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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Commission File No. 1-12504

THE MACERICH COMPANY
(Exact name of registrant as specified in its charter)

MARYLAND (State or other jurisdiction of incorporation or organization)	**95-4448705** (I.R.S. Employer Identification Number)

401 Wilshire Boulevard, Suite 700, Santa Monica, California 90401
(Address of principal executive office, including zip code)

Registrant's telephone number, including area code **(310) 394-6000**

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

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

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act YES ☒ NO o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act YES o NO ☒

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 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 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 (§ 232.405 of this chapter) during the preceding 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment on to this Form 10-K. o

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES o NO ☒

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was approximately $8.2 billion as of the last business day of the registrant's most recently completed second fiscal quarter based upon the price at which the common shares were last sold on that day.

Number of shares outstanding of the registrant's common stock, as of February 21, 2018: 140,852,118 shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual stockholders meeting to be held in 2018 are incorporated by reference into Part III of this Form 10-K.

THE MACERICH COMPANY
ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2017
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PART I

IMPORTANT FACTORS RELATED TO FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K of The Macerich Company (the "Company") contains 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-K and include statements regarding, among other matters:

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

Stockholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company or the industry to differ materially from the Company's future results, performance or achievements, or those of the industry, expressed or implied in such forward-looking statements. Such factors include, among others, general industry, as well as national, regional and local economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of current and prospective tenants, anchor or tenant bankruptcies, closures, mergers or consolidations, lease rates, terms and payments, interest rate fluctuations, availability, terms and cost of financing and operating expenses; adverse changes in the real estate markets including, among other things, competition from other companies, retail formats and technology, risks of real estate development and redevelopment, acquisitions and dispositions; the liquidity of real estate investments, governmental actions and initiatives (including legislative and regulatory changes); environmental and safety requirements; and terrorist activities or other acts of violence which could adversely affect all of the above factors. You are urged to carefully review the disclosures we make concerning risks and other factors that may affect our business and operating results, including those made in "Item 1A. Risk Factors" of this Annual Report on Form 10-K, as well as our other reports filed with the Securities and Exchange Commission ("SEC"). 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.

ITEM 1. BUSINESS

General

The Company is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community/power shopping centers located throughout the United States. The Company is the sole general partner of, and owns a majority of the ownership interests in, The Macerich Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"). As of December 31, 2017, the Operating Partnership owned or had an ownership interest in 48 regional shopping centers and seven community/power shopping centers. These 55 regional and community/power shopping centers (which include any related office space) consist of approximately 53 million square feet of gross leasable area (“GLA”) and are referred to herein as the “Centers”. The Centers consist of consolidated Centers (“Consolidated Centers”) and unconsolidated joint venture Centers (“Unconsolidated Joint Venture Centers”) as set forth in “Item 2. Properties,” unless the context otherwise requires.

The Company is a self-administered and self-managed real estate investment trust ("REIT") and conducts all of its operations through the Operating Partnership and the Company's management companies, Macerich Property Management Company, LLC, a single member Delaware limited liability company, Macerich Management Company, a California corporation, Macerich Arizona Partners LLC, a single member Arizona limited liability company, Macerich Arizona Management LLC, a single member Delaware limited liability company, Macerich Partners of Colorado LLC, a single member Colorado limited liability company, MACW Mall Management, Inc., a New York corporation, and MACW Property Management, LLC, a single member New York limited liability company. All seven of the management companies are owned by the Company and are collectively referred to herein as the "Management Companies."

The Company was organized as a Maryland corporation in September 1993. All references to the Company in this Annual Report on Form 10-K include the Company, those entities owned or controlled by the Company and predecessors of the Company, unless the context indicates otherwise.

Financial information regarding the Company for each of the last three fiscal years is contained in the Company's Consolidated Financial Statements included in "Item 15. Exhibits and Financial Statement Schedule."

Recent Developments

Acquisitions and Dispositions:

On January 18, 2017, the Company sold Cascade Mall, a 589,000 square foot regional shopping center in Burlington, Washington; and Northgate Mall, a 750,000 square foot regional shopping center in San Rafael, California, in a combined transaction for $170.0 million, resulting in a gain on the sale of assets of $59.6 million. The proceeds were used to pay off the mortgage note payable on Northgate Mall and to repurchase shares of the Company's common stock under the 2017 Stock Buyback Program (See "Other Transactions and Events").

On March 17, 2017, the Company's joint venture in Country Club Plaza sold an office building for $78.0 million, resulting in a gain on sale of assets of $4.6 million. The Company's pro rata share of the gain on sale of assets of $2.3 million was included in equity in income of unconsolidated joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See "Other Transactions and Events").

On September 18, 2017, the Company's joint venture in Fashion District Philadelphia sold an office building for $61.5 million, resulting in a gain on sale of assets of $13.1 million. The Company's pro rata share of the gain on sale of assets of $6.5 million was included in equity in income of unconsolidated joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See "Other Transactions and Events").

On November 16, 2017, the Company sold 500 North Michigan Avenue, a 326,000 square foot office building in Chicago, Illinois for $86.4 million, resulting in a gain on sale of assets of $14.6 million. The Company used the proceeds from the sale to pay down its line of credit and for other general corporate purposes.

On December 14, 2017, the Company’s joint venture in Westcor/Queens Creek LLC sold land for $30.5 million, resulting in a gain on sale of assets of $14.9 million. The Company’s share of the gain on sale was $5.4 million. The Company used its portion of the proceeds to pay down its line of credit and for general corporate purposes.

Financing Activity:

On February 1, 2017, the Company's joint venture in West Acres replaced the existing loan on the property with a new $80.0 million loan that bears interest at an effective rate of 4.61% and matures on March 1, 2032. The Company used its share of the excess proceeds to pay down its line of credit and for general corporate purposes.

On March 16, 2017, the Company's joint venture in Kierland Commons replaced the existing loan on the property with a new $225.0 million loan that bears interest at an effective rate of 3.98% and matures on April 1, 2027. The Company used its share of the excess proceeds to pay down its line of credit and for general corporate purposes.

On September 29, 2017, the Company placed a new $110.0 million loan on Green Acres Commons that bears interest at LIBOR plus 2.15% and matures on March 29, 2021, including extension options. The loan can be expanded, depending on certain conditions, up to $130.0 million. The Company used the proceeds to pay down its line of credit and for general corporate purposes.

On October 19, 2017, the Company's joint venture in Chandler Fashion Center and Freehold Raceway Mall replaced the existing loan on Freehold Raceway Mall with a new $400.0 million loan that bears interest at an effective rate of 3.94% and matures on November 1, 2029. The Company used its share of the net proceeds to pay down its line of credit and for general corporate purposes.

On December 4, 2017, the Company replaced the existing loan on Santa Monica Place with a new $300.0 million loan that bears interest at LIBOR plus 1.35% and matures on December 9, 2022, including three one-year extension options. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 4.00%. The Company used the net proceeds to pay down its line of credit and for general corporate purposes.

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

On February 5, 2018, the Company's joint venture in Broadway Plaza received a loan commitment for $450.0 million on the property at a fixed rate of 4.18% for twelve years. The loan is expected to close in the first quarter of 2018. The Company plans to use its share of the loan proceeds to pay down its line of credit.

Redevelopment and Development Activity:

The Company's joint venture is proceeding with the development of Fashion District Philadelphia, a redevelopment of an 850,000 square foot shopping center in Philadelphia, Pennsylvania. The project is expected to be completed in the fourth quarter of 2018. The total cost of the project is estimated to be between $305.0 million and $365.0 million, with $152.5 million to $182.5 million estimated to be the Company's pro rata share. The Company has funded $127.2 million of the total $254.4 million incurred by the joint venture as of December 31, 2017.

The Company is currently in the process of redeveloping a 250,000 square foot former Sears store at Kings Plaza Shopping Center. The Company expects to complete the project in the second quarter of 2018. As of December 31, 2017, the Company has incurred $63.6 million in costs and anticipates the total cost of the project to be between $95.0 million and $100.0 million.

Other Transactions and Events:

On February 12, 2017, the Company's Board of Directors authorized the repurchase of up to $500.0 million of its outstanding common shares as market conditions and the Company’s liquidity warrant. Repurchases may be made through open market purchases, privately negotiated transactions, structured or derivative transactions, including accelerated share repurchase transactions, or other methods of acquiring shares and pursuant to Rule 10b5-1 of the Securities Act of 1934, from time to time as permitted by securities laws and other legal requirements. During the period from February 12, 2017 to December 31, 2017, the Company repurchased a total of 3,627,390 of its common shares for $221.4 million, representing an average price of $61.01 per share. The Company funded the repurchases from the net proceeds of the sale of Cascade Mall and Northgate Mall (See "Acquisitions and Dispositions"), its share of the proceeds from the sale of office buildings at Fashion District Philadelphia and Country Club Plaza (See "Acquisitions and Dispositions") and from borrowings under its line of credit.

The Shopping Center Industry

General:

There are several types of retail shopping centers, which are differentiated primarily based on size and marketing strategy. Regional shopping centers generally contain in excess of 400,000 square feet of GLA and are typically anchored by two or more department or large retail stores ("Anchors") and are referred to as "Regional Shopping Centers" or "Malls." Regional Shopping Centers also typically contain numerous diversified retail stores ("Mall Stores"), most of which are national or regional retailers typically located along corridors connecting the Anchors. "Strip centers", "urban villages" or "specialty centers" ("Community/Power Shopping Centers") are retail shopping centers that are designed to attract local or neighborhood customers and are typically anchored by one or more supermarkets, discount department stores and/or drug stores. Community/Power Shopping Centers typically contain 100,000 to 400,000 square feet of GLA. Outlet Centers generally contain a wide variety of designer and manufacturer stores, often located in an open-air center, and typically range in size from 200,000 to 850,000 square feet of GLA ("Outlet Centers"). In addition, freestanding retail stores are located along the perimeter of the shopping centers ("Freestanding Stores"). Mall Stores and Freestanding Stores over 10,000 square feet of GLA are also referred to as "Big Box." Anchors, Mall Stores, Freestanding Stores and other tenants typically contribute funds for the maintenance of the common areas, property taxes, insurance, advertising and other expenditures related to the operation of the shopping center.

Regional Shopping Centers:

A Regional Shopping Center draws from its trade area by offering a variety of fashion merchandise, hard goods and services and entertainment, often in an enclosed, climate controlled environment with convenient parking. Regional Shopping Centers provide an array of retail shops and entertainment facilities and often serve as the town center and a gathering place for community, charity and promotional events.

Regional Shopping Centers have generally provided owners with relatively stable income despite the cyclical nature of the retail business. This stability is due both to the diversity of tenants and to the typical dominance of Regional Shopping Centers in their trade areas.

Regional Shopping Centers have different strategies with regard to price, merchandise offered and tenant mix, and are generally tailored to meet the needs of their trade areas. Anchors are located along common areas in a configuration designed to maximize consumer traffic for the benefit of the Mall Stores. Mall GLA, which generally refers to GLA contiguous to the Anchors for tenants other than Anchors, is leased to a wide variety of smaller retailers. Mall Stores typically account for the majority of the revenues of a Regional Shopping Center.

Business of the Company

Strategy:

The Company has a long-term four-pronged business strategy that focuses on the acquisition, leasing and management, redevelopment and development of Regional Shopping Centers.

Acquisitions. The Company principally focuses on well-located, quality Regional Shopping Centers that can be dominant in their trade area and have strong revenue enhancement potential. In addition, the Company pursues other opportunistic acquisitions of property that include retail and will complement the Company's portfolio such as Outlet Centers. The Company subsequently seeks to improve operating performance and returns from these properties through leasing, management and redevelopment. Since its initial public offering, the Company has acquired interests in shopping centers nationwide. The Company believes that it is geographically well positioned to cultivate and maintain ongoing relationships with potential sellers and financial institutions and to act quickly when acquisition opportunities arise (See "Acquisitions and Dispositions" in Recent Developments).

Leasing and Management. The Company believes that the shopping center business requires specialized skills across a broad array of disciplines for effective and profitable operations. For this reason, the Company has developed a fully integrated real estate organization with in-house acquisition, accounting, development, finance, information technology, leasing, legal, marketing, property management and redevelopment expertise. In addition, the Company emphasizes a philosophy of decentralized property management, leasing and marketing performed by on-site professionals. The Company believes that this strategy results in the optimal operation, tenant mix and drawing power of each Center, as well as the ability to quickly respond to changing competitive conditions of the Center's trade area.

The Company believes that on-site property managers can most effectively operate the Centers. Each Center's property manager is responsible for overseeing the operations, marketing, maintenance and security functions at the Center. Property managers focus special attention on controlling operating costs, a key element in the profitability of the Centers, and seek to develop strong relationships with and be responsive to the needs of retailers.

The Company generally utilizes regionally located leasing managers to better understand the market and the community in which a Center is located. The Company continually assesses and fine tunes each Center's tenant mix, identifies and replaces underperforming tenants and seeks to optimize existing tenant sizes and configurations.

On a selective basis, the Company provides property management and leasing services for third parties. The Company currently manages two regional shopping centers and three community centers for third party owners on a fee basis.

Redevelopment. One of the major components of the Company's growth strategy is its ability to redevelop acquired properties. For this reason, the Company has built a staff of redevelopment professionals who have primary responsibility for identifying redevelopment opportunities that they believe will result in enhanced long-term financial returns and market position for the Centers. The redevelopment professionals oversee the design and construction of the projects in addition to obtaining required governmental approvals (See "Redevelopment and Development Activity" in Recent Developments).

Development. The Company pursues ground-up development projects on a selective basis. The Company has supplemented its strong acquisition, operations and redevelopment skills with its ground-up development expertise to further increase growth opportunities (See "Redevelopment and Development Activity" in Recent Developments).

The Centers:

As of December 31, 2017, the Centers primarily included 48 Regional Shopping Centers and seven Community/Power Shopping Centers totaling approximately 53 million square feet of GLA. These 55 Centers average approximately 929,000 square feet of GLA and range in size from 3.5 million square feet of GLA at Tysons Corner Center to 185,000 square feet of GLA at Boulevard Shops. As of December 31, 2017, the Centers primarily included 195 Anchors totaling approximately 26.4 million square feet of GLA and approximately 5,200 Mall Stores and Freestanding Stores totaling approximately 25.1 million square feet of GLA.

Competition:

Numerous owners, developers and managers of malls, shopping centers and other retail-oriented real estate compete with the Company for the acquisition of properties and in attracting tenants or Anchors to occupy space. There are seven other publicly traded mall companies and several large private mall companies in the United States, any of which under certain circumstances could compete against the Company for an Anchor or a tenant. In addition, these companies, as well as other REITs, private real estate companies or investors compete with the Company in terms of property acquisitions. This results in competition both for the acquisition of properties or centers and for tenants or Anchors to occupy space. Competition for property acquisitions may result in increased purchase prices and may adversely affect the Company's ability to make suitable property acquisitions on favorable terms. The existence of competing shopping centers could have a material adverse impact on the Company's ability to lease space and on the level of rents that can be achieved. There is also increasing competition from other retail formats and technologies, such as lifestyle centers, power centers, outlet centers, Internet shopping, home shopping networks, catalogs, telemarketing and discount shopping clubs that could adversely affect the Company's revenues.

In making leasing decisions, the Company believes that retailers consider the following material factors relating to a center: quality, design and location, including consumer demographics; rental rates; type and quality of Anchors and retailers at the center; and management and operational experience and strategy of the center. The Company believes it is able to compete effectively for retail tenants in its local markets based on these criteria in light of the overall size, quality and diversity of its Centers.

Major Tenants:

The Centers derived approximately 74% of their total rents for the year ended December 31, 2017 from Mall Stores and Freestanding Stores under 10,000 square feet, and Big Box and Anchor tenants accounted for 26% of total rents for the year ended December 31, 2017. Total rents as set forth in "Item 1. Business" include minimum rents and percentage rents.

The following retailers (including their subsidiaries) represent the 10 largest tenants in the Centers based upon total rents in place as of December 31, 2017:

Tenant	Primary DBAs	Number of Locations in the Portfolio	% of Total Rents
L Brands, Inc.	Victoria's Secret, Bath and Body Works, PINK	95	2.8%
Forever 21, Inc.	Forever 21, XXI Forever	33	2.3%
Foot Locker, Inc.	Champs Sports, Foot Locker, Kids Foot Locker, Lady Foot Locker, Foot Action, House of Hoops SIX:02 and others	94	2.1%
H & M Hennes & Mauritz AB	H & M	23	1.9%
Gap, Inc., The	Athleta, Banana Republic, Gap, Gap Kids, Old Navy and others	54	1.7%
Signet Jewelers	Jared Jewelry, Kay Jewelers, Piercing Pagoda, Shaw's Jewelers, Weisfield Jewelers, Zales	104	1.6%
Dick's Sporting Goods, Inc.	Dick's Sporting Goods	15	1.5%
American Eagle Outfitters, Inc.	American Eagle Outfitters, aerie	37	1.2%
Sears Holdings Corporation	Sears	21	1.0%
Golden Gate Capital	Payless ShoeSource, Eddie Bauer, California Pizza Kitchen, PacSun	71	1.0%

Mall Stores and Freestanding Stores:

Mall Store and Freestanding Store leases generally provide for tenants to pay rent comprised of a base (or "minimum") rent and a percentage rent based on sales. In some cases, tenants pay only minimum rent, and in other cases, tenants pay only percentage rent. The Company generally enters into leases for Mall Stores and Freestanding Stores that also require tenants to pay a stated amount for operating expenses, generally excluding property taxes, regardless of the expenses the Company actually incurs at any Center. However, certain leases for Mall Stores and Freestanding Stores contain provisions that only require tenants to pay their pro rata share of maintenance of the common areas, property taxes, insurance, advertising and other expenditures related to the operations of the Center.

Tenant space of 10,000 square feet and under in the Company's portfolio at December 31, 2017 comprises approximately 65% of all Mall Store and Freestanding Store space. The Company uses tenant spaces of 10,000 square feet and under for comparing rental rate activity because this space is more consistent in terms of shape and configuration and, as such, the Company is able to provide a meaningful comparison of rental rate activity for this space. Mall Store and Freestanding Store space greater than 10,000 square feet is inconsistent in size and configuration throughout the Company's portfolio and as a result does not lend itself to a meaningful comparison of rental rate activity with the Company's other space. Much of the non-Anchor space over 10,000 square feet is not physically connected to the mall, does not share the same common area amenities and does not benefit from the foot traffic in the mall. As a result, space greater than 10,000 square feet has a unique rent structure that is inconsistent with mall space under 10,000 square feet.

The following tables set forth the average base rent per square foot for the Centers, as of December 31 for each of the past five years:

Mall Stores and Freestanding Stores under 10,000 square feet:

For the Years Ended December 31,	Avg. Base Rent Per Sq. Ft.(1)(2)	Avg. Base Rent Per Sq. Ft. on Leases Executed During the Year(2)(3)	Avg. Base Rent Per Sq. Ft. on Leases Expiring During the Year(2)(4)
Consolidated Centers:			
2017	$ 55.08	$ 57.36	$ 49.61
2016	$ 53.51	$ 53.48	$ 44.77
2015	$ 52.64	$ 53.99	$ 49.02
2014	$ 49.68	$ 49.55	$ 41.20
2013	$ 44.51	$ 45.06	$ 40.00
Unconsolidated Joint Venture Centers (at the Company's pro rata share):			
2017	$ 60.99	$ 63.50	$ 55.50
2016	$ 57.90	$ 64.78	$ 57.29
2015	$ 60.74	$ 80.18	$ 60.85
2014	$ 63.78	$ 82.47	$ 64.59
2013	$ 62.47	$ 63.44	$ 48.43

Big Box and Anchors:

For the Years Ended December 31,	Avg. Base Rent Per Sq. Ft.(1)(2)	Avg. Base Rent Per Sq. Ft. on Leases Executed During the Year(2)(3)	Number of Leases Executed During the Year	Avg. Base Rent Per Sq. Ft. on Leases Expiring During the Year(2)(4)	Number of Leases Expiring During the Year
Consolidated Centers:					
2017	$ 14.13	$ 18.19	24	$ 14.85	21
2016	$ 13.34	$ 22.23	20	$ 19.12	8
2015	$ 12.72	$ 19.87	19	$ 8.96	14
2014	$ 11.26	$ 18.28	22	$ 15.16	14
2013	$ 10.94	$ 14.61	29	$ 14.08	21
Unconsolidated Joint Venture Centers (at the Company's pro rata share):					
2017	$ 16.87	$ 26.33	15	$ 33.25	8
2016	$ 15.76	$ 29.41	13	$ 28.00	1
2015	$ 14.48	$ 33.00	14	$ 9.30	8
2014	$ 18.51	$ 33.62	11	$ 27.27	6
2013	$ 13.36	$ 37.45	22	$ 24.58	10

(1) Average base rent per square foot is based on spaces occupied as of December 31 for each of the Centers and gives effect to the terms of each lease in effect, as of such date, including any concessions, abatements and other adjustments or allowances that have been granted to the tenants.

(2) Centers under development and redevelopment are excluded from average base rents. As a result, the leases for Fashion District Philadelphia, Paradise Valley Mall and Westside Pavilion are excluded for the years ended December 31, 2017, 2016, 2015 and 2014. The leases for Broadway Plaza are excluded for the years ended December 31, 2016, 2015, and 2014. The leases for Fashion Outlets of Niagara Falls USA and SouthPark Mall are excluded for the years ended December 31, 2015 and 2014. The leases for Paradise Valley Mall are excluded for the year ended December 31, 2013.

The leases for Cascade Mall and Northgate Mall, which were sold on January 18, 2017, are excluded for the year ended December 31, 2016. Flagstaff Mall was conveyed to the mortgage lender by a deed-in-lieu of foreclosure on July 15, 2016 and is excluded for the year ended December 31, 2015. On June 30, 2015, Great Northern Mall was conveyed to the mortgage lender by a deed-in-lieu of foreclosure and is excluded for the year ended December 31, 2014. The leases for Rotterdam Square, which was sold on January 15, 2014, are excluded for the year ended December 31, 2013.

(3) The average base rent per square foot on leases executed during the year represents the actual rent paid on a per square foot basis during the first twelve months of the lease.

(4) The average base rent per square foot on leases expiring during the year represents the actual rent to be paid on a per square foot basis during the final twelve months of the lease.

