to, Section 9 of this Agreement, 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 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 to retain the services of a consultant to analyze relevant data or perform necessary calculations in its reasonable discretion for purposes of this Award.

"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 2011 LTIP Units.**

(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 2011 LTIP Units set forth on Schedule A hereto, which is incorporated herein by reference (the "Award 2011 LTIP Units").

(b) If pursuant to Section 4 hereof vesting above 100% of the Award 2011 LTIP Units occurs an additional number of 2011 LTIP Units shall be granted to the

Grantee to cover the excess vesting percentage based on the calculations to be made pursuant to Section 4 hereof (the "Award 2011-2 LTIP Units"). In connection with any such subsequent grant of Award 2011-2 LTIP Units the Grantee shall execute and deliver to the Company and the Partnership such documents, comparable to the documents executed and delivered in connection with this Agreement, as the Company and/or the Partnership reasonably request in order to comply with all applicable legal requirements, including, without limitation, federal and state securities laws.

(c) 2011 LTIP Units 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 2011 LTIP Units to the Grantee pursuant to this Award shall be set forth in minutes of the meetings of the Committee. 2011 LTIP Units will be: (A) subject to vesting and/or forfeiture to the extent provided in Section 4; and (B) subject to restrictions on sale as provided in Section 8 hereof.

4. **Vesting of 2011 LTIP Units.**

(a) The percentage of the Grantee's Award 2011 LTIP Units that will become vested at the end of the Performance Period 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, except as set forth in Section 5 hereof.

Percentile Rank	Award Earned
At least the 80th percentile and including the 100th percentile	200% of the Award 2011 LTIP Units
At least the 60th percentile but less than the 80th percentile	150% of the Award 2011 LTIP Units
At least the 40th percentile but less than the 60th percentile	100% of the Award 2011 LTIP Units
At least the 30th percentile but less than the 40th percentile	50% of the Award 2011 LTIP Units
Less than the 30th percentile	0% of the Award 2011 LTIP Units

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

$$\text{Percentile Rank} = \frac{(100\% - X) + Y}{2}$$

Where:

X = the number of Peer REITs with a Peer REIT Total Return greater than the Company's Total Return during the Performance Period as a percentage of the total number of Peer REITs plus the Company.

Y = the number of Peer REITs with a Peer REIT Total Return less than the Company's Total Return during the Performance Period as a percentage of the total number of Peer REITs plus the Company.

Vesting of the Grantee's Award 2011 LTIP Units shall occur as of 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. If, as a result of performance above the 60th percentile, the percentage of the Grantee's Award 2011 LTIP Units that will become vested as of the end of the Performance Period exceeds 100%, Award 2011-2 LTIP Units granted pursuant to Section 3(b) hereof shall be immediately vested when granted.

(b) Notwithstanding the foregoing, if for the Performance Period the Company's Total Return on an absolute basis is less than 6%, then the Committee may in its sole and absolute discretion make equitable adjustments to the vesting criteria for the Award 2011 LTIP Units set forth in Section 4(a) regardless of the percentile rank of the Company's Total Return relative to the Peer REIT Total Return of the Peer REITs. In addition, 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 Award 2011 LTIP Units 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 (i) 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 or (ii) provide for vesting to occur at the next higher level if the precise calculation of percentile rank is within 2.5% of the next higher percentile rank level for vesting.

(c) Any Award 2011 LTIP Units that do not become vested pursuant to this Section 4 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 successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Award 2011 LTIP Units.

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 Sections 5(b), 5(c) and 5(d) below shall govern the vesting of the Grantee's Award 2011 LTIP Units 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 Award 2011 LTIP Units. 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 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, 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 unvested Award 2011 LTIP Units that have not previously been forfeited and, if applicable, for the granting of Award 2011-2 LTIP Units effective immediately prior to such event.

(b) In the event of a Change of Control or Qualified Termination prior to January 31, 2012, then:

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

(ii) the number of Award 2011 LTIP Units resulting from the above calculations shall automatically and immediately be earned and become vested as of the date of the Change of Control or Qualified Termination;

(iii) if pursuant to the above calculations vesting above 100% of the Award 2011 LTIP Units occurs, the appropriate number of Award 2011-2 LTIP Units shall be granted to the Grantee to cover the excess vesting percentage based on such calculations and such Award 2011-2 LTIP Units shall be immediately vested. In connection with any such subsequent grant of Award 2011-2 LTIP Units the Grantee shall execute and deliver to the Company and the Partnership such documents, comparable to the documents executed and delivered in connection with this Agreement, as the Company and/or the Partnership reasonably request in order to comply with all applicable legal requirements, including, without limitation, federal and state securities laws; and

(iv) following the date of the Change of Control or Qualified Termination no further calculations pursuant to Section 4 hereof

shall be performed. Any Award 2011 LTIP Units that do not become vested pursuant to this Section 5(b) 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 successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Award 2011 LTIP Units.