Cost of Occupancy:

A major factor contributing to tenant profitability is cost of occupancy, which consists of tenant occupancy costs charged by the Company. Tenant expenses included in this calculation are minimum rents, percentage rents and recoverable expenditures, which consist primarily of property operating expenses, real estate taxes and repair and maintenance expenditures. These tenant charges are collectively referred to as tenant occupancy costs. These tenant occupancy costs are compared to tenant sales. A low cost of occupancy percentage shows more potential capacity for the Company to increase rents at the time of lease renewal than a high cost of occupancy percentage. The following table summarizes occupancy costs for Mall Store and Freestanding Store tenants in the Centers as a percentage of total Mall Store sales for the last five years:

	For the Years Ended December 31,				
	2017	2016 (1)	2015 (2)	2014 (3)	2013 (4)
Consolidated Centers:					
Minimum rents	9.5%	9.4%	9.0%	8.7%	8.4%
Percentage rents	0.3%	0.4%	0.4%	0.4%	0.4%
Expense recoveries(5)	4.2%	4.3%	4.5%	4.3%	4.5%
	14.0%	14.1%	13.9%	13.4%	13.3%
Unconsolidated Joint Venture Centers:					
Minimum rents	8.6%	8.6%	8.1%	8.7%	8.8%
Percentage rents	0.3%	0.3%	0.4%	0.4%	0.4%
Expense recoveries(5)	3.8%	3.9%	4.0%	4.5%	4.0%
	12.7%	12.8%	12.5%	13.6%	13.2%

(1) Cascade Mall and Northgate Mall were sold on January 18, 2017 and are excluded for the year ended December 31, 2016.

(2) Flagstaff Mall was conveyed to the mortgage lender by a deed-in-lieu of foreclosure on July 15, 2016 and is excluded for the year ended December 31, 2015.

(3) Great Northern Mall was conveyed to the mortgage lender by a deed-in-lieu of foreclosure on June 30, 2015 and is excluded for the year ended December 31, 2014.

(4) Rotterdam Square was sold on January 15, 2014 and is excluded for the year ended December 31, 2013.

(5) Represents real estate tax and common area maintenance charges.

Lease Expirations:

The following tables show scheduled lease expirations for Centers owned as of December 31, 2017 for the next ten years, assuming that none of the tenants exercise renewal options:

Mall Stores and Freestanding Stores under 10,000 square feet:

Year Ending December 31,	Number of Leases Expiring	Approximate GLA of Leases Expiring(1)	% of Total Leased GLA Represented by Expiring Leases(1)	Ending Base Rent per Square Foot of Expiring Leases(1)	% of Base Rent Represented by Expiring Leases(1)
Consolidated Centers:					
2018	345	712,258	13.94%	$ 52.29	12.32%
2019	333	768,299	15.04%	$ 48.73	12.38%
2020	302	621,413	12.16%	$ 53.90	11.08%
2021	236	519,116	10.16%	$ 57.62	9.89%
2022	197	366,228	7.17%	$ 62.52	7.57%
2023	169	353,073	6.91%	$ 59.81	6.99%
2024	165	430,007	8.42%	$ 64.43	9.16%
2025	161	415,255	8.13%	$ 67.60	9.28%
2026	140	436,015	8.53%	$ 67.06	9.67%
2027	105	251,538	4.92%	$ 79.34	6.60%
Unconsolidated Joint Venture Centers (at the Company's pro rata share):					
2018	224	269,343	11.20%	$ 60.09	10.10%
2019	208	230,305	9.57%	$ 66.18	9.51%
2020	199	258,621	10.75%	$ 58.50	9.44%
2021	209	261,733	10.88%	$ 65.50	10.69%
2022	157	221,959	9.23%	$ 62.22	8.62%
2023	142	231,859	9.64%	$ 57.00	8.24%
2024	108	180,137	7.49%	$ 62.62	7.04%
2025	121	203,784	8.47%	$ 66.24	8.42%
2026	153	224,682	9.34%	$ 86.27	12.09%
2027	111	164,641	6.84%	$ 86.26	8.86%

Big Boxes and Anchors:

Year Ending December 31,	Number of Leases Expiring	Approximate GLA of Leases Expiring(1)	% of Total Leased GLA Represented by Expiring Leases(1)	Ending Base Rent per Square Foot of Expiring Leases(1)	% of Base Rent Represented by Expiring Leases(1)
Consolidated Centers:					
2018	13	251,179	2.41%	$ 16.83	2.54%
2019	21	678,113	6.50%	$ 10.19	4.15%
2020	21	894,784	8.57%	$ 10.30	5.53%
2021	30	1,484,891	14.22%	$ 8.74	7.79%
2022	29	1,103,013	10.57%	$ 20.39	13.49%
2023	27	888,518	8.51%	$ 12.48	6.65%
2024	23	809,431	7.75%	$ 20.59	10.00%
2025	22	769,713	7.37%	$ 23.43	10.82%
2026	16	735,337	7.04%	$ 15.07	6.65%
2027	19	578,200	5.54%	$ 30.23	10.48%
Unconsolidated Joint Venture Centers (at the Company's pro rata share):					
2018	7	55,761	1.09%	$ 38.20	2.47%
2019	9	129,574	2.54%	$ 31.29	4.70%
2020	26	812,934	15.94%	$ 14.12	13.32%
2021	18	228,750	4.49%	$ 21.54	5.72%
2022	18	606,825	11.90%	$ 8.03	5.66%
2023	20	298,452	5.85%	$ 21.16	7.33%
2024	20	291,001	5.71%	$ 33.68	11.37%
2025	21	1,049,746	20.59%	$ 12.65	15.41%
2026	19	364,157	7.14%	$ 25.13	10.62%
2027	11	157,891	3.10%	$ 30.84	5.65%

(1) The ending base rent per square foot on leases expiring during the period represents the final year minimum rent, on a cash basis, for tenant leases expiring during the year. Currently, 48% of leases have provisions for future consumer price index increases that are not reflected in ending base rent. The leases for Centers currently under development and redevelopment are excluded from this table.

Anchors:

Anchors have traditionally been a major factor in the public's identification with Regional Shopping Centers. Anchors are generally department stores whose merchandise appeals to a broad range of shoppers. Although the Centers receive a smaller percentage of their operating income from Anchors than from Mall Stores and Freestanding Stores, strong Anchors play an important part in maintaining customer traffic and making the Centers desirable locations for Mall Store and Freestanding Store tenants.

Anchors either own their stores, the land under them and in some cases adjacent parking areas, or enter into long-term leases with an owner at rates that are lower than the rents charged to tenants of Mall Stores and Freestanding Stores. Each Anchor that owns its own store and certain Anchors that lease their stores enter into reciprocal easement agreements with the owner of the Center covering, among other things, operational matters, initial construction and future expansion.

Anchors accounted for approximately 7.9% of the Company's total rents for the year ended December 31, 2017.

The following table identifies each Anchor, each parent company that owns multiple Anchors and the number of square feet owned or leased by each such Anchor or parent company in the Company's portfolio at December 31, 2017.

Name	Number of Anchor Stores	GLA Owned by Anchor	GLA Leased by Anchor	Total GLA Occupied by Anchor
Macy's Inc.				
Macy's(1)	37	4,918,000	1,931,000	6,849,000
Bloomingdale's	2	—	355,000	355,000
	39	4,918,000	2,286,000	7,204,000
JCPenney(2)	28	1,744,000	2,299,000	4,043,000
Sears	21	811,000	2,237,000	3,048,000
Dillard's	14	2,205,000	257,000	2,462,000
Nordstrom(3)	12	739,000	1,339,000	2,078,000
Dick's Sporting Goods	15	—	952,000	952,000
Forever 21	8	155,000	629,000	784,000
Target	4	304,000	273,000	577,000
The Bon-Ton Stores, Inc.				
Younkers	3	—	317,000	317,000
Bon-Ton, The	1	—	71,000	71,000
Herberger's	1	188,000	—	188,000
	5	188,000	388,000	576,000
Hudson Bay Company				
Lord & Taylor	3	121,000	199,000	320,000
Saks Fifth Avenue	1	—	92,000	92,000
	4	121,000	291,000	412,000
Home Depot	3	—	395,000	395,000
Burlington(2)	4	187,000	182,000	369,000
Costco	2	—	321,000	321,000
Kohl's	3	89,000	200,000	289,000
Primark(2)	3	—	240,000	240,000
Neiman Marcus	2	—	188,000	188,000
Von Maur	2	187,000	—	187,000
Walmart	1	—	173,000	173,000
Century 21	2	—	171,000	171,000
La Curacao	1	—	165,000	165,000
Boscov's	1	—	161,000	161,000
Belk	2	—	139,000	139,000
BJ's Wholesale Club	1	—	123,000	123,000
Lowe's	1	—	114,000	114,000
Mercado de los Cielos	1	—	78,000	78,000
L.L. Bean	1	—	75,000	75,000
Best Buy	1	66,000	—	66,000
Des Moines Area Community College	1	64,000	—	64,000
Bealls	1	—	40,000	40,000
Vacant Anchors(4)	8	—	636,000	636,000
	191	11,778,000	14,352,000	26,130,000
Anchors at Centers not owned by the Company(5):				
Forever 21	1	—	79,000	79,000
Kohl's	1	—	83,000	83,000
Vacant Anchors(4)	2	—	116,000	116,000
Total	195	11,778,000	14,630,000	26,408,000

(1) The Anchor has announced its intention of closing their location at Westside Pavilion in March 2018.

(2) The Company anticipates that Burlington, JCPenney and Primark will open stores at Kings Plaza Shopping Center in Spring 2018.

(3) Nordstrom has announced plans to open a store at Country Club Plaza in 2021.

(4) The Company is seeking replacement tenants and/or contemplating redevelopment opportunities for these vacant sites. The Company continues to collect rent under the terms of an agreement regarding one of these vacant Anchor locations.

(5) The Company owns an office building and seven stores located at shopping centers not owned by the Company. Of these seven stores, one has been leased to Forever 21, one has been leased to Kohl's, two are vacant and three have been leased for non-Anchor usage.

Environmental Matters

Each of the Centers has been subjected to an Environmental Site Assessment—Phase I (which involves review of publicly available information and general property inspections, but does not involve soil sampling or ground water analysis) completed by an environmental consultant.

Based on these assessments, and on other information, the Company is aware of the following environmental issues, which may result in potential environmental liability and cause the Company to incur costs in responding to these liabilities or in other costs associated with future investigation or remediation:

- *Asbestos.* The Company has conducted asbestos-containing materials ("ACM") surveys at various locations within the Centers. The surveys indicate that ACMs are present or suspected in certain areas, primarily vinyl floor tiles, mastics, roofing materials, drywall tape and joint compounds. The identified ACMs are generally non-friable, in good condition, and possess low probabilities for disturbance. At certain Centers where ACMs are present or suspected, however, some ACMs have been or may be classified as "friable," and ultimately may require removal under certain conditions. The Company has developed and implemented an operations and maintenance ("O&M") plan to manage ACMs in place.

- *Underground Storage Tanks.* Underground storage tanks ("USTs") are or were present at certain Centers, often in connection with tenant operations at gasoline stations or automotive tire, battery and accessory service centers located at such Centers. USTs also may be or have been present at properties neighboring certain Centers. Some of these tanks have either leaked or are suspected to have leaked. Where leakage has occurred, investigation, remediation, and monitoring costs may be incurred by the Company if responsible current or former tenants, or other responsible parties, are unavailable to pay such costs.

- *Chlorinated Hydrocarbons.* The presence of chlorinated hydrocarbons such as perchloroethylene ("PCE") and its degradation byproducts have been detected at certain Centers, often in connection with tenant dry cleaning operations. Where PCE has been detected, the Company may incur investigation, remediation and monitoring costs if responsible current or former tenants, or other responsible parties, are unavailable to pay such costs.

See "Item 1A. Risk Factors—Possible environmental liabilities could adversely affect us."

Insurance

Each of the Centers has comprehensive liability, fire, extended coverage and rental loss insurance with insured limits customarily carried for similar properties. The Company does not insure certain types of losses (such as losses from wars), because they are either uninsurable or not economically insurable. In addition, while the Company or the relevant joint venture, as applicable, carry specific earthquake insurance on the Centers located in California, the policies are subject to a deductible equal to 5% of the total insured value of each Center, a $100,000 per occurrence minimum and a combined annual aggregate loss limit of $150 million on these Centers. The Company or the relevant joint venture, as applicable, carry specific earthquake insurance on the Centers located in the Pacific Northwest and in the New Madrid Seismic Zone. However, the policies are subject to a deductible equal to 2% of the total insured value of each Center, a $50,000 per occurrence minimum and a combined annual aggregate loss limit of $200 million on these Centers. While the Company or the relevant joint venture also carries standalone terrorism insurance on the Centers, the policies are subject to a $50,000 deductible and a combined annual aggregate loss limit of $1.2 billion. Each Center has environmental insurance covering eligible third-party losses, remediation and non-owned disposal sites, subject to a $100,000 retention and a $50 million three-year aggregate loss limit, with the exception of one Center, which has a $5 million ten-year aggregate loss limit and another Center, which has a $20 million ten-

year aggregate loss limit. Some environmental losses are not covered by this insurance because they are uninsurable or not economically insurable. Furthermore, the Company carries title insurance on substantially all of the Centers for generally less than their full value.

Qualification as a Real Estate Investment Trust

The Company elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), commencing with its first taxable year ended December 31, 1994, and intends to conduct its operations so as to continue to qualify as a REIT under the Code. As a REIT, the Company generally will not be subject to federal and state income taxes on its net taxable income that it currently distributes to stockholders. Qualification and taxation as a REIT depends on the Company's ability to meet certain dividend distribution tests, share ownership requirements and various qualification tests prescribed in the Code.

Supplemental Material Federal Income Tax Considerations

On December 22, 2017, President Trump signed into law H.R. 1, known as the “Tax Cuts and Jobs Act” (the “TCJA”). The provisions of the TCJA generally apply to taxable years beginning after December 31, 2017. Significant provisions of the TCJA that investors should be aware of include provisions that: (i) lower the corporate income tax rate to 21% and lower Foreign Investment in Real Property Tax Act withholding on certain capital gain dividends to 21%, (ii) provide noncorporate taxpayers with a deduction of up to 20% of certain income earned through partnerships and REITs for taxable years beginning before January 1, 2026, (iii) limits the net operating loss deduction to 80% of taxable income, where taxable income is determined without regard to the net operating loss deduction itself, generally eliminates net operating loss carrybacks and allows unused net operating losses to be carried forward indefinitely, (iv) expand the ability of businesses to deduct the cost of certain property investments in the year in which the property is purchased, and (v) generally lower tax rates for individuals and other noncorporate taxpayers for taxable years beginning before January 1, 2026, while limiting deductions such as miscellaneous itemized deductions and state and local tax deductions.

In addition, the TCJA limits the deduction for net interest expense incurred by a business to 30% of the “adjusted taxable income” of the taxpayer. However, the limitation on the interest expense deduction does not apply to electing real property trades or businesses, such as any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business. Making the election to be treated as a real property trade or business requires the electing real property trade or business to depreciate non-residential real property, residential rental property, and qualified improvement property over a longer period using the alternative depreciation system. The Company generally will decide whether to make any available election to treat as a real property trade or business any direct or indirect investment made through an entity that it controls.

Stockholders are urged to consult with their own tax advisors with respect to the impact that the TCJA and other legislation may have on their investment and the status of legislative, regulatory or administrative developments and proposals and their potential effect on their investment in the Company's stock.

Employees

As of December 31, 2017, the Company had approximately 855 employees, of which approximately 850 were full-time. The Company believes that relations with its employees are good.

Seasonality

For a discussion of the extent to which the Company's business may be seasonal, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Management's Overview and Summary—Seasonality."

Available Information; Website Disclosure; Corporate Governance Documents

The Company's corporate website address is *www.macerich.com*. The Company makes available free-of-charge through this website its reports on Forms 10-K, 10-Q and 8-K and all amendments thereto, as soon as reasonably practicable after the reports have been filed with, or furnished to, the SEC. These reports are available under the heading "Investors—Financial Information—SEC Filings", through a free hyperlink to a third-party service. Information provided on our website is not incorporated by reference into this Form 10-K.

The following documents relating to Corporate Governance are available on the Company's website at *www.macerich.com* under "Investors—Corporate Governance":

Guidelines on Corporate Governance
Code of Business Conduct and Ethics
Code of Ethics for CEO and Senior Financial Officers
Audit Committee Charter
Compensation Committee Charter
Executive Committee Charter
Nominating and Corporate Governance Committee Charter

You may also request copies of any of these documents by writing to:

Attention: Corporate Secretary
The Macerich Company
401 Wilshire Blvd., Suite 700
Santa Monica, CA 90401

ITEM 1A. RISK FACTORS

The following factors could cause our actual results to differ materially from those contained in forward-looking statements made in this Annual Report on Form 10-K and presented elsewhere by our management from time to time. This list should not be considered to be a complete statement of all potential risks or uncertainties as it does not describe additional risks of which we are not presently aware or that we do not currently consider material. We may update our risk factors from time to time in our future periodic reports. Any of these factors may have a material adverse effect on our business, financial condition, operating results and cash flows. For purposes of this "Risk Factor" section, Centers wholly owned by us are referred to as "Wholly Owned Centers" and Centers that are partly but not wholly owned by us are referred to as "Joint Venture Centers."

RISKS RELATED TO OUR BUSINESS AND PROPERTIES

We invest primarily in shopping centers, which are subject to a number of significant risks that are beyond our control.

Real property investments are subject to varying degrees of risk that may affect the ability of our Centers to generate sufficient revenues to meet operating and other expenses, including debt service, lease payments, capital expenditures and tenant improvements, and to make distributions to us and our stockholders. A number of factors may decrease the income generated by the Centers, including:

- the national economic climate;
- the regional and local economy (which may be negatively impacted by rising unemployment, declining real estate values, increased foreclosures, higher taxes, plant closings, industry slowdowns, union activity, adverse weather conditions, natural disasters and other factors);
- local real estate conditions (such as an oversupply of, or a reduction in demand for, retail space or retail goods, decreases in rental rates, declining real estate values and the availability and creditworthiness of current and prospective tenants);
- decreased levels of consumer spending, consumer confidence, and seasonal spending (especially during the holiday season when many retailers generate a disproportionate amount of their annual sales);
- increasing use by customers of e-commerce and online store sites and the impact of internet sales on the demand for retail space;
- negative perceptions by retailers or shoppers of the safety, convenience and attractiveness of a Center;
- acts of violence, including terrorist activities; and
- increased costs of maintenance, insurance and operations (including real estate taxes).

Income from shopping center properties and shopping center values are also affected by applicable laws and regulations, including tax, environmental, safety and zoning laws.

A significant percentage of our Centers are geographically concentrated and, as a result, are sensitive to local economic and real estate conditions.

A significant percentage of our Centers are located in California and Arizona. Nine Centers in the aggregate are located in New York, New Jersey and Connecticut. To the extent that weak economic or real estate conditions or other factors affect California, Arizona, New York, New Jersey or Connecticut (or their respective regions) more severely than other areas of the country, our financial performance could be negatively impacted.

We are in a competitive business.

Numerous owners, developers and managers of malls, shopping centers and other retail-oriented real estate compete with us for the acquisition of properties and in attracting tenants or Anchors to occupy space. There are seven other publicly traded mall companies and several large private mall companies in the United States, any of which under certain circumstances could compete against us for an Anchor or a tenant. In addition, these companies, as well as other REITs, private real estate companies or investors compete with us in terms of property acquisitions. This results in competition both for the acquisition of properties or centers and for tenants or Anchors to occupy space. Competition for property acquisitions may result in increased purchase prices and may adversely affect our ability to make suitable property acquisitions on favorable terms. The existence of competing shopping centers could have a material adverse impact on our ability to lease space and on the level of rents that can be achieved. There is also increasing competition from other retail formats and technologies, such as lifestyle centers, power centers, outlet centers, Internet shopping, home shopping networks, catalogs, telemarketing and discount shopping clubs that could adversely affect our revenues.

We may be unable to renew leases, lease vacant space or re-let space as leases expire on favorable terms or at all, which could adversely affect our financial condition and results of operations.

There are no assurances that our leases will be renewed or that vacant space in our Centers will be re-let at net effective rental rates equal to or above the current average net effective rental rates or that substantial rent abatements, tenant improvements, early termination rights or below-market renewal options will not be offered to attract new tenants or retain existing tenants. If the rental rates at our Centers decrease, if our existing tenants do not renew their leases or if we do not re-let a significant portion of our available space and space for which leases will expire, our financial condition and results of operations could be adversely affected.

If Anchors or other significant tenants experience a downturn in their business, close or sell stores or declare bankruptcy, our financial condition and results of operations could be adversely affected.

Our financial condition and results of operations could be adversely affected if a downturn in the business of, or the bankruptcy or insolvency of, an Anchor or other significant tenant leads them to close retail stores or terminate their leases after seeking protection under the bankruptcy laws from their creditors, including us as lessor. In recent years a number of companies in the retail industry, including some of our tenants, have declared bankruptcy, have gone out of business or have significantly reduced the number of their retail stores. We may be unable to re-let stores vacated as a result of voluntary closures or the bankruptcy of a tenant. Furthermore, certain department stores and other national retailers have experienced, and may continue to experience, decreases in customer traffic in their retail stores, increased competition from alternative retail options such as those accessible via the Internet and other forms of pressure on their business models. If the store sales of retailers operating at our Centers decline significantly due to adverse economic conditions or for any other reason, tenants might be unable to pay their minimum rents or expense recovery charges. In the event of a default by a lessee, the affected Center may experience delays and costs in enforcing its rights as lessor.

In addition, Anchors and/or tenants at one or more Centers might terminate their leases as a result of mergers, acquisitions, consolidations or dispositions in the retail industry. The sale of an Anchor or store to a less desirable retailer may reduce occupancy levels, customer traffic and rental income. Depending on economic conditions, there is also a risk that Anchors or other significant tenants may sell stores operating in our Centers or consolidate duplicate or geographically overlapping store locations. Store closures by an Anchor and/or a significant number of tenants may allow other Anchors and/or certain other tenants to terminate their leases, receive reduced rent and/or cease operating their stores at the Center or otherwise adversely affect occupancy at the Center.

Our real estate acquisition, development and redevelopment strategies may not be successful.