(c) Notwithstanding the foregoing, in the event vesting pursuant to this Section 5(b) is 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.

(d) In the event of a termination of employment or other cessation of the Grantee's Continuous Service other than a Qualified Termination, effective as of the date of such termination or cessation, all 2011 LTIP Units except for those that had previously been earned and become vested pursuant to Section 4 hereof shall automatically and immediately be forfeited by the Grantee. Any forfeited Award 2011 LTIP Units 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 2011 LTIP Units. If the Grantee's employment with the Company or a Subsidiary or affiliate terminates as a result of his or her Retirement, 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 Award 2011 LTIP Units that have not previously been forfeited and, if applicable, for the granting of Award 2011-2 LTIP Units, in each case effective prior to the Retirement.

(e) To the extent that the Grantee's Service Agreement entitles the Grantee to receive any severance payments, or any other similar term used in the Grantee's Service agreement, from the Company in case of a termination of the Grantee's employment following a Change of Control or a similar event ("Change of Control Benefits"), then for purposes of calculating the Grantee's entitlement to such Change of Control Benefits any of the Award 2011 LTIP Units that vest pursuant to Section 4(a) (including any Award 2011-2 LTIP Units granted pursuant to Section 3(b) hereof) shall be included as part of the Grantee's bonus amount, or any other similar term used in the Grantee's Service Agreement, for the Performance Period. The value of such vested 2011 LTIP Units for purposes of determining such bonus amount shall be calculated by multiplying the Share Price as of end of the Performance Period by the sum of (i) the number of Award 2011 LTIP Units that vested on such date and (ii) the number of Award 2011-2 LTIP Units, if any, granted pursuant to Section 3(b) hereof.

(f) To the extent that Schedule A provides for amounts or schedules of vesting that conflict with the provisions of this Section 5, the provisions of Schedule A will be controlling and determinative.

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 2011 LTIP Units 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 2011 LTIP Units that have been earned and have become vested in accordance with Sections 4 or 5 hereof shall be, with respect to both Award 2011 LTIP Units and Award 2011-2 LTIP Units, the effective date of vesting of Award 2011 LTIP Units. Vested 2011 LTIP Units shall be entitled to receive the full distribution payable on Units outstanding as of the record date next following the applicable date set forth in the preceding sentence, whether or not they will have been outstanding for the whole period.

(b) Prior to the LTIP Unit Distribution Participation Date provided in Section 7(a) above, Award 2011 LTIP Units shall be entitled to receive 10% of regular periodic distributions payable to holders of Units ("Current Distributions") and 0% of special, extraordinary or other distributions made not in the ordinary course.

(c) An amount equal to the distributions (regular, special, extraordinary or otherwise) other than Current Distributions ("Contingent Distributions") paid with respect to a Unit between the date of grant of the Award 2011 LTIP Units and the LTIP Unit Distribution Participation Date provided in Section 7(a) above multiplied by the number of Award 2011 LTIP Units 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 Contingent Distributions that would have been paid with respect to the Award 2011 LTIP Units that have become vested (excluding any Award 2011-2 LTIP Units) shall be paid to the Grantee. Any portion of the notional account that is not due the Grantee shall be forfeited and revert to the Partnership free and clear of any claims by the Grantee.

(d) Current Distributions paid prior to the LTIP Unit Distribution Participation Date will be subject to a full claw back to the extent that Award 2011 LTIP Units do not vest at the end of the Performance Period and are therefore forfeited. The aggregate amount of such Current Distributions clawed back from the Grantee shall be refunded to the Partnership as promptly as practicable after the end of the Performance Period by offset against dividends payable to the Grantee on Shares or distributions payable to the Grantee on Units or other amounts due to the Grantee by the Company or the Partnership, or otherwise upon request from the Partnership to the Grantee in cash.