Our historical growth in revenues, net income and funds from operations has been in part tied to the acquisition, development and redevelopment of shopping centers. Many factors, including the availability and cost of capital, our total

amount of debt outstanding, our ability to obtain financing on attractive terms, if at all, interest rates and the availability of attractive acquisition targets, among others, will affect our ability to acquire, develop and redevelop additional properties in the future. We may not be successful in pursuing acquisition opportunities, and newly acquired properties may not perform as well as expected. Expenses arising from our efforts to complete acquisitions, develop and redevelop properties or increase our market penetration may have a material adverse effect on our business, financial condition and results of operations. We face competition for acquisitions primarily from other REITs, as well as from private real estate companies or investors. Some of our competitors have greater financial and other resources. Increased competition for shopping center acquisitions may result in increased purchase prices and may impact adversely our ability to acquire additional properties on favorable terms. We cannot guarantee that we will be able to implement our growth strategy successfully or manage our expanded operations effectively and profitably.

We may not be able to achieve the anticipated financial and operating results from newly acquired assets. Some of the factors that could affect anticipated results are:

- our ability to integrate and manage new properties, including increasing occupancy rates and rents at such properties;
- the disposal of non-core assets within an expected time frame; and
- our ability to raise long-term financing to implement a capital structure at a cost of capital consistent with our business strategy.

Our business strategy also includes the selective development and construction of retail properties. Any development, redevelopment and construction activities that we may undertake will be subject to the risks of real estate development, including lack of financing, construction delays, environmental requirements, budget overruns, sunk costs and lease-up. Furthermore, occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable. Real estate development activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use, building, and occupancy and other required governmental permits and authorizations. If any of the above events occur, our ability to pay dividends to our stockholders and service our indebtedness could be adversely affected.

Real estate investments are relatively illiquid and we may be unable to sell properties at the time we desire and on favorable terms.

Investments in real estate are relatively illiquid, which limits our ability to adjust our portfolio in response to changes in economic, market or other conditions. Moreover, there are some limitations under federal income tax laws applicable to REITs that limit our ability to sell assets. In addition, because our properties are generally mortgaged to secure our debts, we may not be able to obtain a release of a lien on a mortgaged property without the payment of the associated debt and/or a substantial prepayment penalty, which restricts our ability to dispose of a property, even though the sale might otherwise be desirable. Furthermore, the number of prospective buyers interested in purchasing shopping centers is limited. Therefore, if we want to sell one or more of our Centers, we may not be able to dispose of it in the desired time period and may receive less consideration than we originally invested in the Center.

Our real estate assets may be subject to impairment charges.

We periodically assess whether there are any indicators that the value of our real estate assets and other investments may be impaired. A property’s value is considered to be impaired only if the estimated aggregate future undiscounted property cash flows are less than the carrying value of the property. In our estimate of cash flows, we consider factors such as trends and prospects and the effects of demand and competition on expected future operating income. If we are evaluating the potential sale of an asset or redevelopment alternatives, the undiscounted future cash flows consider the most likely course of action as of the balance sheet date based on current plans, intended holding periods and available market information. We are required to make subjective assessments as to whether there are impairments in the value of our real estate assets and other investments. Impairment charges have an immediate direct impact on our earnings. There can be no assurance that we will not take additional charges in the future related to the impairment of our assets. Any future impairment could have a material adverse effect on our operating results in the period in which the charge is taken.

Our success depends, in part, on our ability to attract and retain talented employees, and the loss of any one of our key personnel could adversely impact our business.

The success of our business depends, in part, on the leadership and performance of our executive management team and key employees, and our ability to attract, retain and motivate talented employees could significantly impact our future performance. Competition for these individuals is intense, and we cannot assure you that we will retain our executive management team and key employees or that we will be able to attract and retain other highly qualified individuals for these positions in the future. Losing any one or more of these persons could have a material adverse effect on our results of operations, financial condition and cash flows.

Possible environmental liabilities could adversely affect us.

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in that real property. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous or toxic substances. The costs of investigation, removal or remediation of hazardous or toxic substances may be substantial. In addition, the presence of hazardous or toxic substances, or the failure to remedy environmental hazards properly, may adversely affect the owner's or operator's ability to sell or rent affected real property or to borrow money using affected real property as collateral.

Persons or entities that arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of hazardous or toxic substances at the disposal or treatment facility, whether or not that facility is owned or operated by the person or entity arranging for the disposal or treatment of hazardous or toxic substances. Laws exist that impose liability for release of asbestos containing materials (“ACMs”) into the air, and third parties may seek recovery from owners or operators of real property for personal injury associated with exposure to ACMs. In connection with our ownership, operation, management, development and redevelopment of the Centers, or any other centers or properties we acquire in the future, we may be potentially liable under these laws and may incur costs in responding to these liabilities.

Some of our properties are subject to potential natural or other disasters.

Some of our Centers are located in areas that are subject to natural disasters, including our Centers in California or in other areas with higher risk of earthquakes, our Centers in flood plains or in areas that may be adversely affected by tornadoes, as well as our Centers in coastal regions that may be adversely affected by increases in sea levels or in the frequency or severity of hurricanes, tropical storms or other severe weather conditions. The occurrence of natural disasters can delay redevelopment or development projects, increase investment costs to repair or replace damaged properties, increase future property insurance costs and negatively impact the tenant demand for lease space. If insurance is unavailable to us or is unavailable on acceptable terms, or our insurance is not adequate to cover losses from these events, our financial condition and results of operations could be adversely affected.

Uninsured losses could adversely affect our financial condition.

Each of our Centers has comprehensive liability, fire, extended coverage and rental loss insurance with insured limits customarily carried for similar properties. We do not insure certain types of losses (such as losses from wars), because they are either uninsurable or not economically insurable. In addition, while we or the relevant joint venture, as applicable, carry specific earthquake insurance on the Centers located in California, the policies are subject to a deductible equal to 5% of the total insured value of each Center, a $100,000 per occurrence minimum and a combined annual aggregate loss limit of $150 million on these Centers. We or the relevant joint venture, as applicable, carry specific earthquake insurance on the Centers located in the Pacific Northwest and in the New Madrid Seismic Zone. However, the policies are subject to a deductible equal to 2% of the total insured value of each Center, a $50,000 per occurrence minimum and a combined annual aggregate loss limit of $200 million on these Centers. While we or the relevant joint venture also carries standalone terrorism insurance on the Centers, the policies are subject to a $50,000 deductible and a combined annual aggregate loss limit of $1.2 billion. Each Center has environmental insurance covering eligible third-party losses, remediation and non-owned disposal sites, subject to a $100,000 retention and a $50 million three-year aggregate loss limit, with the exception of one Center, which has a $5 million ten-year aggregate loss limit and another Center has a $20 million ten-year aggregate loss limit. Some environmental losses are not covered by this insurance because they are uninsurable or not economically insurable. Furthermore, we carry title insurance on substantially all of the Centers for generally less than their full value.

If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital we have invested in a property, as well as the anticipated future revenue from the property, but may remain obligated for any mortgage debt or other financial obligations related to the property.

We face risks associated with security breaches through cyber attacks, cyber intrusions or otherwise, as well as other significant disruptions of our information technology (IT) networks and related systems.

We face risks associated with security breaches, whether through cyber attacks or cyber intrusions over the Internet, malware, computer viruses, attachments to e-mails, persons inside our organization or persons with access to systems inside our organization, and other significant disruptions of our IT networks and related systems. The risk of a security breach or disruption, particularly through cyber attack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Our IT networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations and, in some cases, may be critical to the operations of certain of our tenants. Although we make efforts to maintain the security and integrity of these types of IT networks and related systems, and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. A security breach or other significant disruption involving our IT networks and related systems could disrupt the proper functioning of our networks and systems; result in misstated financial reports, violations of loan covenants and/or missed reporting deadlines; result in our inability to properly monitor our compliance with the rules and regulations regarding our qualification as a REIT; result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of proprietary, confidential, sensitive or otherwise valuable information of ours or others, which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes; require significant management attention and resources to remedy any damages that result; subject us to claims for breach of contract, damages, credits, penalties or termination of leases or other agreements; or damage our reputation among our tenants and investors generally. Moreover, cyber attacks perpetrated against our Anchors and tenants, including unauthorized access to customers' credit card data and other confidential information, could diminish consumer confidence and consumer spending and negatively impact our business.

Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require us to make expenditures that adversely affect our cash flows.

All of the properties in our portfolio are required to comply with the Americans with Disabilities Act ("ADA"). The ADA has separate compliance requirements for "public accommodations" and "commercial facilities," but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers, and non-compliance could result in the imposition of fines by the United States government or an award of damages to private litigants, or both. While the tenants to whom our portfolio is leased are obligated to comply with ADA provisions, within their leased premises, if required changes within their leased premises involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of tenants to cover costs could be adversely affected. Furthermore, we are required to comply with ADA requirements within the common areas of our portfolio and we may not be able to pass on to our tenants any costs necessary to remediate any common area ADA issues. As a result, we could be required to expend funds to comply with the provisions of the ADA, which could adversely affect our financial condition and operating results. In addition, we are required to operate the properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to our portfolio. We may be required to make substantial capital expenditures to comply with, and we may be restricted in our ability to renovate or redevelop the properties subject to, those requirements. The resulting expenditures and restrictions could have a material adverse effect on our ability to meet our financial obligations.

Possible terrorist activity or other acts or threats of violence and threats to public safety could adversely affect our financial condition and results of operations.

Terrorist attacks and threats of terrorist attacks in the United States or other acts or threats of violence may result in declining economic activity, which could harm the demand for goods and services offered by our tenants and the value of our properties and might adversely affect the value of an investment in our securities. Such a resulting decrease in retail demand could make it difficult for us to renew or re-lease our properties.

Terrorist activities or violence also could directly affect the value of our properties through damage, destruction or loss, and the availability of insurance for such acts, or of insurance generally, might be reduced or cost more, which could increase our operating expenses and adversely affect our financial condition and results of operations. To the extent that our tenants are affected by such attacks and threats of attacks, their businesses similarly could be adversely affected, including their

ability to continue to meet obligations under their existing leases. These acts and threats might erode business and consumer confidence and spending and might result in increased volatility in national and international financial markets and economies. Any one of these events might decrease demand for real estate, decrease or delay the occupancy of our new or redeveloped properties, and limit our access to capital or increase our cost of raising capital.

Inflation may adversely affect our financial condition and results of operations.

If inflation increases in the future, we may experience any or all of the following:

- Difficulty in replacing or renewing expiring leases with new leases at higher rents;
- Decreasing tenant sales as a result of decreased consumer spending which could adversely affect the ability of our tenants to meet their rent obligations and/or result in lower percentage rents; and
- An inability to receive reimbursement from our tenants for their share of certain operating expenses, including common area maintenance, real estate taxes and insurance.

Inflation also poses a risk to us due to the possibility of future increases in interest rates. Such increases would adversely impact us due to our outstanding floating-rate debt as well as result in higher interest rates on new fixed-rate debt. In certain cases, we may limit our exposure to interest rate fluctuations related to a portion of our floating-rate debt by the use of interest rate cap and swap agreements. Such agreements, subject to current market conditions, allow us to replace floating-rate debt with fixed-rate debt in order to achieve our desired ratio of floating-rate to fixed-rate debt. However, in an increasing interest rate environment the fixed rates we can obtain with such replacement fixed-rate cap and swap agreements or the fixed-rate on new debt will also continue to increase.

We have substantial debt that could affect our future operations.

Our total outstanding loan indebtedness at December 31, 2017 was $7.7 billion (consisting of $5.2 billion of consolidated debt, less $319.6 million attributable to noncontrolling interests, plus $2.8 billion of our pro rata share of unconsolidated joint venture mortgage notes and $60.0 million of our pro rata share of an unconsolidated joint venture term loan). As a result of this substantial indebtedness, we are required to use a material portion of our cash flow to service principal and interest on our debt, which limits the amount of cash available for other business opportunities. We are also subject to the risks normally associated with debt financing, including the risk that our cash flow from operations will be insufficient to meet required debt service and that rising interest rates could adversely affect our debt service costs. In addition, our use of interest rate hedging arrangements may expose us to additional risks, including that the counterparty to the arrangement may fail to honor its obligations and that termination of these arrangements typically involves costs such as transaction fees or breakage costs. Furthermore, most of our Centers are mortgaged to secure payment of indebtedness, and if income from the Center is insufficient to pay that indebtedness, the Center could be foreclosed upon by the mortgagee resulting in a loss of income and a decline in our total asset value. Certain Centers also have debt that could become recourse debt to us if the Center is unable to discharge such debt obligation and, in certain circumstances, we may incur liability with respect to such debt greater than our legal ownership.

We are obligated to comply with financial and other covenants that could affect our operating activities.

Our unsecured credit facilities contain financial covenants, including interest coverage requirements, as well as limitations on our ability to incur debt, make dividend payments and make certain acquisitions. These covenants may restrict our ability to pursue certain business initiatives or certain transactions that might otherwise be advantageous. In addition, failure to meet certain of these financial covenants could cause an event of default, which, if not cured or waived, could accelerate some or all of such indebtedness which could have a material adverse effect on us.

We depend on external financings for our growth and ongoing debt service requirements.

We depend primarily on external financings, principally debt financings and, in more limited circumstances, equity financings, to fund the growth of our business and to ensure that we can meet ongoing maturities of our outstanding debt. Our access to financing depends on the willingness of banks, lenders and other institutions to lend to us based on their underwriting criteria which can fluctuate with market conditions and on conditions in the capital markets in general. In addition, levels of market disruption and volatility could materially adversely impact our ability to access the capital markets for equity financings. There are no assurances that we will continue to be able to obtain the financing we need for future growth or to meet our debt service as obligations mature, or that the financing will be available to us on acceptable terms, or at all. Any debt refinancing could also impose more restrictive terms.

RISKS RELATED TO OUR ORGANIZATIONAL STRUCTURE

Certain individuals have substantial influence over the management of both us and the Operating Partnership, which may create conflicts of interest.

Under the limited partnership agreement of the Operating Partnership, we, as the sole general partner, are responsible for the management of the Operating Partnership's business and affairs. Two of the principals of the Operating Partnership serve as our executive officers and as members of our board of directors. Accordingly, these principals have substantial influence over our management and the management of the Operating Partnership. As a result, certain decisions concerning our operations or other matters affecting us may present conflicts of interest for these individuals.

Outside partners in Joint Venture Centers result in additional risks to our stockholders.

We own partial interests in property partnerships that own 25 Joint Venture Centers as well as several development sites. We may acquire partial interests in additional properties through joint venture arrangements. Investments in Joint Venture Centers involve risks different from those of investments in Wholly Owned Centers.

We have fiduciary responsibilities to our joint venture partners that could affect decisions concerning the Joint Venture Centers. Our partners in certain Joint Venture Centers (notwithstanding our majority legal ownership) share control of major decisions relating to the Joint Venture Centers, including decisions with respect to sales, refinancings and the timing and amount of additional capital contributions, as well as decisions that could have an adverse impact on us.

In addition, we may lose our management and other rights relating to the Joint Venture Centers if:

- we fail to contribute our share of additional capital needed by the property partnerships; or
- we default under a partnership agreement for a property partnership or other agreements relating to the property partnerships or the Joint Venture Centers.

Furthermore, the bankruptcy of one of the other investors in our Joint Venture Centers could materially and adversely affect the respective property or properties. Pursuant to the bankruptcy code, we could be precluded from taking some actions affecting the estate of the other investor without prior court approval which would, in most cases, entail prior notice to other parties and a hearing. At a minimum, the requirement to obtain court approval may delay the actions we would or might want to take. If the relevant joint venture through which we have invested in a Joint Venture Center has incurred recourse obligations, the discharge in bankruptcy of one of the other investors might result in our ultimate liability for a greater portion of those obligations than would otherwise be required.

Our legal ownership interest in a joint venture vehicle may, at times, not equal our economic interest in the entity because of various provisions in certain joint venture agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and payments of preferred returns. As a result, our actual economic interest (as distinct from our legal ownership interest) in certain of the Joint Venture Centers could fluctuate from time to time and may not wholly align with our legal ownership interests. Substantially all of our joint venture agreements contain rights of first refusal, buy-sell provisions, exit rights, default dilution remedies and/or other break up provisions or remedies which are customary in real estate joint venture agreements and which may, positively or negatively, affect the ultimate realization of cash flow and/or capital or liquidation proceeds.

Our holding company structure makes us dependent on distributions from the Operating Partnership.

Because we conduct our operations through the Operating Partnership, our ability to service our debt obligations and pay dividends to our stockholders is strictly dependent upon the earnings and cash flows of the Operating Partnership and the ability of the Operating Partnership to make distributions to us. Under the Delaware Revised Uniform Limited Partnership Act, the Operating Partnership is prohibited from making any distribution to us to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the Operating Partnership (other than some non-recourse liabilities and some liabilities to the partners) exceed the fair value of the assets of the Operating Partnership. An inability to make cash distributions from the Operating Partnership could jeopardize our ability to maintain qualification as a REIT.

An ownership limit and certain of our Charter and bylaw provisions could inhibit a change of control or reduce the value of our common stock.

The Ownership Limit. In order for us to maintain our qualification as a REIT, not more than 50% in value of our outstanding stock (after taking into account certain options to acquire stock) may be owned, directly or indirectly or through the application of certain attribution rules, by five or fewer individuals (as defined in the Internal Revenue Code to include some entities that would not ordinarily be considered “individuals”) at any time during the last half of a taxable year. To assist us in maintaining our qualification as a REIT, among other purposes, our Charter restricts ownership of more than 5% (the “Ownership Limit”) of the lesser of the number or value of our outstanding shares of stock by any single stockholder or a group of stockholders (with limited exceptions). In addition to enhancing preservation of our status as a REIT, the Ownership Limit may:

- have the effect of delaying, deferring or preventing a change in control of us or other transaction without the approval of our board of directors, even if the change in control or other transaction is in the best interests of our stockholders; and
- limit the opportunity for our stockholders to receive a premium for their common stock or preferred stock that they might otherwise receive if an investor were attempting to acquire a block of stock in excess of the Ownership Limit or otherwise effect a change in control of us.

Our board of directors, in its sole discretion, may waive or modify (subject to limitations and upon any conditions as it may direct) the Ownership Limit with respect to one or more of our stockholders, if it is satisfied that ownership in excess of this limit will not jeopardize our status as a REIT.

Selected Provisions of our Charter, Bylaws and Maryland Law. Some of the provisions of our Charter, bylaws and Maryland law may have the effect of delaying, deferring or preventing a third party from making an acquisition proposal for us and may inhibit a change in control that holders of some, or a majority, of our shares might believe to be in their best interests or that could give our stockholders the opportunity to realize a premium over the then-prevailing market prices for our shares. These provisions include the following:

- advance notice requirements for stockholder nominations of directors and stockholder proposals to be considered at stockholder meetings;
- the obligation of our directors to consider a variety of factors with respect to a proposed business combination or other change of control transaction;
- the authority of our directors to classify or reclassify unissued shares and cause the Company to issue shares of one or more classes or series of common stock or preferred stock;
- the authority of our directors to create and cause the Company to issue rights entitling the holders thereof to purchase shares of stock or other securities from us; and
- limitations on the amendment of our Charter and bylaws, the change in control of us, and the liability of our directors and officers.

In addition, the Maryland General Corporation Law prohibits business combinations between a Maryland corporation and an interested stockholder (which includes any person who beneficially holds 10% or more of the voting power of the corporation's outstanding voting stock or any affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the corporation's outstanding stock at any time within the two-year period prior to the date in question) or its affiliates for five years following the most recent date on which the interested stockholder became an interested stockholder and, after the five-year period, requires the recommendation of the board of directors and two supermajority stockholder votes to approve a business combination unless the stockholders receive a minimum price determined by the statute. As permitted by Maryland law, our Charter exempts from these provisions any business combination between us and the principals and their respective affiliates and related persons. Maryland law also allows the board of directors to exempt particular business combinations before the interested stockholder becomes an interested stockholder. Furthermore, a person is not an interested stockholder if the transaction by which he or she would otherwise have become an interested stockholder is approved in advance by the board of directors.

The Maryland General Corporation Law also provides that the acquirer of certain levels of voting power in electing directors of a Maryland corporation (one-tenth or more but less than one-third, one-third or more but less than a majority and a majority or more) is not entitled to vote the shares in excess of the applicable threshold, unless voting rights for the shares are approved by holders of two-thirds of the disinterested shares or unless the acquisition of the shares has been specifically or generally approved or exempted from the statute by a provision in our Charter or bylaws adopted before the acquisition of the shares. Our Charter exempts from these provisions voting rights of shares owned or acquired by the principals and their respective affiliates and related persons. Our bylaws also contain a provision exempting from this statute any acquisition by any person of shares of our common stock. There can be no assurance that this bylaw will not be amended or eliminated in the future. The Maryland General Corporation Law and our Charter also contain supermajority voting requirements with respect to our ability to amend certain provisions of our Charter, merge, or sell all or substantially all of our assets. Furthermore, the Maryland General Corporation Law permits our board of directors, without stockholder approval and regardless of what is currently provided in our Charter or bylaws, to adopt certain Charter and bylaw provisions, such as a classified board, that may have the effect of delaying or preventing a third party from making an acquisition proposal for us.

FEDERAL INCOME TAX RISKS

The tax consequences of the sale of some of the Centers and certain holdings of the principals may create conflicts of interest.

The principals will experience negative tax consequences if some of the Centers are sold. As a result, the principals may not favor a sale of these Centers even though such a sale may benefit our other stockholders. In addition, the principals may have different interests than our stockholders because they are significant holders of limited partnership units in the Operating Partnership.

If we were to fail to qualify as a REIT, we would have reduced funds available for distributions to our stockholders.

We believe that we currently qualify as a REIT. No assurance can be given that we will remain qualified as a REIT. Qualification as a REIT involves the application of highly technical and complex Internal Revenue Code provisions for which there are only limited judicial or administrative interpretations. The complexity of these provisions and of the applicable income tax regulations is greater in the case of a REIT structure like ours that holds assets through the Operating Partnership and joint ventures. The determination of various factual matters and circumstances not entirely within our control, including determinations by our partners in the Joint Venture Centers, may affect our continued qualification as a REIT. In addition, legislation, new regulations, administrative interpretations or court decisions could significantly change the tax laws with respect to our qualification as a REIT or the U.S. federal income tax consequences of that qualification.

In addition, we currently hold certain of our properties through subsidiaries that have elected to be taxed as REITs and we may in the future determine that it is in our best interests to hold one or more of our other properties through one or more subsidiaries that elect to be taxed as REITs. If any of these subsidiaries fails to qualify as a REIT for U.S. federal income tax purposes, then we may also fail to qualify as a REIT for U.S. federal income tax purposes.