(e) 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 2011 LTIP Units 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 2011 LTIP Units 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, (b) until after January 31, 2014 other than in connection with a Change of Control, and (c) 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 that, upon the approval of, and subject to the terms and conditions specified by, the Committee, vested 2011 LTIP Units that have been held for a period of at least

two (2) years may be Transferred to (i) the spouse, children or grandchildren of the Grantee ("Immediate Family Members"), (ii) a trust or trusts for the exclusive benefit of the Grantee and such Immediate Family Members, (iii) a partnership in which the Grantee and such Immediate Family Members are the only partners, or (iv) one or more entities in which the Grantee has a 10% or greater equity interest, provided that the Transferee agrees in writing with the Company and the Partnership to be bound by all the terms and conditions of this Agreement and that subsequent transfers of unvested 2011 LTIP Units shall be prohibited except those in accordance with this Section 8. In connection with any Transfer of 2011 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 2011 LTIP Units 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 2011 LTIP Units 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 2011 LTIP Units. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

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 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 2011 LTIP Units, 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 2011 LTIP Units prior to such event, including, without limitation: (i) adjustments in the Award 2011 LTIP Units, the Award 2011-2 LTIP Units, the 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 2011 LTIP Units 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 acting through the Committee; 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; Committee Determinations. The provisions of the Stock Plan are hereby incorporated by reference as if set forth herein. In the event of a conflict between this Agreement and the Stock Plan, 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 Award 2011 LTIP Units become vested or are forfeited and whether any Award 2011-2 LTIP Units need to be granted not later than the date of consummation of the Change of Control.

(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 Award 2011 LTIP Units 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). The Partnership Agreement shall be amended to reflect the issuance to the Grantee of Award 2011-2 LTIP Units pursuant to Section 3(b) hereof, if any, whereupon the Grantee shall have all the rights of a Limited Partner of the Partnership with respect to the total number of 2011 LTIP Units then held by the Grantee, as set forth in the Partnership Agreement, subject, however, to the restrictions and conditions specified herein and in the Partnership Agreement.

(d) Status of 2011 LTIP Units under the Stock Plan. Insofar as the LTIP has been established as an incentive program of the Company and the Partnership, the 2011 LTIP Units 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 2011 LTIP Units 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 2011 LTIP Units 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 2011 LTIP Units shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such 2011 LTIP Units 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 2011 LTIP Units 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 and 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 2011 LTIP Units or any other securities issued pursuant to this Agreement or upon conversion or exchange of 2011 LTIP Units. The Grantee agrees that any resale of the shares of Common Stock received upon the exchange of Units into which 2011 LTIP Units 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 each separate issuance of 2011 LTIP Units under this Award pursuant to Section 3 hereof the Grantee hereby agrees to make an election to include in gross income in the year of transfer the applicable 2011 LTIP Units pursuant to Section 83(b) of the Code substantially in the form attached hereto as Exhibit C and to supply the necessary information 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 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. 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, 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 2011 LTIP Units 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.

(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 28th day of February, 2011.

THE MACERICH COMPANY

By: ______________________________
Richard A. Bayer
Senior Executive Vice President, Chief
Legal Officer and Secretary

THE MACERICH PARTNERSHIP, L.P.

By: The Macerich Company,
its general partner

By: ______________________________
Richard A. Bayer
Senior Executive Vice President, Chief
Legal Officer and Secretary

GRANTEE

____
Name

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 Section 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, (x) 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 (y) 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 (x) through a national, non-U.S., regional, local or other securities exchange or (iii) 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 (y) 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.

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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:

____
Name: _________________________
Date: February 28, 2011

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 2011 LTIP Units shall not constitute an offer of

2011 LTIP Units 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 2011 LTIP Units, the potential conversion of 2011 LTIP Units 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 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 2011 LTIP Units 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 2011 LTIP Units; 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 2011 LTIP Units 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 2011 LTIP Units 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 2011 LTIP Units. **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.**

(iii) The 2011 LTIP Units to be issued, the Common Units issuable upon conversion of the 2011 LTIP Units 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 2011 LTIP Units, 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 2011 LTIP Units, 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.

(iv) The Grantee acknowledges that (A) neither the 2011 LTIP Units to be issued, nor the Common Units issuable upon conversion of the 2011 LTIP Units, 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 2011 LTIP Units 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 2011 LTIP Units 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 2011 LTIP Units and Common Units and (E) neither the Partnership nor the Company has any obligation or intention to register such 2011 LTIP Units or the Common Units issuable upon conversion of the 2011 LTIP Units 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 2011 LTIP Units acquired hereby and the Common Units issuable upon conversion of the 2011 LTIP Units 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 2011 LTIP Units acquired hereby and the Common Units issuable upon conversion of the 2011 LTIP Units for an indefinite period of time.