If in any taxable year we were to fail to qualify as a REIT, we will suffer the following negative results:

- we will not be allowed a deduction for distributions to stockholders in computing our taxable income; and
- we will be subject to U.S. federal income tax on our taxable income at regular corporate rates.

In addition, if we were to lose our REIT status, we would be prohibited from qualifying as a REIT for the four taxable years following the year during which the qualification was lost, absent relief under statutory provisions. As a result, net income and the funds available for distributions to our stockholders would be reduced for at least five years and the fair market value of our shares could be materially adversely affected. Furthermore, the Internal Revenue Service could challenge our REIT status for past periods. Such a challenge, if successful, could result in us owing a material amount of tax, interest and penalties for prior periods. It is possible that future economic, market, legal, tax or other considerations might cause our board of directors to revoke our REIT election.

Even if we remain qualified as a REIT, we might face other tax liabilities that reduce our cash flow. Further, we might be subject to federal, state and local taxes on our income and property. Any of these taxes would decrease cash available for distributions to stockholders.

Complying with REIT requirements might cause us to forego otherwise attractive opportunities.

In order to qualify as a REIT for U.S. federal income tax purposes, we must satisfy tests concerning, among other things, our sources of income, the nature of our assets, the amounts we distribute to our stockholders and the ownership of our stock. We may also be required to make distributions to our stockholders at disadvantageous times or when we do not have funds readily available for distribution. Thus, compliance with REIT requirements may cause us to forego opportunities we would otherwise pursue.

In addition, the REIT provisions of the Internal Revenue Code impose a 100% tax on income from “prohibited transactions.” Prohibited transactions generally include sales of assets that do not qualify for a statutory safe harbor if such assets constitute inventory or other property held for sale in the ordinary course of business, other than foreclosure property. This 100% tax could impact our desire to sell assets and other investments at otherwise opportune times if we believe such sales could be considered prohibited transactions.

Complying with REIT requirements may force us to borrow or take other measures to make distributions to our stockholders.

As a REIT, we generally must distribute 90% of our annual taxable income (subject to certain adjustments) to our stockholders. From time to time, we might generate taxable income greater than our net income for financial reporting purposes, or our taxable income might be greater than our cash flow available for distributions to our stockholders. If we do not have other funds available in these situations, we might be unable to distribute 90% of our taxable income as required by the REIT rules. In that case, we would need to borrow funds, liquidate or sell a portion of our properties or investments (potentially at disadvantageous or unfavorable prices), in certain limited cases distribute a combination of cash and stock (at our stockholders' election but subject to an aggregate cash limit established by the Company) or find another alternative source of funds. These alternatives could increase our costs or reduce our equity. In addition, to the extent we borrow funds to pay distributions, the amount of cash available to us in future periods will be decreased by the amount of cash flow we will need to service principal and interest on the amounts we borrow, which will limit cash flow available to us for other investments or business opportunities.

We may face risks in connection with Section 1031 Exchanges.

If a transaction intended to qualify as a Section 1031 Exchange is later determined to be taxable, we may face adverse consequences, and if the laws applicable to such transactions are amended or repealed, we may not be able to dispose of properties on a tax deferred basis. Under recently enacted legislation, Section 1031 Exchanges now only apply to real property and do not apply to any related personal property transferred with the real property. As a result, any appreciated personal property that is transferred in connection with a Section 1031 Exchange of real property will cause gain to be recognized, and such gain is generally treated as non-qualifying income for the 95% and 75% gross income tests. Any such non-qualifying income could have an adverse effect on our REIT status.

If our Operating Partnership fails to maintain its status as a partnership for tax purposes, we would face adverse tax consequences.

We intend to maintain the status of the Operating Partnership as a partnership for federal income tax purposes. However, if the Internal Revenue Service were to successfully challenge the status of the Operating Partnership as an entity taxable as a partnership, the Operating Partnership would be taxable as a corporation. This would reduce the amount of distributions that the Operating Partnership could make to us. This could also result in our losing REIT status, with the consequences described above. This would substantially reduce the cash available to us to make distributions and the return on your investment. In addition, if any of the partnerships or limited liability companies through which the Operating Partnership owns its property, in whole or in part, loses its characterization as a partnership or disregarded entity for federal income tax purposes, it would be subject to taxation as a corporation, thereby reducing distributions to the Operating Partnership. Such a recharacterization of an underlying entity could also threaten our ability to maintain REIT status.

Tax legislative or regulatory action could adversely affect us or our investors.

In recent years, numerous legislative, judicial and administrative changes have been made to the U.S. federal income tax laws applicable to investments similar to an investment in our stock. Additional changes to tax laws are likely to continue in the future, and we cannot assure you that any such changes will not adversely affect the taxation of us or our stockholders. Any such changes could have an adverse effect on an investment in our stock or on the market value or the resale potential of our properties.

On December 22, 2017, President Trump signed into law H.R. 1, known as the "Tax Cuts and Jobs Act" (the "TCJA"). The TCJA makes major changes to the Code, including a number of provisions of the Code that affect the taxation of REITs and their stockholders. The individual and collective impact of these provisions and other provisions of the Tax Act on REITs and their stockholders is uncertain, and may not become evident for some period of time. Prospective investors should consult their tax advisors regarding the implications of the TCJA on their investment in our shares.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following table sets forth certain information regarding the Centers and other locations that are wholly owned or partly owned by the Company as of December 31, 2017.

Count	Company's Ownership(1)	Name of Center/Location(2)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion/ Renovation	Total GLA(3)	Mall and Freestanding GLA	Percentage of Mall and Freestanding GLA Leased	Non-Owned Anchors (3)	Company-Owned Anchors (3)
	CONSOLIDATED CENTERS:								
1	50.1%	Chandler Fashion Center Chandler, Arizona	2001/2002	-	1,318,000	633,000	94.7%	Dillard's, Macy's, Nordstrom	Sears
2	100%	Danbury Fair Mall Danbury, Connecticut	1986/2005	2016	1,269,000	524,000	92.1%	JCPenney, Macy's	Dick's Sporting Goods, Forever 21, Lord & Taylor, Primark, Sears
3	100%	Desert Sky Mall Phoenix, Arizona	1981/2002	2007	894,000	283,000	98.5%	Burlington, Dillard's, Sears	La Curacao, Mercado de los Cielos
4	100%	Eastland Mall(4) Evansville, Indiana	1978/1998	1996	1,026,000	537,000	96.7%	Dillard's, Macy's	JCPenney
5	100%	Fashion Outlets of Chicago Rosemont, Illinois	2013/—	-	538,000	538,000	95.9%	—	—
6	100%	Fashion Outlets of Niagara Falls USA Niagara Falls, New York	1982/2011	2014	688,000	688,000	90.2%	—	—
7	50.1%	Freehold Raceway Mall Freehold, New Jersey	1990/2005	2007	1,671,000	774,000	97.0%	JCPenney, Lord & Taylor, Macy's, Nordstrom	Dick's Sporting Goods, Primark, Sears
8	100%	Fresno Fashion Fair Fresno, California	1970/1996	2006	964,000	403,000	94.3%	Macy's	Forever 21, JCPenney, Macy's
9	100%	Green Acres Mall(4) Valley Stream, New York	1956/2013	2016	2,069,000	881,000	97.9%	—	BJ's Wholesale Club, Dick's Sporting Goods, Century 21, JCPenney, Kohl's, Macy's (two), Sears, Walmart
10	100%	Inland Center San Bernardino, California	1966/2004	2016	869,000	207,000	95.3%	Macy's, Sears	Forever 21, JCPenney
11	100%	Kings Plaza Shopping Center(4)(6) Brooklyn, New York	1971/2012	2002	1,138,000	446,000	96.6%	Macy's	Burlington, JCPenney, Lowe's, Primark
12	100%	La Cumbre Plaza(4) Santa Barbara, California	1967/2004	1989	491,000	174,000	88.0%	Macy's	Sears
13	100%	NorthPark Mall Davenport, Iowa	1973/1998	2001	1,051,000	401,000	87.7%	Dillard's, JCPenney, Sears, Von Maur	Younkers
14	100%	Oaks, The Thousand Oaks, California	1978/2002	2009	1,193,000	591,000	93.0%	JCPenney, Macy's (two)	Dick's Sporting Goods, Nordstrom
15	100%	Pacific View Ventura, California	1965/1996	2001	1,061,000	412,000	95.1%	JCPenney, Sears, Target	Macy's
16	100%	Queens Center(4) Queens, New York	1973/1995	2004	963,000	407,000	99.5%	JCPenney, Macy's	—
17	100%	Santa Monica Place Santa Monica, California	1980/1999	2015	526,000	302,000	89.2%	—	Bloomingdale's, Nordstrom
18	84.9%	SanTan Village Regional Center Gilbert, Arizona	2007/—	2009	1,086,000	679,000	97.6%	Dillard's, Macy's	Dick's Sporting Goods
19	100%	SouthPark Mall Moline, Illinois	1974/1998	2015	863,000	349,000	83.8%	Dillard's, Von Maur	Dick's Sporting Goods, JCPenney, Younkers

Count	Company's Ownership(1)	Name of Center/Location(2)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion/ Renovation	Total GLA(3)	Mall and Freestanding GLA	Percentage of Mall and Freestanding GLA Leased	Non-Owned Anchors (3)	Company-Owned Anchors (3)
20	100%	Stonewood Center(4) Downey, California	1953/1997	1991	933,000	359,000	93.1%	—	JCPenney, Kohl's, Macy's, Sears
21	100%	Superstition Springs Center(5) Mesa, Arizona	1990/2002	2002	1,041,000	345,000	89.5%	Dillard's, JCPenney, Macy's, Sears	—
22	100%	Towne Mall Elizabethtown, Kentucky	1985/2005	1989	350,000	179,000	86.2%	—	Belk, JCPenney, Sears
23	100%	Tucson La Encantada Tucson, Arizona	2002/2002	2005	244,000	244,000	94.2%	—	—
24	100%	Valley Mall Harrisonburg, Virginia	1978/1998	1992	505,000	190,000	95.6%	Target	Belk, Dick's Sporting Goods, JCPenney
25	100%	Valley River Center(5) Eugene, Oregon	1969/2006	2007	868,000	345,000	96.9%	Macy's	JCPenney
26	100%	Victor Valley, Mall of Victorville, California	1986/2004	2012	577,000	254,000	97.9%	Macy's	Dick's Sporting Goods, JCPenney, Sears
27	100%	Vintage Faire Mall Modesto, California	1977/1996	2008	1,138,000	405,000	98.1%	Forever 21, Macy's	Dick's Sporting Goods, JCPenney, Macy's, Sears
28	100%	Wilton Mall Saratoga Springs, New York	1990/2005	1998	734,000	449,000	94.6%	JCPenney	Bon-Ton, Dick's Sporting Goods, Sears
		Total Consolidated Centers			26,068,000	11,999,000	94.4%		
	UNCONSOLIDATED JOINT VENTURE CENTERS:								
29	60%	Arrowhead Towne Center Glendale, Arizona	1993/2002	2015	1,197,000	390,000	95.5%	Dillard's, JCPenney, Macy's	Dick's Sporting Goods, Forever 21, Sears
30	50%	Biltmore Fashion Park Phoenix, Arizona	1963/2003	2006	517,000	212,000	95.6%	—	Macy's, Saks Fifth Avenue
31	50%	Broadway Plaza(4) Walnut Creek, California	1951/1985	2016	888,000	343,000	97.6%	Macy's	Neiman Marcus, Nordstrom
32	50.1%	Corte Madera, The Village at Corte Madera, California	1985/1998	2005	461,000	224,000	97.4%	Macy's, Nordstrom	—
33	50%	Country Club Plaza(7) Kansas City, Missouri	1922/2016	2015	1,001,000	1,001,000	n/a	—	—
34	51%	Deptford Mall Deptford, New Jersey	1975/2006	1990	1,040,000	343,000	98.0%	JCPenney, Macy's	Boscov's, Sears
35	51%	FlatIron Crossing Broomfield, Colorado	2000/2002	2009	1,433,000	734,000	96.7%	Dillard's, Macy's, Nordstrom	Dick's Sporting Goods, Forever 21
36	50%	Kierland Commons Scottsdale, Arizona	1999/2005	2003	435,000	435,000	96.2%	—	—
37	60%	Lakewood Center Lakewood, California	1953/1975	2008	2,070,000	1,004,000	97.4%	—	Costco, Forever 21, Home Depot, JCPenney, Macy's, Target
38	60%	Los Cerritos Center(4) Cerritos, California	1971/1999	2016	1,305,000	545,000	96.3%	Macy's, Nordstrom	Dick's Sporting Goods, Forever 21, Sears
39	50%	North Bridge, The Shops at(4) Chicago, Illinois	1998/2008	-	674,000	414,000	98.8%	—	Nordstrom
40	50%	Scottsdale Fashion Square(5) Scottsdale, Arizona	1961/2002	2015	1,837,000	831,000	91.3%	Dillard's	Dick's Sporting Goods, Macy's, Neiman Marcus, Nordstrom
41	60%	South Plains Mall Lubbock, Texas	1972/1998	2017	1,128,000	469,000	91.5%	—	Bealls, Dillard's (two), JCPenney, Sears

Count	Company's Ownership(1)	Name of Center/Location(2)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion/ Renovation	Total GLA(3)	Mall and Freestanding GLA	Percentage of Mall and Freestanding GLA Leased	Non-Owned Anchors (3)	Company-Owned Anchors (3)
42	51%	Twenty Ninth Street(4) Boulder, Colorado	1963/1979	2007	847,000	555,000	97.3%	Macy's	Home Depot
43	50%	Tysons Corner Center Tysons Corner, Virginia	1968/2005	2014	1,971,000	1,087,000	96.6%	—	Bloomingdale's, L.L. Bean, Lord & Taylor, Macy's, Nordstrom
44	60%	Washington Square Portland, Oregon	1974/1999	2005	1,442,000	507,000	95.2%	Macy's	Dick's Sporting Goods, JCPenney, Nordstrom, Sears
45	19%	West Acres(5) Fargo, North Dakota	1972/1986	2001	971,000	418,000	96.5%	Herberger's, Macy's	JCPenney
		Total Unconsolidated Joint Ventures			19,217,000	9,512,000	95.6%		
	REGIONAL SHOPPING CENTERS UNDER REDEVELOPMENT								
46	50%	Fashion District Philadelphia(8) Philadelphia, Pennsylvania	1977/2014	ongoing	850,000	624,000	(9)	—	Burlington, Century 21
47	100%	Paradise Valley Mall(10) Phoenix, Arizona	1979/2002	2009	1,204,000	424,000	(9)	Dillard's, JCPenney, Macy's	Costco, Sears
48	100%	Westside Pavilion(5)(10) Los Angeles, California	1985/1998	2007	755,000	397,000	(9)	Macy's(11)	—
48		**Total Regional Shopping Centers**			48,094,000	22,956,000	95.0%		
	COMMUNITY/POWER SHOPPING CENTERS								
1	50%	Atlas Park, The Shops at(8) Queens, New York	2006/2011	2013	372,000	372,000	86.6%	—	—
2	50%	Boulevard Shops(8) Chandler, Arizona	2001/2002	2004	185,000	185,000	93.2%	—	—
3	Various	Estrella Falls, The Market at(8) Goodyear, Arizona	2009/—	2016	360,000	360,000	97.1%	—	—
4	89.4%	Promenade at Casa Grande(5)(10) Casa Grande, Arizona	2007/—	2009	761,000	431,000	88.2%	Dillard's, JCPenney, Kohl's	—
5	100%	Southridge Center(5)(10) Des Moines, Iowa	1975/1998	2013	826,000	438,000	85.6%	Des Moines Area Community College	Target, Younkers
6	100.0%	Superstition Springs Power Center(10) Mesa, Arizona	1990/2002	-	206,000	53,000	100.0%	Best Buy, Burlington	—
7	100%	The Marketplace at Flagstaff(4)(10) Flagstaff, Arizona	2007/—	-	268,000	147,000	100.0%	—	Home Depot
7		**Total Community/Power Shopping Centers**			2,978,000	1,986,000			
55		**Total before Other Assets**			51,072,000	24,942,000			
				OTHER ASSETS:					
	100%	Various(10)(12)			447,000	169,000	100.0%	—	Forever 21, Kohl's
	50%	Fashion District Philadelphia-Office(8) Philadelphia, Pennsylvania			214,000	—	—	—	—
	50%	Scottsdale Fashion Square-Office(8) Scottsdale, Arizona			122,000	—	—	—	—
	50%	Tysons Corner Center-Office(8) Tysons Corner, Virginia			174,000	—	—	—	—
	50%	Hyatt Regency Tysons Corner Center(8) Tysons Corner, Virginia			290,000	—	—	—	—

Count	Company's Ownership(1)	Name of Center/Location(2)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion/ Renovation	Total GLA(3)	Mall and Freestanding GLA	Percentage of Mall and Freestanding GLA Leased	Non-Owned Anchors (3)	Company-Owned Anchors (3)
	50%	VITA Tysons Corner Center(8) Tysons Corner, Virginia			510,000	—	—	—	—
	50%	Tysons Tower(8) Tysons Corner, Virginia			529,000	—	—	—	—
				Total Other Assets	2,286,000	169,000			
		Grand Total			53,358,000	25,111,000			

(1) The Company's ownership interest in this table reflects its direct or indirect legal ownership interest. Legal ownership may, at times, not equal the Company's economic interest in the listed properties because of various provisions in certain joint venture agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and payments of preferred returns. As a result, the Company's actual economic interest (as distinct from its legal ownership interest) in certain of the properties could fluctuate from time to time and may not wholly align with its legal ownership interests. Substantially all of the Company's joint venture agreements contain rights of first refusal, buy-sell provisions, exit rights, default dilution remedies and/or other break up provisions or remedies which are customary in real estate joint venture agreements and which may, positively or negatively, affect the ultimate realization of cash flow and/or capital or liquidation proceeds. See “Item 1A.-Risks Related to Our Organizational Structure-Outside partners in Joint Venture Centers result in additional risks to our stockholders.”

(2) With respect to 44 Centers, the underlying land controlled by the Company is owned in fee entirely by the Company or, in the case of Joint Venture Centers, by the joint venture property partnership or limited liability company. With respect to the remaining 11 Centers, portions of the underlying land controlled by the Company are owned by third parties and leased to the Company, or the joint venture property partnership or limited liability company, pursuant to long-term ground leases. Under the terms of a typical ground lease, the Company, or the joint venture property partnership or limited liability company, has an option or right of first refusal to purchase the land. The termination dates of the ground leases range from 2019 to 2098.

(3) Total GLA includes GLA attributable to Anchors (whether owned or non-owned) and Mall and Freestanding Stores as of December 31, 2017. “Non-owned Anchors” is space not owned by the Company (or, in the case of Joint Venture Centers, by the joint venture property partnership or limited liability company) which is occupied by Anchor tenants. “Company-owned Anchors” is space owned (or leased) by the Company (or, in the case of Joint Venture Centers, by the joint venture property partnership or limited liability company) and leased (or subleased) to Anchor tenants.

(4) Portions of the land on which the Center is situated are subject to one or more long-term ground leases.

(5) These Centers have vacant Anchor locations. The Company is seeking replacement tenants and/or contemplating redevelopment opportunities for these vacant sites. The Company continues to collect rent under the terms of an agreement regarding two of these vacant Anchor locations.

(6) The Company anticipates that Burlington, JCPenney and Primark will open stores at Kings Plaza Shopping Center in Spring 2018.

(7) Nordstrom has announced plans to open a store at Country Club Plaza in 2021.

(8) Included in Unconsolidated Joint Venture Centers.

(9) Tenant spaces have been intentionally held off the market and remain vacant because of redevelopment plans. As a result, the Company believes the percentage of mall and freestanding GLA leased at this redevelopment property is not meaningful data.

(10) Included in Consolidated Centers.

(11) The Anchor tenant has announced its intent to close this location in March 2018.

(12) The Company owns an office building and seven stores located at shopping centers not owned by the Company. Of the seven stores, one has been leased to Forever 21, one has been leased to Kohl's, two are vacant and three have been leased for non-Anchor usage. With respect to the office building and four of the seven stores, the underlying land is owned in fee entirely by the Company. With respect to the remaining three stores, the underlying land is owned by third parties and leased to the Company pursuant to long-term building or ground leases. Under the terms of a typical building or ground lease, the Company pays rent for the use of the building or land and is generally responsible for all costs and expenses associated with the building and improvements. In some cases, the Company has an option or right of first refusal to purchase the land. The termination dates of the ground leases range from 2018 to 2027.

Mortgage Debt

The following table sets forth certain information regarding the mortgages encumbering the Centers, including those Centers in which the Company has less than a 100% interest. The information set forth below is as of December 31, 2017 (dollars in thousands):

Property Pledged as Collateral	Fixed or Floating	Carrying Amount(1)	Effective Interest Rate(2)	Annual Debt Service(3)	Maturity Date(4)	Balance Due on Maturity	Earliest Date Notes Can Be Defeased or Be Prepaid
Consolidated Centers:							
Chandler Fashion Center(5)	Fixed	$ 199,904	3.77%	$ 7,500	7/1/19	$ 200,000	Any Time
Danbury Fair Mall(6)	Fixed	209,197	5.53%	18,456	10/1/20	188,854	Any Time
Fashion Outlets of Chicago(7)	Floating	199,298	3.02%	5,721	3/31/20	200,000	Any Time
Fashion Outlets of Niagara Falls USA	Fixed	112,770	4.89%	8,724	10/6/20	103,810	Any Time
Freehold Raceway Mall(5)(8)	Fixed	398,050	3.94%	15,600	11/1/29	386,013	11/1/22
Fresno Fashion Fair	Fixed	323,261	3.67%	11,652	11/1/26	325,000	2/28/19
Green Acres Commons(9)	Floating	107,219	4.07%	3,861	3/29/21	110,000	9/29/18
Green Acres Mall	Fixed	291,366	3.61%	17,364	2/3/21	269,922	Any Time
Kings Plaza Shopping Center	Fixed	447,231	3.67%	26,748	12/3/19	427,423	Any Time
Oaks, The	Fixed	196,732	4.14%	12,768	6/5/22	174,433	Any Time
Pacific View	Fixed	124,397	4.08%	8,016	4/1/22	110,597	Any Time
Queens Center	Fixed	600,000	3.49%	20,928	1/1/25	600,000	Any Time
Santa Monica Place(10)	Floating	296,366	3.13%	8,480	12/9/22	300,000	6/9/18
SanTan Village Regional Center	Fixed	124,703	3.14%	7,068	6/1/19	120,238	Any Time
Towne Mall	Fixed	21,161	4.48%	1,404	11/1/22	18,886	Any Time
Tucson La Encantada(11)	Fixed	66,970	4.23%	4,416	3/1/22	59,788	Any Time
Victor Valley, Mall of	Fixed	114,617	4.00%	4,560	9/1/24	115,000	Any Time
Vintage Faire Mall	Fixed	263,818	3.55%	15,072	3/6/26	210,825	Any Time
Westside Pavilion	Fixed	141,020	4.49%	9,396	10/1/22	125,784	Any Time
		$ 4,238,080					

Property Pledged as Collateral	Fixed or Floating	Carrying Amount(1)	Effective Interest Rate(2)	Annual Debt Service(3)	Maturity Date(4)	Balance Due on Maturity	Earliest Date Notes Can Be Defeased or Be Prepaid
Unconsolidated Joint Venture Centers (at Company's Pro Rata Share):							
Arrowhead Towne Center(60.0%)	Fixed	$ 240,000	4.05%	$ 9,720	2/1/28	$ 212,719	2/1/22
Atlas Park, The Shops at(50.0%)(12)	Floating	26,270	3.43%	907	10/28/20	26,993	Any Time
Boulevard Shops(50.0%)(13)	Floating	9,348	3.24%	517	12/16/18	9,133	Any Time
Corte Madera, The Village at(50.1%)	Fixed	112,360	3.53%	3,945	9/1/28	98,753	9/30/19
Country Club Plaza(50.0%)	Fixed	159,608	3.88%	6,160	4/1/26	137,525	4/1/21
Deptford Mall(51.0%)	Fixed	95,432	3.55%	5,795	4/3/23	81,750	Any Time
Estrella Falls, The Market at(40.1%)(14)	Floating	9,903	3.39%	420	2/5/20	9,715	Any Time
FlatIron Crossing(51.0%)	Fixed	126,380	2.81%	8,525	1/5/21	110,538	Any Time
Kierland Commons(50.0%)(11)(15)	Fixed	110,979	3.98%	6,406	4/1/27	88,724	Any Time
Lakewood Center(60.0%)	Fixed	222,166	4.15%	13,144	6/1/26	185,306	Any Time
Los Cerritos Center(60.0%)	Fixed	315,000	4.00%	12,600	11/1/27	278,711	11/1/21
North Bridge, The Shops at(50.0%)	Fixed	186,935	3.71%	6,900	6/1/28	160,523	Any Time
Scottsdale Fashion Square(50.0%)	Fixed	235,649	3.02%	13,281	4/3/23	201,331	Any Time
South Plains Mall(60.0%)	Fixed	120,000	4.22%	5,065	11/6/25	120,000	3/6/18
Twenty Ninth Street(51.0%)	Fixed	76,500	4.10%	3,137	2/6/26	76,500	6/7/18
Tysons Corner Center(50.0%)(16)	Fixed	390,561	4.13%	24,643	1/1/24	333,233	Any Time
Washington Square(60.0%)	Fixed	330,000	3.65%	12,045	11/1/22	311,863	11/1/18
West Acres(19.0%)(17)	Fixed	14,953	4.61%	1,025	3/1/32	8,256	Any Time
		$ 2,782,044					

(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. The debt premiums (discounts) are being amortized into interest expense over the term of the related debt in a manner which approximates the effective interest method.

The debt premiums (discounts) as of December 31, 2017 consisted of the following:

Property Pledged as Collateral	
Consolidated Centers	
Fashion Outlets of Niagara Falls USA	$ 2,630
Unconsolidated Joint Venture Center (at Company's Pro Rata Share)	
Deptford Mall	$ 820
FlatIron Crossing	3,773
Lakewood Center	(11,916)
	$ (7,323)

The mortgage notes payable balances also include unamortized deferred finance costs that are amortized into interest expense over the remaining term of the related debt in a manner that approximates the effective interest method. Unamortized deferred finance costs at December 31, 2017 were $17,838 for Consolidated Centers and $3,664 for Unconsolidated Joint Ventures (at Company's pro rata share).

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

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

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

(5) A 49.9% interest in the loan has been assumed by a third party in connection with a co-venture arrangement.

(6) Northwestern Mutual Life ("NML") is the lender of 50% of the loan. NML is considered a related party as it is a joint venture partner with the Company in Broadway Plaza.

(7) The loan bears interest at LIBOR plus 1.50%.

(8) On October 19, 2017, the Company's joint venture in Chandler Fashion Center and Freehold Raceway Mall replaced the existing loan on Freehold Raceway Mall with a new $400.0 million loan that bears interest at an effective rate of 3.94% and matures on November 1, 2029.

(9) On September 29, 2017, the Company placed a new $110.0 million loan on the property that bears interest at LIBOR plus 2.15% and matures on March 29, 2021, including extension options. The loan can be expanded, depending on certain conditions, up to $130.0 million.

(10) On December 4, 2017, the Company replaced the existing loan on the property with a new $300.0 million loan that bears interest at LIBOR plus 1.35% and matures on December 9, 2022, including three one-year extension options. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 4.00%.

(11) NML is the lender of this loan.

(12) The loan bears interest at LIBOR plus 2.00%.

(13) The loan bears interest at LIBOR plus 1.75%.

(14) The loan bears interest at LIBOR plus 1.70%.

(15) On March 16, 2017, the Company's joint venture in Kierland Commons replaced the existing loan on the property with a new $225.0 million loan that bears interest at an effective rate of 3.98% and matures on April 1, 2027.

(16) NML is the lender of 33.3% of the loan.

(17) On February 1, 2017, the Company's joint venture in West Acres replaced the existing loan on the property with a new $80.0 million loan that bears interest at an effective rate of 4.61% and matures on March 1, 2032.

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The common stock of the Company is listed and traded on the New York Stock Exchange under the symbol "MAC". The common stock began trading on March 10, 1994 at a price of $19 per share. In 2017, the Company's shares traded at a high of $73.34 and a low of $52.12.

As of February 21, 2018, there were approximately 521 stockholders of record. The following table shows high and low sales prices per share of common stock during each quarter in 2017 and 2016 and dividends per share of common stock declared and paid by the Company during each quarter:

	Market Quotation Per Share		Dividends (1)	
Quarter Ended	High	Low	Declared	Paid
March 31, 2017	$ 73.34	$ 62.14	$ 0.71	$ 0.71
June 30, 2017	$ 67.18	$ 56.06	$ 0.71	$ 0.71
September 30, 2017	$ 61.55	$ 52.12	$ 0.71	$ 0.71
December 31, 2017	$ 67.53	$ 52.45	$ 0.74	$ 0.74
March 31, 2016	$ 82.88	$ 72.99	$ 0.68	$ 2.68
June 30, 2016	$ 85.39	$ 71.82	$ 0.68	$ 0.68
September 30, 2016	$ 94.51	$ 78.76	$ 0.68	$ 0.68
December 31, 2016	$ 80.54	$ 66.00	$ 0.71	$ 0.71

(1) The dividends paid during the quarter ended March 31, 2016 include a special dividend/distribution of $2.00 per share of common stock and per OP Unit that was declared during the quarter ended December 31, 2015.

To maintain its qualification as a REIT, the Company is required each year to distribute to stockholders at least 90% of its net taxable income after certain adjustments. The Company paid all of its 2017 and 2016 quarterly dividends in cash. The timing, amount and composition of future dividends will be determined in the sole discretion of the Company's board of directors and will depend on actual and projected cash flow, financial condition, funds from operations, earnings, capital requirements, annual REIT distribution requirements, contractual prohibitions or other restrictions, applicable law and such other factors as the board of directors deems relevant. For example, under the Company's existing financing arrangements, the Company may pay cash dividends and make other distributions based on a formula derived from funds from operations (See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Funds From Operations ("FFO")") and only if no default under the financing agreements has occurred, unless, under certain circumstances, payment of the distribution is necessary to enable the Company to continue to qualify as a REIT under the Code.

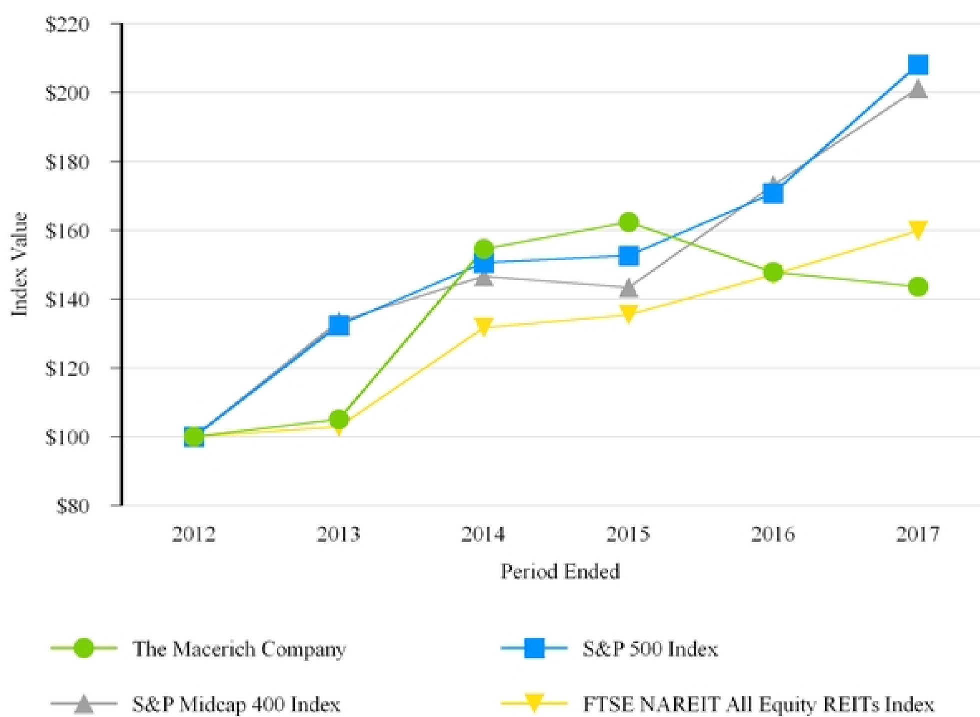
Stock Performance Graph

The following graph provides a comparison, from December 31, 2012 through December 31, 2017, of the yearly percentage change in the cumulative total stockholder return (assuming reinvestment of dividends) of the Company, the Standard & Poor's ("S&P") 500 Index, the S&P Midcap 400 Index and the FTSE NAREIT All Equity REITs Index, an industry index of publicly-traded REITs (including the Company).

The graph assumes that the value of the investment in each of the Company's common stock and the indices was $100 at the close of the market on December 31, 2012.

Upon written request directed to the Secretary of the Company, the Company will provide any stockholder with a list of the REITs included in the FTSE NAREIT All Equity REITs Index. The historical information set forth below is not necessarily indicative of future performance.

Data for the FTSE NAREIT All Equity REITs Index, the S&P 500 Index and the S&P Midcap 400 Index were provided by Research Data Group.



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	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17
The Macerich Company	$ 100.00	$ 105.00	$ 154.56	$ 162.31	$ 147.75	$ 143.52
S&P 500 Index	100.00	132.39	150.51	152.59	170.84	208.14
S&P Midcap 400 Index	100.00	133.50	146.54	143.35	173.08	201.20
FTSE NAREIT All Equity REITs Index	100.00	102.86	131.68	135.40	147.09	159.85

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1)
October 1, 2017 to October 31, 2017	—	$ —	—	$ 278,707,048
November 1, 2017 to November 30, 2017	—	—	—	$ 278,707,048
December 1, 2017 to December 31, 2017	—	—	—	$ 278,707,048
	—	$ —	—	

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

ITEM 6. SELECTED FINANCIAL DATA

The following sets forth selected financial data for the Company on a historical basis. The following data should be read in conjunction with the consolidated financial statements (and the notes thereto) of the Company and "Management's Discussion and Analysis of Financial Condition and Results of Operations," each included elsewhere in this Form 10-K. All dollars and share amounts are in thousands, except per share data.

	Years Ended December 31,				
	2017	2016	2015	2014	2013
OPERATING DATA:					
Revenues:					
Minimum rents (1)	$ 594,030	$ 616,295	$ 759,603	$ 633,571	$ 578,113
Percentage rents	17,124	20,902	25,693	24,350	23,156
Tenant recoveries	283,295	305,282	415,129	361,119	337,772
Other	55,819	59,328	61,470	52,226	50,242
Management Companies	43,394	39,464	26,254	33,981	40,192
Total revenues	993,662	1,041,271	1,288,149	1,105,247	1,029,475
Expenses:					
Shopping center and operating expenses	295,190	307,623	379,815	353,505	329,795
Management Companies' operating expenses	100,121	98,323	92,340	88,424	93,461
REIT general and administrative expenses	28,240	28,217	29,870	29,412	27,772
Costs related to unsolicited takeover offer (2)	—	—	25,204	—	—
Depreciation and amortization	335,431	348,488	464,472	378,716	357,165
Interest expense	171,776	163,675	211,943	190,689	197,247
(Gain) loss on extinguishment of debt, net (3)	—	(1,709)	(1,487)	9,551	(1,432)
Total expenses	930,758	944,617	1,202,157	1,050,297	1,004,008
Equity in income of unconsolidated joint ventures (4)	85,546	56,941	45,164	60,626	167,580
Co-venture expense	(13,629)	(13,382)	(11,804)	(9,490)	(8,864)
Income tax (expense) benefit (5)	(15,594)	(722)	3,223	4,269	1,692
Gain (loss) on sale or write down of assets, net (6)	42,446	415,348	378,248	73,440	(78,057)
Gain on remeasurement of assets (7)	—	—	22,089	1,423,136	51,205
Income from continuing operations	161,673	554,839	522,912	1,606,931	159,023
Discontinued operations: (8)					
Gain on disposition of assets, net	—	—	—	—	286,414
Income from discontinued operations	—	—	—	—	3,522
Total income from discontinued operations	—	—	—	—	289,936
Net income	161,673	554,839	522,912	1,606,931	448,959
Less net income attributable to noncontrolling interests	15,543	37,844	35,350	107,889	28,869
Net income attributable to the Company	$ 146,130	$ 516,995	$ 487,562	$ 1,499,042	$ 420,090
Earnings per common share ("EPS") attributable to the Company—basic:					
Income from continuing operations	$ 1.02	$ 3.52	$ 3.08	$ 10.46	$ 1.07
Discontinued operations	—	—	—	—	1.94
Net income attributable to common stockholders	$ 1.02	$ 3.52	$ 3.08	$ 10.46	$ 3.01
EPS attributable to the Company—diluted: (9)(10)					
Income from continuing operations	$ 1.02	$ 3.52	$ 3.08	$ 10.45	$ 1.06
Discontinued operations	—	—	—	—	1.94
Net income attributable to common stockholders	$ 1.02	$ 3.52	$ 3.08	$ 10.45	$ 3.00

	As of December 31,				
	2017	2016	2015	2014	2013
BALANCE SHEET DATA:					
Investment in real estate (before accumulated depreciation)	$ 9,127,533	$ 9,209,211	$ 10,689,656	$ 12,777,882	$ 9,181,338
Total assets	$ 9,605,862	$ 9,958,148	$ 11,235,584	$ 13,094,948	$ 9,038,972
Total mortgage and notes payable	$ 5,170,264	$ 4,965,900	$ 5,260,750	$ 6,265,570	$ 4,546,449
Equity (11)	$ 3,967,999	$ 4,427,168	$ 5,071,239	$ 6,039,849	$ 3,718,717
OTHER DATA:					
Funds from operations ("FFO")—diluted (12)	$ 582,878	$ 642,304	$ 642,268	$ 542,754	$ 527,574
Cash flows provided by (used in):					
Operating activities	$ 386,389	$ 429,534	$ 554,956	$ 409,731	$ 422,035
Investing activities	$ 176,872	$ 443,113	$ (101,024)	$ (255,791)	$ 271,867
Financing activities	$ (566,269)	$ (865,111)	$ (452,329)	$ (138,748)	$ (689,980)
Number of Centers at year end	55	57	58	60	64
Regional Shopping Centers portfolio occupancy (13)	95.0%	95.4%	96.1%	95.8%	94.6%
Regional Shopping Centers portfolio sales per square foot (14)	$ 660	$ 630	$ 635	$ 587	$ 562
Weighted average number of shares outstanding—EPS basic	141,877	146,599	157,916	143,144	139,598
Weighted average number of shares outstanding—EPS diluted(10)	141,913	146,711	158,060	143,291	139,680
Distributions declared per common share (15)	$ 2.87	$ 2.75	$ 6.63	$ 2.51	$ 2.36

(1) Minimum rents were increased by amortization of above and below-market leases of $1.0 million, $12.8 million, $16.5 million, $9.1 million and $6.6 million for the years ended December 31, 2017, 2016, 2015, 2014 and 2013, respectively.

(2) Costs related to unsolicited takeover offer from Simon. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Transactions and Events."

(3) The (gain) loss on extinguishment of debt, net for the years ended December 31, 2016, 2015, 2014 and 2013 includes the (gain) loss on the extinguishment of mortgage notes payable of $(1.7) million, $(2.1) million, $9.6 million and $(1.4) million, respectively. The (gain) loss on extinguishment of debt, net for the year ended December 31, 2015 also includes the loss on the extinguishment of a term loan of $0.6 million.

(4) On May 29, 2013, the Company's joint venture in Pacific Premier Retail LLC sold Redmond Town Center Office for $185.0 million, resulting in a gain on the sale of assets of $89.2 million to the joint venture. The Company's share of the gain was $44.4 million. The Company used its share of the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On June 12, 2013, the Company's joint venture in Pacific Premier Retail LLC sold Kitsap Mall for $127.0 million, resulting in a gain on the sale of assets of $55.2 million to the joint venture. The Company's share of the gain was $28.1 million. The Company used its share of the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On August 1, 2013, the Company's joint venture in Pacific Premier Retail LLC sold Redmond Town Center for $127.0 million, resulting in a gain on the sale of assets of $38.4 million to the joint venture. The Company's share of the gain was $18.3 million. The Company used its share of the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On September 17, 2013, the Company’s joint venture in Camelback Colonnade was restructured. As a result of the restructuring, the Company’s ownership interest in Camelback Colonnade decreased from 73.2% to 67.5%. Prior to the restructuring, the Company had accounted for its investment in Camelback Colonnade under the equity method of accounting due to substantive participation rights held by the outside partners. Upon completion of the restructuring, these substantive participation rights were terminated and the Company obtained voting control of the joint venture. As a result of this transaction, the Company recognized a remeasurement gain of $36.3 million. Since the date of the restructuring, the Company included Camelback Colonnade in its consolidated financial statements until it was sold on December 29, 2014.

On October 8, 2013, the Company's joint venture in Ridgmar Mall sold the property for $60.9 million, which resulted in a gain on the sale of assets of $6.2 million to the joint venture. The Company's share of the gain was $3.1 million. The cash proceeds from the sale were used to pay off the $51.7 million mortgage loan on the property and the remaining $9.2 million net of closing costs was distributed to the partners. The Company used its share of the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On October 24, 2013, the Company acquired the remaining 33.3% ownership interest in Superstition Springs Center that it did not previously own for $46.2 million. The purchase price was funded by a cash payment of $23.7 million and the assumption of the third party's pro rata share of the mortgage note payable on the property of $22.5 million. Prior to the acquisition, the Company had accounted for its investment in Superstition Springs Center under the equity method of accounting. As a result of this transaction, the Company recognized a remeasurement gain of $14.9 million. Since the date of acquisition, the Company has included Superstition Springs Center in its consolidated financial statements.

On June 4, 2014, the Company acquired the remaining 49.0% ownership interest in Cascade Mall that it did not previously own for a cash payment of $15.2 million. The Company purchased Cascade Mall from its joint venture in Pacific Premier Retail LLC. Prior to the acquisition, the Company had accounted for its investment in Cascade Mall under the equity method of accounting. From the date of acquisition until it was sold on January 18, 2017, the Company has included Cascade Mall in its consolidated financial statements.

On July 30, 2014, the Company formed a joint venture to redevelop Fashion District Philadelphia. The Company invested $106.8 million for a 50% ownership interest in the joint venture, which was funded by borrowings under its line of credit.

On August 28, 2014, the Company sold its 30% ownership interest in Wilshire Boulevard for a total sales price of $17.1 million, resulting in a gain on the sale of assets of $9.0 million. The sales price was funded by a cash payment of $15.4 million and the assumption of the Company's share of the mortgage note payable on the property of $1.7 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes.

On November 14, 2014, the Company acquired the remaining 49% ownership interest that it did not previously own in two separate joint ventures, Pacific Premier Retail LLC and Queens JV LP, which together owned five Centers: Lakewood Center, Los Cerritos Center, Queens Center, Stonewood Center and Washington Square (collectively referred to herein as the "PPR Queens Portfolio.") The total consideration of approximately $1.8 billion was funded by the direct issuance of approximately $1.2 billion of common stock of the Company and the assumption of the third party's pro rata share of the mortgage notes payable on the properties of $672.1 million. The Company has included Stonewood Center and Queens Center in its consolidated financial statements since the date of acquisition and has included Lakewood Center, Los Cerritos Center and Washington Square in its consolidated financial statements from the date of acquisition until the Company sold a 40% interest in Pacific Premier Retail LLC (the "PPR Portfolio") on October 30, 2015 as provided below.

On February 17, 2015, the Company acquired the remaining 50% ownership interest in Inland Center that it did not previously own for $51.3 million. The purchase price was funded by a cash payment of $26.3 million and the assumption of the third party's share of the mortgage note payable on the property of $25.0 million. Concurrent with the purchase of the joint venture interest, the Company paid off the $50.0 million mortgage note payable on the property. The cash payment was funded by borrowings under the Company's line of credit.

On April 30, 2015, the Company entered into a 50/50 joint venture with Sears to own nine freestanding stores located at Arrowhead Towne Center, Chandler Fashion Center, Danbury Fair Mall, Deptford Mall, Freehold Raceway Mall, Los Cerritos Center, South Plains Mall, Vintage Faire Mall and Washington Square. The Company invested $150.0 million for a 50% interest in the joint venture, which was funded by borrowings under its line of credit.