(v) The Grantee has determined that the 2011 LTIP Units are a suitable investment for the Grantee.

(vi) 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 2011 LTIP Units except the information specified in paragraph (b) above.

(c) So long as the Grantee holds any 2011 LTIP Units, the Grantee shall disclose to the Partnership in writing such information as may be reasonably requested with respect to ownership of 2011 LTIP Units 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 2011 LTIP Units 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 2011 LTIP Units hereunder with

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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 2011 LTIP Units 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 with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

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

   Name: (the "Taxpayer")

   Address:

   Social Security No./Taxpayer Identification No.:

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

   The election is being made with respect to 2011 LTIP Units in The Macerich Partnership, L.P. (the "Partnership").

3. The date on which the 2011 LTIP Units were transferred is February 28, 2011. The taxable year to which this election relates is calendar year 2011.

4. Nature of restrictions to which the 2011 LTIP Units are subject:

   (a) With limited exceptions, until the 2011 LTIP Units vest, the Taxpayer may not transfer in any manner any portion of the 2011 LTIP Units without the consent of the Partnership.

   (b) The Taxpayer's 2011 LTIP Units vest in accordance with the vesting provisions described in the Schedule attached hereto. Unvested 2011 LTIP Units 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 restrictions which by their terms will never lapse) of the 2011 LTIP Units with respect to which this election is being made was $0 per 2011 LTIP Unit.

6. The amount paid by the Taxpayer for the 2011 LTIP Units was $0 per 2011 LTIP Unit.

7. A copy of this statement has been furnished to the Partnership and The Macerich Company.

Dated: March , 2011

SCHEDULE TO 83(b) ELECTION

Vesting Provisions of 2011 LTIP Units

The 2011 LTIP Units are subject to performance-based vesting. Performance-based vesting will be from 0-200% based on The Macerich Company's (the "Company's") per-share total return to holders of the Company's common stock (the "Total Return") for the period from February 1, 2011 to January 31, 2012 (or earlier in certain circumstances). The 2011 LTIP Units 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 "Peer REITs"), as measured at the end of the performance period. Following the end of the performance period, the Company's Compensation Committee (the "Committee") will determine the performance of the Company and each of the Peer REITs and, depending on the Company's Total Return relative to the Total Return of the Peer REITs, vesting of the 2011 LTIP Units will occur as follows:

Percentile Rank	Award Earned
At least the 80th percentile and including the 100th percentile	200%
At least the 60th percentile but less than the 80th percentile	150%

At least the 40th percentile but less than the 60th percentile	100%
At least the 30th percentile but less than the 40th percentile	50%
Less than the 30th percentile	0%

Notwithstanding the foregoing, if for the performance period the Total Return on an absolute basis is less than 6%, then the Committee may in its sole and absolute discretion make equitable adjustments to the vesting criteria for the 2011 LTIP Units set forth above regardless of the percentile rank of the Company's Total Return relative to the Total Return of the Peer REITs. The above vesting is conditioned upon the Taxpayer remaining an employee of the Company through the applicable vesting dates, and subject to acceleration of the vesting determination 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 2011 LTIP Units are subject to forfeiture in the event of failure to vest based on the determination of the performance-based percentage.

SCHEDULE A TO 2011 LTIP UNIT AWARD AGREEMENT

Date of Award Agreement:	February 28, 2011
Name of Grantee:	
Number of 2011 LTIP Units Subject to Grant:	
Grant Date:	February 28, 2011

Initials of Company representative:
Initials of Grantee:

Exhibit 31.1

THE MACERICH COMPANY
SECTION 302 CERTIFICATION

I, Arthur M. Coppola, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended March 31, 2011 of The Macerich Company;

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

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

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

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

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

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

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

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

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

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

/s/ ARTHUR M. COPPOLA

Date: May 6, 2011

Chairman and Chief Executive Officer

QuickLinks

Exhibit 31.1

THE MACERICH COMPANY SECTION 302 CERTIFICATION

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 31.2

THE MACERICH COMPANY
SECTION 302 CERTIFICATION

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

1. I have reviewed this report on Form 10-Q for the quarter ended March 31, 2011 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
Date: May 6, 2011	*Senior Executive Vice President and Chief Financial Officer*

QuickLinks

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Exhibit 32.1

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

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

(i) the Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 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 6, 2011

/s/ ARTHUR M. COPPOLA

Chairman and Chief Executive Officer

/s/ THOMAS E. O'HERN

Senior Executive Vice President and Chief Financial Officer

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