On October 30, 2015, the Company sold a 40% ownership interest in the PPR Portfolio, which owns Lakewood Center, Los Cerritos Center, South Plains Mall and Washington Square for a total sales price of $1.3 billion, resulting in a gain on sale of assets of $311.2 million. The sales price was funded by a cash payment of $545.6 million and the assumption of the pro rata share of the mortgage and other notes payable on the properties of $713.0 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes, which included funding the accelerated share repurchase program ("ASR") and Special Dividend (See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Transactions and Events"). Upon completion of the sale of the ownership interest, the Company has accounted for its investment in the PPR Portfolio under the equity method of accounting.

On January 6, 2016, the Company sold a 40% ownership interest in Arrowhead Towne Center for $289.5 million, resulting in a gain on the sale of assets of $101.6 million. The sales price was funded by a cash payment of $129.5 million and the assumption of a pro rata share of the mortgage note payable on the property of $160.0 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes, which included funding the Special Dividend (See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Transactions and Events"). Upon completion of the sale of the ownership interest, the Company has accounted for its investment in Arrowhead Towne Center under the equity method of accounting.

On January 14, 2016, the Company formed a joint venture, whereby the Company sold a 49% ownership interest in Deptford Mall, FlatIron Crossing and Twenty Ninth Street (the "MAC Heitman Portfolio"), for $771.5 million, resulting in a gain on the sale of assets of $340.7 million. The sales price was funded by a cash payment of $478.6 million and the assumption of a pro rata share of the mortgage notes payable on the properties of $292.9 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes. Upon completion of the sale of the ownership interest, the Company has accounted for its investment in the MAC Heitman Portfolio under the equity method of accounting.

On March 1, 2016, the Company, through a 50/50 joint venture, acquired Country Club Plaza for a purchase price of $660.0 million. The Company funded its pro rata share of the purchase price of $330.0 million from borrowings under its line of credit. On March 28, 2016, the joint venture placed a $320.0 million loan on the property that bears interest at an effective rate of 3.88% and matures on April 1, 2026. The Company used its pro rata share of the proceeds to pay down its line of credit.

On March 17, 2017, the Company's joint venture in Country Club Plaza sold an office building for $78.0 million, resulting in a gain on sale of assets of $4.6 million. The Company's pro rata share of the gain on sale of assets of $2.3 million was included in equity in income of unconsolidated joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Transactions and Events").

On September 18, 2017, the Company's joint venture in Fashion District Philadelphia sold an office building for $61.5 million, resulting in a gain on sale of assets of $13.1 million. The Company's pro rata share of the gain on sale of assets of $6.5 million was included in equity in income of unconsolidated joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Transactions and Events").

(5) The Company's taxable REIT subsidiaries are subject to corporate level income taxes. The income tax expense for the year ended December 31, 2017 includes a charge of $14.2 million due to the impact of the Tax Cuts and Jobs Act of 2017 ("TCJA 2017"). The TCJA 2017 reduced the federal income tax rate to 21% (See Note 21—Income Taxes in the Company's Notes to the Consolidated Financial Statements).

(6) Gain (loss) on sale or write down of assets, net includes a gain of $14.6 million from sale of 500 North Michigan Avenue and $59.6 million from sale of Cascade Mall and Northgate Mall during the year ended December 31, 2017, $340.7 million from the sale of a 49% ownership interest in the MAC Heitman Portfolio and $101.6 million from the sale of a 40% ownership interest in the Arrowhead Towne Center during the year ended December 31, 2016, $311.2 million from the sale of a 40% ownership interest in the PPR Portfolio and $73.7 million from the sale of Panorama Mall during the year ended December 31, 2015 and $121.9 million from the sale of South Towne Center during the year ended December 31, 2014.

(7) Gain on remeasurement of assets includes $22.1 million from the acquisition of Inland Center during the year ended December 31, 2015, $1.4 billion from the acquisition of the PPR Queens Portfolio during the year ended December 31, 2014, $36.3 million from the acquisition of Camelback Colonnade and $14.9 million from the acquisition of Superstition Springs Center during the year ended December 31, 2013.

(8) Discontinued operations include the following:

On May 31, 2013, the Company sold Green Tree Mall for $79.0 million, resulting in a gain on the sale of assets of $59.8 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On June 4, 2013, the Company sold Northridge Mall and Rimrock Mall in a combined transaction for $230.0 million, resulting in a gain on the sale of assets of $82.2 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On September 11, 2013, the Company sold a former Mervyn's store in Milpitas, California for $12.0 million, resulting in a loss on the sale of assets of $2.6 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On September 30, 2013, the Company conveyed Fiesta Mall to the mortgage note lender by a deed-in-lieu of foreclosure. The mortgage loan was non-recourse. As a result of the conveyance, the Company recognized a gain on the extinguishment of debt of $1.3 million.

On October 15, 2013, the Company sold a former Mervyn's store in Midland, Texas for $5.7 million, resulting in a loss on the sale of assets of $2.0 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On October 23, 2013, the Company sold a former Mervyn's store in Grand Junction, Colorado for $5.4 million, resulting in a gain on the sale of assets of $1.7 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On December 4, 2013, the Company sold a former Mervyn's store in Livermore, California for $10.5 million, resulting in a loss on the sale of assets of $5.3 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On December 11, 2013, the Company sold Chesterfield Towne Center and Centre at Salisbury in a combined transaction for $292.5 million, resulting in a gain on the sale of assets of $151.5 million. The sales price was funded by a cash payment of $67.8 million, the assumption of the $109.7 million mortgage note payable on Chesterfield Towne Center and the assumption of the $115.0 million mortgage note payable on Centre at Salisbury. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

The Company has classified the results of operations and gain or loss on sale for all of the above dispositions as discontinued operations for the year ended December 31, 2013. On April 10, 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-08, which amended the definition of discontinued operations and requires additional disclosures for disposal transactions that do not meet the revised discontinued operations criteria. The Company adopted this pronouncement on January 1, 2014. As a result, properties sold after 2013 have been included in gain (loss) on sale or write down of assets, net in continuing operations.

(9) Assumes the conversion of Operating Partnership units to the extent they are dilutive to the EPS computation. It also assumes the conversion of MACWH, LP common and preferred units to the extent that they are dilutive to the EPS computation.

(10) Includes the dilutive effect, if any, of share and unit-based compensation plans calculated using the treasury stock method and the dilutive effect, if any, of all other dilutive securities calculated using the "if converted" method.

(11) Equity includes the noncontrolling interests in the Operating Partnership, nonredeemable noncontrolling interests in consolidated joint ventures and common and non-participating convertible preferred units of MACWH, LP.

(12) See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Funds From Operations ("FFO")".

(13) Occupancy is the percentage of Mall and Freestanding GLA leased as of the last day of the reporting period. Centers under development and redevelopment are excluded from occupancy. As a result, occupancy for the years ended December 31, 2017, 2016, 2015 and 2014 excluded Fashion District Philadelphia, Paradise Valley Mall and Westside Pavilion. Occupancy for the years ended December 31, 2016, 2015 and 2014 excluded Broadway Plaza. Occupancy for the years ended December 31, 2015 and 2014 excluded Fashion Outlets of Niagara Falls USA and SouthPark Mall. Occupancy for the year ended December 31, 2013 excluded Paradise Valley Mall.

In addition, occupancy for the year ended December 31, 2016 excluded Cascade Mall and Northgate Mall, which were sold on January 18, 2017. Occupancy for the year ended December 31, 2015 excluded Flagstaff Mall, which was conveyed to the mortgage lender by a deed-in-lieu of foreclosure on July 15, 2016. Occupancy for the year ended December 31, 2014 excluded Great Northern Mall, which was conveyed to the mortgage lender by a deed-in-lieu of foreclosure in 2015. Occupancy for the year ended December 31, 2013 excluded Rotterdam Square, which was sold on January 15, 2014.

(14) Sales per square foot are based on reports by retailers leasing Mall Stores and Freestanding Stores for the trailing twelve months for tenants which have occupied such stores for a minimum of twelve months. Sales per square foot also are based on tenants 10,000 square feet and under for Regional Shopping Centers. The sales per square foot exclude Centers under development and redevelopment. As a result, sales per square foot for the years ended December 31, 2017, 2016, 2015 and 2014 excluded Fashion District Philadelphia, Paradise Valley Mall and Westside Pavilion. Sales per square foot for the years ended December 31, 2016, 2015 and 2014 excluded Broadway Plaza. Sales per square foot for the years ended December 31, 2015 and 2014 excluded Fashion Outlets of Niagara Falls USA and SouthPark Mall. Sales per square foot for the year ended December 31, 2013 excluded Paradise Valley Mall.

In addition, sales per square foot for the year ended December 31, 2016 excluded Cascade Mall and Northgate Mall, which were sold on January 18, 2017. Sales per square foot for the year ended December 31, 2015 excluded Flagstaff Mall, which was conveyed to the mortgage lender by a deed-in-lieu of foreclosure on July 15, 2016. Sales per square foot for the year ended December 31, 2014 excluded Great Northern Mall, which was conveyed to the mortgage lender by a deed-in-lieu of foreclosure in 2015. Sales per square foot for the year ended December 31, 2013 excluded Rotterdam Square, which was sold on January 15, 2014.

(15) On October 30, 2015, the Company declared two special dividends/distributions ("Special Dividend"), each of $2.00 per share of common stock and per OP Unit to stockholders and OP Unit holders of record on November 12, 2015. The first Special Dividend was paid on December 8, 2015 and the second Special Dividend was paid on January 6, 2016. The Special Dividends were funded from proceeds in connection with the financing and sale of ownership interests in the PPR Portfolio and Arrowhead Towne Center.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Overview and Summary

The Company is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community/power shopping centers located throughout the United States. The Company is the sole general partner of, and owns a majority of the ownership interests in, the Operating Partnership. As of December 31, 2017, the Operating Partnership owned or had an ownership interest in 48 regional shopping centers and seven community/power shopping centers. These 55 regional and community/power shopping centers (which include any related office space) consist of approximately 53 million square feet of gross leasable area ("GLA") and are referred to herein as the "Centers". The Centers consist of consolidated Centers ("Consolidated Centers") and unconsolidated joint venture Centers ("Unconsolidated Joint Venture Centers") as set forth in "Item 2. Properties," 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 years ended December 31, 2017, 2016 and 2015. It compares the results of operations and cash flows for the year ended December 31, 2017 to the results of operations and cash flows for the year ended December 31, 2016. Also included is a comparison of the results of operations and cash flows for the year ended December 31, 2016 to the results of operations and cash flows for the year ended December 31, 2015. This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Acquisitions and Dispositions:

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

On February 17, 2015, the Company acquired the remaining 50% ownership interest in Inland Center, an 869,000 square foot regional shopping center in San Bernardino, California, that it did not previously own for $51.3 million. The purchase price was funded by a cash payment of $26.3 million and the assumption of the third party's share of the mortgage note payable on the property of $25.0 million. Concurrent with the purchase of the joint venture interest, the Company paid off the $50.0 million loan on the property. The cash payment was funded by borrowings under the Company's line of credit. As a result of the acquisition, the Company recognized a gain on the remeasurement of assets of $22.1 million. Since the date of acquisition, the Company has included Inland Center in its consolidated financial statements.

On April 30, 2015, the Company entered into a 50/50 joint venture with Sears to own nine freestanding stores located at Arrowhead Towne Center, Chandler Fashion Center, Danbury Fair Mall, Deptford Mall, Freehold Raceway Mall, Los Cerritos Center, South Plains Mall, Vintage Faire Mall and Washington Square. The Company invested $150.0 million for a 50% ownership interest in the joint venture, which was funded by borrowings under the Company's line of credit.

On October 30, 2015, the Company sold a 40% ownership interest in Pacific Premier Retail LLC (the "PPR Portfolio"), which owns Lakewood Center, a 2,070,000 square foot regional shopping center in Lakewood, California; Los Cerritos Center, a 1,305,000 square foot regional shopping center in Cerritos, California; South Plains Mall, a 1,128,000 square foot regional shopping center in Lubbock, Texas; and Washington Square, a 1,442,000 square foot regional shopping center in Portland, Oregon, for a total sales price of $1.3 billion, resulting in a gain on the sale of assets of $311.2 million. The sales price was funded by a cash payment of $545.6 million and the assumption of a pro rata share of the mortgage and other notes payable on the properties of $713.0 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes, which included funding the ASR and Special Dividend (See "Other Transactions and Events"). Upon completion of the sale of the ownership interest, the Company no longer has a controlling interest in the joint venture due to the substantive participation rights of the outside partner. Accordingly, the Company accounts for its investment in the PPR Portfolio under the equity method of accounting.

On November 19, 2015, the Company sold Panorama Mall, a 312,000 square foot community center in Panorama City, California, for $98.0 million, resulting in a gain on the sale of assets of $73.7 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On January 6, 2016, the Company sold a 40% ownership interest in Arrowhead Towne Center, a 1,197,000 square foot regional shopping center in Glendale, Arizona, for $289.5 million, resulting in a gain on the sale of assets of $101.6 million. The sales price was funded by a cash payment of $129.5 million and the assumption of a pro rata share of the mortgage note payable on the property of $160.0 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes, which included funding the Special Dividend (See "Other Transactions and Events"). Upon completion of the sale of the ownership interest, the Company no longer has a controlling interest in the joint venture due to the

substantive participation rights of the outside partner. Accordingly, the Company accounts for its investment in Arrowhead Towne Center under the equity method of accounting.

On January 14, 2016, the Company formed a joint venture, whereby the Company sold a 49% ownership interest in Deptford Mall, a 1,040,000 square foot regional shopping center in Deptford, New Jersey; FlatIron Crossing, a 1,433,000 square foot regional shopping center in Broomfield, Colorado; and Twenty Ninth Street, an 847,000 square foot regional shopping center in Boulder, Colorado (the "MAC Heitman Portfolio"), for $771.5 million, resulting in a gain on the sale of assets of $340.7 million. The sales price was funded by a cash payment of $478.6 million and the assumption of a pro rata share of the mortgage notes payable on the properties of $292.9 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes. Upon completion of the sale of the ownership interest, the Company no longer has a controlling interest in the joint venture due to the substantive participation rights of the outside partner. Accordingly, the Company accounts for its investment in the MAC Heitman Portfolio under the equity method of accounting.

The sale of ownership interests in the PPR Portfolio, Arrowhead Towne Center and the MAC Heitman Portfolio are collectively referred to herein as the Joint Venture Transactions.

On March 1, 2016, the Company through a 50/50 joint venture, acquired Country Club Plaza, a 1,001,000 square foot regional shopping center in Kansas City, Missouri, for a purchase price of $660.0 million. The Company funded its pro rata share of $330.0 million with borrowings under its line of credit.

On April 13, 2016, the Company sold Capitola Mall, a 586,000 square foot regional shopping center in Capitola, California, for $93.0 million, resulting in a gain on the sale of assets of $24.9 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On May 31, 2016, the Company sold a former Mervyn's store in Yuma, Arizona, for $3.2 million, resulting in a loss on the sale of assets of $3.1 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On January 18, 2017, the Company sold Cascade Mall, a 589,000 square foot regional shopping center in Burlington, Washington; and Northgate Mall, a 750,000 square foot regional shopping center in San Rafael, California, in a combined transaction for $170.0 million, resulting in a gain on the sale of assets of $59.6 million. The proceeds were used to pay off the mortgage note payable on Northgate Mall and to repurchase shares of the Company's common stock under the 2017 Stock Buyback Program (See "Other Transactions and Events").

On March 17, 2017, the Company's joint venture in Country Club Plaza sold an office building for $78.0 million, resulting in a gain on sale of assets of $4.6 million. The Company's pro rata share of the gain on sale of assets of $2.3 million was included in equity in income of unconsolidated joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See "Other Transactions and Events").

On September 18, 2017, the Company's joint venture in Fashion District Philadelphia sold an office building for $61.5 million, resulting in a gain on sale of assets of $13.1 million. The Company's pro rata share of the gain on sale of assets of $6.5 million was included in equity in income of unconsolidated joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See "Other Transactions and Events").

On November 16, 2017, the Company sold 500 North Michigan Avenue, a 326,000 square foot office building in Chicago, Illinois for $86.4 million, resulting in a gain on sale of assets of $14.6 million. The Company used the proceeds from the sale to pay down its line of credit and for other general corporate purposes.

On December 14, 2017, the Company’s joint venture in Westcor/Queens Creek LLC sold land for $30.5 million, resulting in a gain on sale of assets of $14.9 million. The Company’s share of the gain on sale was $5.4 million, which was included in equity in income of unconsolidated joint ventures. The Company used its portion of the proceeds to pay down its line of credit and for general corporate purposes.

Financing Activity:

On February 3, 2015, the Company’s joint venture in The Market at Estrella Falls replaced the existing loan on the property with a new $26.5 million loan that bears interest at LIBOR plus 1.70% and matures on February 5, 2020, including the exercise of a one-year extension option.

On February 19, 2015, the Company placed a $280.0 million loan on Vintage Faire Mall that bears interest at an effective rate of 3.55% and matures on March 6, 2026.

On March 2, 2015, the Company paid off in full the loan on Lakewood Center, which resulted in a gain of $2.2 million on the early extinguishment of debt as a result of writing off the related debt premium. On May 12, 2015, the Company placed a new $410.0 million loan on the property that bears interest at an effective rate of 4.15% and matures on June 1, 2026. On October 30, 2015, a 40% interest in the loan was assumed by a third party in connection with the sale of a 40% ownership interest in the PPR Portfolio (See "Acquisitions and Dispositions").

On March 3, 2015, the Company amended the loan on Fashion Outlets of Chicago. The amended $200.0 million loan bears interest at LIBOR plus 1.50% and matures on March 31, 2020.

On October 5, 2015, the Company paid off in full the existing loan on Washington Square. On October 29, 2015, the Company placed a new $550.0 million loan on the property that bears interest at an effective rate of 3.65% and matures on November 1, 2022. On October 30, 2015, a 40% interest in the loan was assumed by a third party in connection with the sale of a 40% ownership interest in the PPR Portfolio (See "Acquisitions and Dispositions").

On October 23, 2015, the Company placed a $200.0 million loan on South Plains Mall that bears interest at an effective rate of 4.22% and matures on November 6, 2025. On October 30, 2015, a 40% interest in the loan was assumed by a third party in connection with the sale of a 40% ownership interest in the PPR Portfolio (See "Acquisitions and Dispositions").

On October 28, 2015, the Company's joint venture in The Shops at Atlas Park placed a $57.8 million loan on the property that bears interest at LIBOR plus 2.00% and matures on October 22, 2020, including two one-year extension options.

On October 30, 2015, the Company replaced the existing loan on Los Cerritos Center with a new $525.0 million loan that bears interest at an effective rate of 4.00% and matures on November 1, 2027, which resulted in a loss of $0.9 million on the early extinguishment of debt. Concurrently, a 40% interest in the loan was assumed by a third party in connection with the sale of a 40% ownership interest in the PPR Portfolio (See "Acquisitions and Dispositions").

On October 30, 2015, the Company obtained a $100.0 million term loan ("PPR Term Loan") that bears interest at LIBOR plus 1.20% and matures on October 31, 2022. Concurrently, a 40% interest in the loan was assumed by a third party in connection with the sale of a 40% ownership interest in the PPR Portfolio (See "Acquisitions and Dispositions").

On January 6, 2016, the Company replaced the existing loan on Arrowhead Towne Center with a new $400.0 million loan that bears interest at an effective rate of 4.05% and matures on February 1, 2028, which resulted in a loss of $3.6 million on the early extinguishment of debt. Concurrently, a 40% interest in the loan was assumed by a third party in connection with the sale of a 40% ownership interest in the underlying property (See "Acquisitions and Dispositions").

On January 14, 2016, the Company placed a $150.0 million loan on Twenty Ninth Street that bears interest at an effective rate of 4.10% and matures on February 6, 2026. Concurrently, a 49% interest in the loan was assumed by a third party in connection with the sale of a 49% ownership interest in the MAC Heitman Portfolio (See "Acquisitions and Dispositions").

On March 28, 2016, the Company's joint venture in Country Club Plaza placed a $320.0 million loan on the property that bears interest at an effective rate of 3.88% and matures on April 1, 2026. The Company used its share of the proceeds to pay down its line of credit and for general corporate purposes.

On May 27, 2016, the Company's joint venture in The Shops at North Bridge replaced the existing loan on the property with a new $375.0 million loan that bears interest at an effective rate of 3.71% and matures on June 1, 2028. The Company used its share of the excess proceeds to pay down its line of credit and for general corporate purposes.

On July 6, 2016, the Company modified and amended its line of credit. The amended $1.5 billion line of credit bears interest at LIBOR plus a spread of 1.30% to 1.90%, depending on the Company's overall leverage level, and matures on July 6, 2020 with a one-year extension option. Based on the Company's leverage level as of the amendment date, the initial borrowing rate on the facility was LIBOR plus 1.33%. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2.0 billion.

On August 5, 2016, the Company’s joint venture in The Village at Corte Madera replaced the existing loan on the property with a new $225.0 million loan that bears interest at an effective rate of 3.53% and matures on September 1, 2028. The Company used its share of the excess proceeds to pay down its line of credit and for general corporate purposes.

On October 6, 2016, the Company placed a $325.0 million loan on Fresno Fashion Fair that bears interest at an effective rate of 3.67% and matures on November 1, 2026. The Company used the proceeds to pay down its line of credit and for general corporate purposes.

On February 1, 2017, the Company's joint venture in West Acres replaced the existing loan on the property with a new $80.0 million loan that bears interest at an effective rate of 4.61% and matures on March 1, 2032. The Company used its share of the excess proceeds to pay down its line of credit and for general corporate purposes.

On March 16, 2017, the Company's joint venture in Kierland Commons replaced the existing loan on the property with a new $225.0 million loan that bears interest at an effective rate of 3.98% and matures on April 1, 2027. The Company used its share of the excess proceeds to pay down its line of credit and for general corporate purposes.

On September 29, 2017, the Company placed a new $110.0 million loan on Green Acres Commons that bears interest at LIBOR plus 2.15% and matures on March 29, 2021, including extension options. The loan can be expanded, depending on certain conditions, up to $130.0 million. At December 31, 2017, the total interest rate was 4.07%. The Company used the proceeds to pay down its line of credit and for general corporate purposes.

On October 19, 2017, the Company's joint venture in Chandler Fashion Center and Freehold Raceway Mall replaced the existing loan on Freehold Raceway Mall with a new $400.0 million loan that bears interest at an effective rate of 3.94% and matures on November 1, 2029. The Company used its share of the net proceeds to pay down its line of credit and for general corporate purposes.

On November 1, 2017, the Company paid off in full the $95.0 million mortgage loan payable on Stonewood Center. The Company funded the repayment of the mortgage loan payable from borrowings under its line of credit.

On December 4, 2017, the Company replaced the existing loan on Santa Monica Place with a new $300.0 million loan that bears interest at LIBOR plus 1.35% and matures on December 9, 2022, including three one-year extension options. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 4.00%. The Company used the net proceeds to pay down its line of credit and for general corporate purposes.

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

On February 5, 2018, the Company's joint venture in Broadway Plaza received a loan commitment for $450.0 million on the property at a fixed rate of 4.18% for twelve years. The loan is expected to close in the first quarter of 2018. The Company plans to use its share of the loan proceeds to pay down its line of credit.

Redevelopment and Development Activity:

The Company's joint venture is proceeding with the development of Fashion District Philadelphia, a redevelopment of an 850,000 square foot shopping center in Philadelphia, Pennsylvania. The project is expected to be completed in the fourth quarter of 2018. The total cost of the project is estimated to be between $305.0 million and $365.0 million, with $152.5 million to $182.5 million estimated to be the Company's pro rata share. The Company has funded $127.2 million of the total $254.4 million incurred by the joint venture as of December 31, 2017.

The Company is currently in the process of redeveloping a 250,000 square foot former Sears store at Kings Plaza Shopping Center. The Company expects to complete the project in the second quarter of 2018. As of December 31, 2017, the Company has incurred $63.6 million in costs and anticipates the total cost of the project to be between $95.0 million and $100.0 million.

Other Transactions and Events:

On March 9, 2015, the Company received an unsolicited, conditional proposal from Simon Property Group, Inc. ("Simon") to acquire the Company. The Company's Board of Directors, after consulting with its financial, real estate and legal advisors, unanimously determined that the Simon proposal substantially undervalued the Company and was not in the best interests of the Company and its stockholders. On March 20, 2015, the Company received a revised, unsolicited proposal to acquire the Company from Simon, which Simon described as its best and final proposal. The Company's Board of Directors carefully reviewed the revised proposal with the assistance of its financial, real estate and legal advisors, and determined that the revised proposal continued to substantially undervalue the Company and that pursuing the proposed transaction at that time was not in the best interests of the Company and its stockholders.

On June 30, 2015, the Company conveyed Great Northern Mall, an 895,000 square foot regional shopping center in Clay, New York, to the mortgage lender by a deed-in-lieu of foreclosure and was discharged from the mortgage note payable. The mortgage note payable was a non-recourse loan. As a result, the Company recognized a loss of $1.6 million on the extinguishment of debt.

On September 30, 2015, the Company's Board of Directors authorized the repurchase of up to $1.2 billion of the Company's outstanding common shares over the period ending September 30, 2017, as market conditions warranted (the "2015 Stock Buyback Program"). On November 12, 2015, the Company entered into an accelerated share repurchase program ("ASR") to repurchase $400.0 million of the Company's common stock. In accordance with the ASR, the Company made a prepayment of $400.0 million and received an initial share delivery of 4,140,788 shares. On January 19, 2016, the ASR was completed and the Company received an additional delivery of 970,609 shares. The average price of the 5,111,397 shares repurchased under the ASR was $78.26 per share. The ASR was funded from proceeds in connection with the financing and sale of the ownership interest in the PPR Portfolio (See "Acquisitions and Dispositions" and "Financing Activity").

On October 30, 2015, the Company declared two special dividends/distributions ("Special Dividend"), each of $2.00 per share of common stock and per OP Unit. The first Special Dividend was paid on December 8, 2015 to stockholders and OP Unit holders of record on November 12, 2015. The second Special Dividend was paid on January 6, 2016 to common stockholders and OP Unit holders of record on November 12, 2015. The Special Dividends were funded from proceeds in connection with the financing and sale of ownership interests in the PPR Portfolio and Arrowhead Towne Center (See "Acquisitions and Dispositions" and "Financing Activity").

On February 17, 2016, the Company entered into an ASR to repurchase $400.0 million of the Company's common stock. In accordance with the ASR, the Company made a prepayment of $400.0 million and received an initial share delivery of 4,222,193 shares. On April 19, 2016, the ASR was completed and the Company received delivery of an additional 861,235 shares. The average price of the 5,083,428 shares repurchased under the ASR was $78.69 per share. The ASR was funded from borrowings under the Company's line of credit, which had been paid down from the proceeds from the recently completed Joint Venture Transactions (See "Acquisitions and Dispositions" and "Financing Activity").

On May 9, 2016, the Company entered into an ASR to repurchase the remaining $400.0 million of the Company's common stock authorized for repurchase. In accordance with the ASR, the Company made a prepayment of $400.0 million and received an initial share delivery of 3,964,812 shares. On July 11, 2016, the ASR was completed and the Company received delivery of an additional 1,104,162 shares. The average price of the 5,068,974 shares repurchased under the ASR was $78.91 per share. The ASR was funded from borrowings under the Company's line of credit, which had been recently paid down from the proceeds from the recently completed Joint Venture Transactions (See "Acquisitions and Dispositions" and "Financing Activity"). The total number of shares repurchased under the 2015 Stock Buyback Program was 15,263,799 at an average price of $78.62.

On July 15, 2016, the Company conveyed Flagstaff Mall, a 347,000 square foot regional shopping center in Flagstaff, Arizona, to the mortgage lender by a deed-in-lieu of foreclosure and was discharged from the mortgage note payable. The mortgage note payable was a non-recourse loan. As a result, the Company recognized a gain of $5.3 million on the extinguishment of debt.

On February 12, 2017, the Company's Board of Directors authorized the repurchase of up to $500.0 million of its outstanding common shares as market conditions and the Company’s liquidity warrant. Repurchases may be made through open market purchases, privately negotiated transactions, structured or derivative transactions, including ASR transactions, or other methods of acquiring shares and pursuant to Rule 10b5-1 of the Securities Act of 1934, from time to time as permitted by securities laws and other legal requirements. During the period from February 12, 2017 to December 31, 2017, the Company repurchased a total of 3,627,390 of its common shares for $221.4 million, representing an average price of $61.01 per share. The Company funded the repurchases from the net proceeds of the sale of Cascade Mall and Northgate Mall (See "Acquisitions and Dispositions"), its share of the proceeds from the sale of office buildings at Fashion District Philadelphia and Country Club Plaza (See "Acquisitions and Dispositions") and from borrowings under its line of credit.

On February 1 and 2, 2018, the Company reduced its workforce by approximately 10 percent. The Company expects to incur total one-time charges of approximately $12 million in connection with this workforce reduction and will recognize all of these charges in the first quarter of 2018. As a result of this workforce reduction, based on currently budgeted amounts, the Company anticipates expenses, exclusive of one-time charges, will be reduced by approximately $10 million for 2018.

Inflation:

In the last five years, inflation has not had a significant impact on the Company because of a relatively low inflation rate. Most of the leases at the Centers have rent adjustments periodically throughout the lease term. These rent increases are either in fixed increments or based on using an annual multiple of increases in the Consumer Price Index ("CPI"). In addition, approximately 5% to 15% of the leases for spaces 10,000 square feet and under expire each year, which enables the Company to replace existing leases with new leases at higher base rents if the rents of the existing leases are below the then existing market rate. The Company has generally entered into leases that require tenants to pay a stated amount for operating expenses,

generally excluding property taxes, regardless of the expenses actually incurred at any Center, which places the burden of cost control on the Company. Additionally, certain leases require the tenants to pay their pro rata share of operating expenses.

Seasonality:

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

Critical Accounting Policies

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

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

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, 48% of the leases contain provisions for CPI rent increases periodically throughout the term of the lease. 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 are recognized as revenues on a straight-line basis over the term of the related leases.

Property:

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

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

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

Capitalization of Costs:

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

ceased, which does not exceed the shorter of a one-year period after the completion of the building shell or when the construction is substantially complete.

Acquisitions:

The Company allocates the estimated fair value of acquisitions to land, building, tenant improvements and identified intangible assets and liabilities, based on their estimated fair values. In addition, any assumed mortgage notes payable are recorded at their estimated fair values. The estimated fair value of the land and buildings is determined utilizing an “as if vacant” methodology. Tenant improvements represent the tangible assets associated with the existing leases valued on a fair value basis at the acquisition date prorated over the remaining lease terms. The tenant improvements are classified as an asset under property and are depreciated over the remaining lease terms. Identifiable intangible assets and liabilities relate to the value of in-place operating leases which come in three forms: (i) leasing commissions and legal costs, which represent the value associated with “cost avoidance” of acquiring in-place leases, such as lease commissions paid under terms generally experienced in the Company's markets; (ii) value of in-place leases, which represents the estimated loss of revenue and of costs incurred for the period required to lease the “assumed vacant” property to the occupancy level when purchased; and (iii) above or below-market value of in-place leases, which represents the difference between the contractual rents and market rents at the time of the acquisition, discounted for tenant credit risks. Leasing commissions and legal costs are recorded in deferred charges and other assets and are amortized over the remaining lease terms. The value of in-place leases are recorded in deferred charges and other assets and amortized over the remaining lease terms plus any below-market fixed rate renewal options. Above or below-market leases are classified in deferred charges and other assets or in other accrued liabilities, depending on whether the contractual terms are above or below-market, and the asset or liability is amortized to minimum rents over the remaining terms of the leases. The remaining lease terms of below-market leases may include certain below-market fixed-rate renewal periods. In considering whether or not a lessee will execute a below-market fixed-rate lease renewal option, the Company evaluates economic factors and certain qualitative factors at the time of acquisition such as tenant mix in the Center, the Company's relationship with the tenant and the availability of competing tenant space. The initial allocation of purchase price is based on management's preliminary assessment, which may change when final information becomes available. Subsequent adjustments made to the initial purchase price allocation are made within the allocation period, which does not exceed one year. The purchase price allocation is described as preliminary if it is not yet final. The use of different assumptions in the allocation of the purchase price of the acquired assets and liabilities assumed could affect the timing of recognition of the related revenues and expenses.

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

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

Asset Impairment:

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

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

Fair Value of Financial Instruments:

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

Level 1 inputs utilize quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates and

yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which is typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

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

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. The ranges of the terms of the agreements are as follows:

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

Results of Operations

Many of the variations in the results of operations, discussed below, occurred because of the transactions affecting the Company's properties described above, including those related to the Redevelopment Properties, the Joint Venture Centers and the Disposition Properties (as defined below).

For purposes of the discussion below, the Company defines "Same Centers" as those Centers that are substantially complete and in operation for the entirety of both periods of the comparison. Non-Same Centers for comparison purposes include those Centers or properties that are going through a substantial redevelopment often resulting in the closing of a portion of the Center (“Redevelopment Properties”), those properties that have recently transitioned to or from equity method joint ventures to consolidated assets ("Joint Venture Centers") and properties that have been disposed of ("Disposition Properties"). The Company moves a Center in and out of Same Centers based on whether the Center is substantially complete and in operation for the entirety of both periods of the comparison. Accordingly, the Same Centers consist of all consolidated Centers, excluding the Redevelopment Properties, the Joint Venture Centers and the Disposition Properties for the periods of comparison.

For the comparison of the year ended December 31, 2017 to the year ended December 31, 2016 and the comparison of the year ended December 31, 2016 to the year ended December 31, 2015, the Redevelopment Properties are the expansion portion of Green Acres Mall, Paradise Valley Mall and Westside Pavilion.

For the comparison of the year ended December 31, 2017 to the year ended December 31, 2016, the Joint Venture Centers are Arrowhead Towne Center and the MAC Heitman Portfolio. For the comparison of the year ended December 31, 2016 to the year ended December 31, 2015, the Joint Venture Centers are Inland Center, the PPR Portfolio, Arrowhead Towne Center and the MAC Heitman Portfolio. The change in revenues and expenses at the Joint Venture Centers for the comparison of the year ended December 31, 2017 to the year ended December 31, 2016 is primarily due to the conversion of Arrowhead Towne Center and the MAC Heitman Portfolio from Consolidated Centers to Unconsolidated Joint Venture Centers. The change in revenues and expenses at the Joint Venture Centers for the comparison of the year ended December 31, 2016 to the year ended December 31, 2015 is primarily due to the conversion of the PPR Portfolio, Arrowhead Towne Center and the MAC Heitman Portfolio from Consolidated Centers to Unconsolidated Joint Venture Centers.

For comparison of the year ended December 31, 2017 to the year ended December 31, 2016, the Disposition Properties are 500 North Michigan Avenue, Cascade Mall, Northgate Mall, Flagstaff Mall and Capitola Mall. For the comparison of the year ended December 31, 2016 to the year ended December 31, 2015, the Disposition Properties are Flagstaff Mall, Capitola Mall, Panorama Mall and Great Northern Mall.

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

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

Tenant sales per square foot increased from $630 for the twelve months ended December 31, 2016 to $660 for the twelve months ended December 31, 2017. Occupancy rate decreased from 95.4% at December 31, 2016 to 95.0% at December 31, 2017. Releasing spreads increased 15.2% for the twelve months ended December 31, 2017. These calculations exclude Centers under development or redevelopment and property dispositions (See "Acquisitions and Dispositions" and "Other Transactions and Events" in Management's Overview and Summary).

Releasing spreads remained positive as the Company was able to lease available space at average higher rents than the expiring rental rates, resulting in a releasing spread of $7.81 per square foot ($59.20 on new and renewal leases executed compared to $51.39 on leases expiring), representing a 15.2% increase for the trailing twelve months ended December 31, 2017. The Company expects that releasing spreads will continue to be positive for 2018 as it renews or relets leases that are scheduled to expire. These leases that are scheduled to expire represent approximately 982,000 square feet of the Centers, accounting for 13.1% of the GLA of mall stores and freestanding stores, for spaces 10,000 square feet and under, as of December 31, 2017.

During the trailing twelve months ended December 31, 2017, the Company signed 229 new leases and 382 renewal leases comprising approximately 1.0 million square feet of GLA, of which 0.7 million square feet related to the consolidated Centers. The annual initial average base rent for new and renewal leases was $59.20 per square foot for the trailing twelve months ended December 31, 2017 with an average tenant allowance of $23.24 per square foot.

Comparison of Years Ended December 31, 2017 and 2016

Revenues:

Minimum and percentage rents (collectively referred to as "rental revenue") decreased by $26.0 million, or 4.1%, from 2016 to 2017. The decrease in rental revenue is attributed to a decrease of $18.3 million from the Disposition Properties, $17.7 million from the Redevelopment Properties and $3.3 million from the Joint Venture Centers offset in part by an increase of $13.3 million from the Same Centers. The increase in rental revenue at the Same Centers is primarily due to an increase in lease termination income and an increase in leasing spreads.

Rental revenue includes the amortization of above and below-market leases, the amortization of straight-line rents and lease termination income. The amortization of above and below-market leases decreased from $12.8 million in 2016 to $1.0 million in 2017. The decrease in amortization of above and below-market leases is primarily due to the early termination of tenant leases in 2016. The amortization of straight-line rents increased from $5.2 million in 2016 to $8.6 million in 2017. Lease termination income decreased from $19.2 million in 2016 to $18.1 million in 2017.

Tenant recoveries decreased $22.0 million, or 7.2%, from 2016 to 2017. The decrease in tenant recoveries is attributed to a decrease of $9.3 million from the Same Centers, $8.3 million from the Disposition Properties, $2.8 million from the Redevelopment Properties and $1.6 million from the Joint Venture Centers. The decrease in tenant recoveries from the Same Centers is primarily due to a decrease in property tax expense and utility cost.

Management Companies' revenue increased from $39.5 million in 2016 to $43.4 million in 2017. The increase in Management Companies' revenue is due to an increase in development and leasing fees from joint ventures.

Shopping Center and Operating Expenses:

Shopping center and operating expenses decreased $12.4 million, or 4.0%, from 2016 to 2017. The decrease in shopping center and operating expenses is attributed to a decrease of $11.5 million from the Disposition Properties, $1.3 million from the Redevelopment Properties and $0.8 million from the Joint Venture Centers offset in part by an increase of $1.2 million from the Same Centers.

Management Companies' Operating Expenses:

Management Companies' operating expenses increased $1.8 million from 2016 to 2017.

REIT General and Administrative Expenses:

REIT general and administrative expenses were $28.2 million for 2016 and 2017.

Depreciation and Amortization:

Depreciation and amortization decreased $13.1 million from 2016 to 2017. The decrease in depreciation and amortization is primarily attributed to a decrease of $10.5 million from the Disposition Properties, $4.4 million from the Same Centers and $1.5 million from the Joint Venture Centers offset in part by an increase of $3.3 million from the Redevelopment Properties.

Interest Expense:

Interest expense increased $8.1 million from 2016 to 2017. The increase in interest expense is primarily attributed to an increase of $6.8 million from borrowings under the line of credit, $5.4 million from the Same Centers and $0.2 million from the Redevelopment Properties offset in part by a decrease of $3.4 million from the Disposition Properties and $0.9 million from the Joint Venture Centers. The increase in interest expense at the Same Centers is primarily due to a new loan on Fresno Fashion Fair in 2016 (See "Financing Activity" in Management's Overview and Summary).

The above interest expense items are net of capitalized interest, which increased from $10.3 million in 2016 to $13.2 million in 2017.

Gain on Extinguishment of Debt, net:

Gain on extinguishment of debt, net decreased $1.7 million from 2016 to 2017. The decrease in gain on extinguishment of debt is due to the gain of $5.3 million on the settlement of the mortgage note payable on Flagstaff Mall by a deed-in-lieu of foreclosure in 2016 (See “Other Transactions and Events” in Management’s Overview and Summary) offset in part by a loss of $3.6 million on the early extinguishment of debt on Arrowhead Towne Center in 2016 (See “Financing Activities” in Management’s Overview and Summary).

Equity in Income of Unconsolidated Joint Ventures:

Equity in income of unconsolidated joint ventures increased $28.6 million from 2016 to 2017. The increase is primarily due to the conversion of Arrowhead Towne Center and the MAC Heitman Portfolio from Consolidated Centers to Unconsolidated Joint Venture Centers in 2016 (See "Acquisitions and Dispositions" in Management's Overview and Summary), the Company's share of the gain on the sales of office buildings at Fashion District Philadelphia and Country Club Plaza in 2017 (See "Acquisitions and Dispositions" in Management's Overview and Summary) and the Company's shares of the gain on land sales at other joint ventures in 2017.

Gain on Sale or Write down of Assets, net:

Gain on sale or write down of assets, net decreased $372.9 million from 2016 to 2017. The decrease is primarily due to the gain of $467.2 million on the sales of ownership interests in Arrowhead Towne Center and the MAC Heitman Portfolio in 2016 and the sale of Capitola Mall in 2016 (See "Acquisitions and Dispositions" in Management's Overview and Summary) offset in part by the gain of $74.2 million on the sales of Cascade Mall, Northgate Mall and 500 North Michigan Avenue in 2017 (See "Acquisitions and Dispositions" in Management's Overview and Summary).

Net Income:

Net income decreased $393.2 million from 2016 to 2017. The decrease in net income is primarily attributed to a decrease of $372.9 million from gain on sale or write down of assets, net as discussed above.

Funds From Operations ("FFO"):

Primarily as a result of the factors mentioned above, FFO—diluted decreased 9.3% from $642.3 million in 2016 to $582.9 million 2017. For a reconciliation of FFO and FFO—diluted to net income available to common stockholders, the most directly comparable GAAP financial measure, see "Funds From Operations ("FFO")" below.

Operating Activities:

Cash provided by operating activities decreased from $429.5 million in 2016 to $386.4 million in 2017. The decrease is primarily due to changes in assets and liabilities and the results as discussed above.

Investing Activities:

Cash provided by investing activities decreased $266.2 million from 2016 to 2017. The decrease in cash provided by investing activities was primarily due to a decrease in proceeds from the sale of assets of $469.0 million and a decrease in distributions from unconsolidated joint ventures of $176.1 million offset in part by a decrease in contributions to unconsolidated joint ventures of $312.9 million and a decrease in development, redevelopment and renovations of $51.3 million.

The decrease in cash proceeds from the sale of assets is attributed to the sales of ownership interests in Arrowhead Towne Center and the MAC Heitman Portfolio in 2016 and the sale of Capitola Mall in 2016 offset in part by the sale of Cascade Mall, Northgate Mall and 500 North Michigan Avenue in 2017 (See "Acquisitions and Dispositions" in Management's Overview and Summary). The decrease in contributions to unconsolidated joint ventures is primarily due to the acquisition of the 50% ownership interest in Country Club Plaza in 2016 (See "Acquisitions and Dispositions" in Management's Overview and Summary).

Financing Activities:

Cash used in financing activities decreased $298.8 million from 2016 to 2017. The decrease in cash used in financing activities is primarily due to a decrease in payments on mortgages, bank and other notes payable of $1.2 billion, a decrease in the repurchases of the Company's common stock of $578.6 million (See "Other Transactions and Events" in Management's Overview and Summary) and a decrease in cash dividends and distributions of $335.5 million offset in part by a decrease in proceeds from mortgages, bank and other notes payable of $1.8 billion and an increase in distributions to co-venture partner of $85.6 million.

Comparison of Years Ended December 31, 2016 and 2015

Revenues:

Rental revenue decreased by $148.1 million, or 18.9%, from 2015 to 2016. The decrease in rental revenue is attributed to a decrease of $179.3 million from the Joint Venture Centers and $15.4 million from the Disposition Properties offset in part by an increase of $44.9 million from the Same Centers and $1.7 million from the Redevelopment Properties. The increase in rental revenue as the Same Centers is primarily due to an increase in lease termination income, as provided below, and an increase in leasing spreads.

The amortization of above and below-market leases decreased from $16.5 million in 2015 to $12.8 million in 2016 primarily due to the Joint Venture Centers. The amortization of straight-line rents decreased from $7.2 million in 2015 to $5.2 million in 2016. Lease termination income increased from $9.7 million in 2015 to $19.2 million in 2016.

Tenant recoveries decreased $109.8 million, or 26.5%, from 2015 to 2016. The decrease in tenant recoveries is attributed to a decrease of $88.5 million from the Joint Venture Centers, $13.6 million from the Same Centers, $6.8 million from the Disposition Properties and $0.9 million from the Redevelopment Properties.

Management Companies' revenue increased from $26.3 million in 2015 to $39.5 million in 2016. The increase in Management Companies' revenue is due to an increase in management fees as a result of the conversion of the PPR Portfolio, Arrowhead Towne Center and the MAC Heitman Portfolio from consolidated Centers to unconsolidated joint ventures (See "Acquisitions and Dispositions" in Management's Overview and Summary) and an increase in development and leasing fees from other joint ventures.

Shopping Center and Operating Expenses:

Shopping center and operating expenses decreased $72.2 million, or 19.0%, from 2015 to 2016. The decrease in shopping center and operating expenses is attributed to a decrease of $69.5 million from the Joint Venture Centers and $8.1 million from the Disposition Properties offset in part by an increase of $5.1 million from the Same Centers and $0.3 million from the Redevelopment Properties. The increase in shopping center and operating expenses at the Same Centers is primarily due to an increase in property tax expense.

Management Companies' Operating Expenses:

Management Companies' operating expenses increased $6.0 million from 2015 to 2016 due to the conversion of the PPR Portfolio, Arrowhead Towne Center and the MAC Heitman Portfolio from consolidated Centers to unconsolidated joint ventures (See "Acquisitions and Dispositions" in Management's Overview and Summary) and an increase in share and unit-based compensation costs.

REIT General and Administrative Expenses:

REIT general and administrative expenses decreased by $1.7 million from 2015 to 2016.

Costs related to Unsolicited Takeover Offer:

The Company incurred $25.2 million in costs in 2015 related to evaluating and responding to an unsolicited takeover offer (See "Other Transactions and Events" in Management's Overview and Summary).

Depreciation and Amortization:

Depreciation and amortization decreased $116.0 million from 2015 to 2016. The decrease in depreciation and amortization is primarily attributed to a decrease of $116.8 million from the Joint Venture Centers and $5.5 million from the Disposition Properties offset in part by an increase of $4.3 million from the Same Centers and $2.0 million from the Redevelopment Properties.

Interest Expense:

Interest expense decreased $48.3 million from 2015 to 2016. The decrease in interest expense is primarily attributed to a decrease of $34.9 million from the Joint Venture Centers, $9.3 million from the Same Centers, $2.3 million from a term loan, $1.9 million from the Disposition Properties and $1.0 million from the Redevelopment Properties offset in part by an increase of $1.1 million from borrowings under the line of credit. The decrease in interest expense at the Same Centers is primarily due to the payoff of the mortgage notes payable on Eastland Mall, Valley Mall and Valley River Center in 2015 offset in part by a new loan on Fresno Fashion Fair in 2016 (See "Financing Activity" in Management's Overview and Summary).

The above interest expense items are net of capitalized interest, which decreased from $13.1 million in 2015 to $10.3 million in 2016.

Equity in Income of Unconsolidated Joint Ventures:

Equity in income of unconsolidated joint ventures increased $11.8 million from 2015 to 2016. The increase is primarily due to the opening of the Hyatt Regency Tysons Corner Center and VITA Tysons Corner Center in 2015 and the conversion of the PPR Portfolio, Arrowhead Towne Center and the MAC Heitman Portfolio from consolidated Centers to unconsolidated joint ventures (See "Acquisitions and Dispositions" in Management's Overview and Summary).

Gain on Sale or Write down of Assets, net:

Gain on sale or write down of assets, net increased $37.1 million from 2015 to 2016. The increase in gain on sale of assets is primarily due to the increase in gain of $82.4 million on the Joint Venture Transactions and the sale of properties (See "Acquisitions and Dispositions" in Management's Overview and Summary) offset in part by an increase in impairment loss of $29.7 million and a charge of $12.2 million from the settlement of a contingent consideration obligation in 2016.

Gain on Remeasurement of Assets:

The gain on remeasurement of assets of $22.1 million in 2015 is attributed to the purchase of the remaining 50% ownership interest in Inland Center that the Company did not previously own (See "Acquisitions and Dispositions" in Management's Overview and Summary).

Net Income:

Net income increased $31.9 million from 2015 to 2016. The increase in net income is primarily attributed to an increase of $37.1 million from gain on sale or write down of assets as discussed above.

Funds From Operations:

Primarily as a result of the factors mentioned above, FFO—diluted was $642.3 million in 2015 and 2016. For a reconciliation of FFO and FFO—diluted to net income available to common stockholders, the most directly comparable GAAP financial measure, see "Funds From Operations ("FFO")" below.

Operating Activities:

Cash provided by operating activities decreased from $555.0 million in 2015 to $429.5 million in 2016. The decrease is primarily due to the conversion of the PPR Portfolio, Arrowhead Towne Center and the MAC Heitman Portfolio from consolidated Centers to unconsolidated joint ventures (See "Acquisitions and Dispositions" in Management's Overview and Summary), changes in assets and liabilities and the results as discussed above.

Investing Activities:

Cash provided by investing activities increased $544.1 million from 2015 to 2016. The increase in cash provided by investing activities was primarily due to an increase in distributions from unconsolidated joint ventures of $338.5 million, an increase in proceeds from the sale of assets of $77.4 million, a decrease in development, redevelopment and renovations of $60.7 million, a decrease in acquisition of property of $26.3 million and a decrease in restricted cash of $19.9 million.

The increase in distributions from unconsolidated joint ventures is primarily due to the receipt of the Company's share of the net proceeds from the loans placed on Country Club Plaza, The Shops at North Bridge and The Village at Corte Madera in 2016 (See "Financing Activity" in Management's Overview and Summary).

Financing Activities:

Cash used in financing activities increased $412.8 million from 2015 to 2016. The increase in cash used in financing activities was primarily due to a decrease in proceeds from mortgages, bank and other notes payable of $879.5 million and an increase in the repurchases of the Company's common stock of $399.9 million (See "Other Transactions" in Management's Overview and Summary) offset in part by a decrease in payments on mortgages, bank and other notes payable of $846.3 million.

Liquidity and Capital Resources

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

The following tables summarize capital expenditures and lease acquisition costs incurred at the Centers (at the Company's pro rata share) for the years ended December 31:

(Dollars in thousands)	2017	2016	2015
Consolidated Centers:			
Acquisitions of property and equipment	$ 38,153	$ 56,759	$ 79,753
Development, redevelopment, expansion and renovation of Centers	152,095	183,220	218,741
Tenant allowances	11,484	19,229	30,368
Deferred leasing charges	26,526	24,845	26,835
	$ 228,258	$ 284,053	$ 355,697
Joint Venture Centers (at Company's pro rata share):			
Acquisitions of property and equipment	$ 16,069	$ 349,819	$ 160,001
Development, redevelopment, expansion and renovation of Centers	121,787	101,124	132,924
Tenant allowances	6,779	11,271	6,285
Deferred leasing charges	6,154	7,070	3,348
	$ 150,789	$ 469,284	$ 302,558

The Company expects amounts to be incurred during the next twelve months for tenant allowances and deferred leasing charges to be comparable or less than 2017 and that capital for those expenditures will be available from working capital, cash flow from operations, borrowings on property specific debt or unsecured corporate borrowings. The Company expects to incur between $200 million and $300 million during the next twelve months for development, redevelopment, expansion and renovations. Capital for these major expenditures, developments and/or redevelopments has been, and is expected to continue to be, obtained from a combination of debt or equity financings, which are expected to include borrowings under the Company's line of credit and construction loans.

The Company has also generated liquidity in the past, and may continue to do so in the future, through equity offerings and issuances, property refinancings, joint venture transactions and the sale of non-core assets. For example, the Company's recently completed sale of Cascade Mall, Northgate Mall and 500 North Michigan Avenue (See "Acquisitions and Dispositions" in Management's Overview and Summary), sales of office buildings at Fashion District Philadelphia and Country Club Plaza in 2017 (See "Acquisitions and Dispositions" in Management's Overview and Summary) and the Joint Venture Transactions (See "Acquisitions and Dispositions" in Management's Overview and Summary), which included new debt or refinancings of existing debt on the properties (See "Financing Activities" in Management's Overview and Summary). The Company used these proceeds to pay down its line of credit, fund the Special Dividend (See "Other Transactions and Events" in

Management's Overview and Summary) and for other general corporate purposes, which included the repurchases of the Company's common stock under the 2015 Stock Buyback Program, which was completed in May 2016, and the 2017 Stock Buyback Program (See "Other Transactions and Events" in Management's Overview and Summary). Furthermore, the Company has filed a shelf registration statement, which registered an unspecified amount of common stock, preferred stock, depositary shares, debt securities, warrants, rights, stock purchase contracts and units that may be sold from time to time by the Company. The Company expects any additional repurchases of the Company's common stock under the 2017 Stock Buyback Program to be funded by future sales of non-core assets, borrowings under its line of credit and/or refinancing transactions.

The capital and credit markets can fluctuate and, at times, limit access to debt and equity financing for companies. As demonstrated by the Company's recent activity as discussed below, the Company has been able to access capital; however, there is no assurance the Company will be able to do so in future periods or on similar terms and conditions. Many factors impact the Company's ability to access capital, such as its overall debt level, interest rates, interest coverage ratios and prevailing market conditions. In the event that the Company has significant tenant defaults as a result of the overall economy and general market conditions, the Company could have a decrease in cash flow from operations, which could result in increased borrowings under its line of credit. These events could result in an increase in the Company's proportion of floating rate debt, which would cause it to be subject to interest rate fluctuations in the future.

The Company had an equity distribution agreement with a number of sales agents (the "ATM Program") to issue and sell, from time to time, shares of common stock, par value $0.01 per share, having an aggregate offering price of up to $500 million. The ATM Program expired by its terms in August 2017. The Company did not sell any shares under the ATM Program.

The Company's total outstanding loan indebtedness at December 31, 2017 was $7.7 billion (consisting of $5.2 billion of consolidated debt, less $319.6 million of noncontrolling interests, plus $2.8 billion of its pro rata share of unconsolidated joint venture debt). The majority of the Company's debt consists of fixed-rate conventional mortgage notes collateralized by individual properties. The Company expects that all of the maturities during the next twelve months will be refinanced, restructured, extended and/or paid off from the Company's line of credit or cash on hand.

The Company believes that the pro rata debt provides useful information to investors regarding its financial condition because it includes the Company’s share of debt from unconsolidated joint ventures and, for consolidated debt, excludes the Company’s partners’ share from consolidated joint ventures, in each case presented on the same basis. The Company has several significant joint ventures and presenting its pro rata share of debt in this manner can help investors better understand the Company’s financial condition after taking into account our economic interest in these joint ventures. The Company’s pro rata share of debt should not be considered as a substitute for the Company’s total consolidated debt determined in accordance with GAAP or any other GAAP financial measures and should only be considered together with and as a supplement to the Company’s financial information prepared in accordance with GAAP.

The Company has a $1.5 billion revolving line of credit facility that bears interest at LIBOR plus a spread of 1.30% to 1.90%, depending on the Company's overall leverage level, and matures on July 6, 2020 with a one-year extension option. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2.0 billion. All obligations under the facility are unconditionally guaranteed only by the Company. Based on the Company's leverage level as of December 31, 2017, the borrowing rate on the facility was LIBOR plus 1.45%. At December 31, 2017, total borrowings under the line of credit were $935.0 million less unamortized deferred finance costs of $7.5 million with a total interest rate of 3.13%.

Cash dividends and distributions for the year ended December 31, 2017 were $443.8 million. A total of $386.4 million was funded by operations. The remaining $57.5 million was funded from distributions from unconsolidated joint ventures, which were included in the cash flows from investing activities section of the Company's Consolidated Statement of Cash Flows.

At December 31, 2017, the Company was in compliance with all applicable loan covenants under its agreements.

At December 31, 2017, the Company had cash and cash equivalents of $91.0 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.

Additionally, as of December 31, 2017, the Company is contingently liable for $60.6 million in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company.

Contractual Obligations:

The following is a schedule of contractual obligations as of December 31, 2017 for the consolidated Centers over the periods in which they are expected to be paid (in thousands):

	Payment Due by Period				
Contractual Obligations	**Total**	**Less than 1 year**	**1 - 3 years**	**3 - 5 years**	**More than five years**
Long-term debt obligations (includes expected interest payments)(1)	$ 5,980,666	$ 211,086	$ 1,598,052	$ 2,339,246	$ 1,832,282
Operating lease obligations(2)	255,350	10,461	18,685	18,020	208,184
Purchase obligations(2)	40,121	40,121	—	—	—
Other liabilities	319,029	231,331	17,581	19,989	50,128
	$ 6,595,166	$ 492,999	$ 1,634,318	$ 2,377,255	$ 2,090,594

(1) Interest payments on floating rate debt were based on rates in effect at December 31, 2017.

(2) See Note 17—Commitments and Contingencies in the Company's Notes to the Consolidated Financial Statements.

Funds From Operations ("FFO")

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

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. The Company believes that FFO excluding extinguishment of debt, net and costs related to unsolicited take over offer provides useful supplemental information regarding the Company's performance as it shows a more meaningful and consistent comparison of the Company's operating performance and allows investors to more easily compare the Company's results. The Company believes that FFO on a diluted basis is a measure investors find most useful in measuring the dilutive impact of outstanding convertible securities.

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

Management compensates for the limitations of FFO by providing investors with financial statements prepared according to GAAP, along with this detailed discussion of FFO and a reconciliation of FFO and FFO-diluted to net income 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 as presented in the Company's consolidated financial statements.

The following reconciles net income attributable to the Company to FFO and FFO-diluted for the years ended December 31, 2017, 2016, 2015, 2014 and 2013 (dollars and shares in thousands):

	2017	2016	2015	2014	2013
Net income attributable to the Company	$ 146,130	$ 516,995	$ 487,562	$ 1,499,042	$ 420,090
Adjustments to reconcile net income attributable to the Company to FFO attributable to common stockholders and unit holders—basic:					
Noncontrolling interests in the Operating Partnership	10,729	37,780	32,615	105,584	29,637
Gain on sale or write down of consolidated assets, net	(42,446)	(415,348)	(378,248)	(73,440)	(207,105)
Gain on remeasurement of consolidated assets	—	—	(22,089)	(1,423,136)	(51,205)
Add: gain on undepreciated assets—consolidated assets	1,564	3,717	1,326	1,396	2,546
Less: loss on write-down of non-real estate assets—consolidated assets	(10,138)	—	—	—	—
Add: noncontrolling interests share of gain (loss) on sale or write-down of assets—consolidated assets	1,209	(1,662)	481	146	(2,082)
(Gain) loss on sale or write down of assets—unconsolidated joint ventures(1)	(14,783)	189	(4,392)	1,237	(94,372)
Add: gain (loss) on sale of undepreciated assets—unconsolidated joint ventures(1)	6,644	(2)	4,395	2,621	602
Depreciation and amortization on consolidated assets	335,431	348,488	464,472	378,716	374,425
Less: noncontrolling interests in depreciation and amortization—consolidated assets	(15,126)	(15,023)	(14,962)	(20,700)	(19,928)
Depreciation and amortization—unconsolidated joint ventures(1)	177,274	179,600	84,160	82,570	86,866
Less: depreciation on personal property	(13,610)	(12,430)	(13,052)	(11,282)	(11,900)
FFO attributable to common stockholders and unit holders—basic and diluted	582,878	642,304	642,268	542,754	527,574
(Gain) loss on extinguishment of debt, net—consolidated assets	—	(1,709)	(1,487)	9,551	(2,684)
Gain on extinguishment of debt, net—unconsolidated joint ventures(1)	—	—	—	—	(352)
FFO attributable to common stockholders and unit holders excluding extinguishment of debt, net—diluted	582,878	640,595	640,781	552,305	524,538
Costs related to unsolicited takeover offer	—	—	25,204	—	—
FFO attributable to common stockholders and unit holders excluding extinguishment of debt, net and costs related to unsolicited takeover offer—diluted	$ 582,878	$ 640,595	$ 665,985	$ 552,305	$ 524,538
Weighted average number of FFO shares outstanding for:					
FFO attributable to common stockholders and unit holders—basic(2)	152,293	157,320	168,478	153,224	149,444
Adjustments for the impact of dilutive securities in computing FFO—diluted:					
Share and unit-based compensation plans	36	112	144	147	82
FFO attributable to common stockholders and unit holders—diluted(3)	152,329	157,432	168,622	153,371	149,526

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

(2) Calculated based upon basic net income as adjusted to reach basic FFO. During the years ended December 31, 2017, 2016, 2015, 2014 and 2013, there were 10.4 million, 10.7 million, 10.6 million, 10.1 million and 9.8 million OP Units outstanding, respectively.

(3) The computation of FFO—diluted shares outstanding includes the effect of share and unit-based compensation plans and the convertible 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-diluted computation.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

The following table sets forth information as of December 31, 2017 concerning the Company's long term debt obligations, including principal cash flows by scheduled maturity, weighted average interest rates and estimated fair value (dollars in thousands):

	Expected Maturity Date							
	For the years ending December 31,							
	2018	2019	2020	2021	2022	Thereafter	Total	Fair Value
CONSOLIDATED CENTERS:								
Long term debt:								
Fixed rate	$ 50,630	$ 797,466	$ 329,378	$ 293,838	$ 502,552	$ 1,674,155	$ 3,648,019	$ 3,663,537
Average interest rate	4.04%	3.51%	5.48%	3.48%	4.19%	3.64%	3.85%	
Floating rate	—	—	200,000	1,045,000	300,000	—	1,545,000	1,511,154
Average interest rate	—%	—%	2.86%	3.04%	2.88%	—%	2.98%	
Total debt—Consolidated Centers	$ 50,630	$ 797,466	$ 529,378	$ 1,338,838	$ 802,552	$ 1,674,155	$ 5,193,019	$ 5,174,691
UNCONSOLIDATED JOINT VENTURE CENTERS:								
Long term debt (at Company's pro rata share):								
Fixed rate	$ 28,544	$ 32,036	$ 39,634	$ 149,596	$ 362,529	$ 2,134,387	$ 2,746,726	$ 2,768,360
Average interest rate	3.68%	3.68%	3.69%	3.80%	3.66%	3.81%	3.79%	
Floating rate	9,474	114	40,467	15,000	41,250	—	106,305	102,473
Average interest rate	3.09%	2.63%	3.22%	2.56%	2.56%	—%	2.86%	
Total debt—Unconsolidated Joint Venture Centers	$ 38,018	$ 32,150	$ 80,101	$ 164,596	$ 403,779	$ 2,134,387	$ 2,853,031	$ 2,870,833

The Consolidated Centers' total fixed rate debt at December 31, 2017 and 2016 was $3.6 billion and $3.8 billion, respectively. The average interest rate on such fixed rate debt at December 31, 2017 and 2016 was 3.85% and 3.80%, respectively. The Consolidated Centers' total floating rate debt at December 31, 2017 and 2016 was $1.5 billion and $1.1 billion, respectively. The average interest rate on such floating rate debt at December 31, 2017 and 2016 was 2.98% and 2.47%, respectively.

The Company's pro rata share of the Unconsolidated Joint Venture Centers' fixed rate debt at December 31, 2017 and 2016 was $2.7 billion. The average interest rate on such fixed rate debt at December 31, 2017 and 2016 was 3.79% and 3.80%, respectively. The Company's pro rata share of the Unconsolidated Joint Venture Centers' floating rate debt at December 31, 2017 and 2016 was $106.3 million and $169.9 million, respectively. The average interest rate on such floating rate debt at December 31, 2017 and 2016 was 2.86% and 2.44%, respectively.

The Company uses derivative financial instruments in the normal course of business to manage or hedge interest rate risk and records all derivatives on the balance sheet at fair value. Interest rate cap agreements offer protection against floating rates on the notional amount from exceeding the rates noted in the above schedule, and interest rate swap agreements effectively replace a floating rate on the notional amount with a fixed rate as noted above. As of December 31, 2017, the Company has one interest rate cap agreement in place (See Note 5—Derivative Instruments and Hedging Activities in the Company's Notes to the Consolidated Financial Statements).

In addition, the Company has assessed the market risk for its floating rate debt and believes that a 1% increase in interest rates would decrease future earnings and cash flows by approximately $16.5 million per year based on $1.7 billion of floating rate debt outstanding at December 31, 2017.

The fair value of the Company's long-term debt is estimated based on a present value model utilizing interest rates that reflect the risks associated with long-term debt of similar risk and duration. In addition, the method of computing fair value for mortgage notes payable included a credit value adjustment based on the estimated value of the property that serves as collateral for the underlying debt (See Note 9—Mortgage Notes Payable and Note 10—Bank and Other Notes Payable in the Company's Notes to the Consolidated Financial Statements).

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Refer to the Financial Statements and Financial Statement Schedules for the required information appearing in Item 15.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding Effectiveness of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), 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 Annual Report on Form 10-K. Based on their evaluation as of December 31, 2017, 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 Exchange Act) were effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (a) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2017. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework (2013). The Company's management concluded that, as of December 31, 2017, its internal control over financial reporting was effective based on this assessment.

KPMG LLP, the independent registered public accounting firm that audited the Company's 2017 consolidated financial statements included in this Annual Report on Form 10-K, has issued a report on the Company's internal control over financial reporting which follows below.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

The Stockholders and Board of Directors of
The Macerich Company:

We have audited The Macerich Company's and subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes and financial statement schedule III - Real Estate and Accumulated Depreciation (collectively, the "consolidated financial statements"), and our report dated February 23, 2018 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Los Angeles, California
February 23, 2018

ITEM 9B. OTHER INFORMATION

On February 22, 2018, the Company entered into an agreement with Thomas J. Leanse (the “Separation Agreement”) in connection with Mr. Leanse’s formerly announced resignation as Chief Legal Officer of the Company, which will be effective as of February 28, 2018 (the “Separation Date”). In connection with his resignation, Mr. Leanse will also enter into a consulting agreement (the “Consulting Agreement”) with the Company on the Separation Date under which Mr. Leanse will provide consulting services to the Company for a period of two years following the Separation Date.

Under the Separation Agreement, Mr. Leanse will be entitled to receive 100% of his annual bonus for the 2017 bonus period, and the Company agreed to, on the Separation Date, (i) make cash payments equal to (A) $125,000, representing a prorated portion of Mr. Leanse’s 2018 target bonus and (B) $112,036, representing amounts paid in lieu of Medicare and Medigap premiums and 12 months’ outplacement assistance; and (ii) make a one time, fully vested, discretionary contribution to Mr. Leanse’s account under the Company’s deferred compensation plan in the amount of $900,000. In addition, with respect to Mr. Leanse’s outstanding equity compensation awards relating to his service to the Company, the Separation Agreement provides that (i) all stock options will remain exercisable through the applicable expiration dates, and (ii) all LTIP units in the Operating Partnership will remain outstanding and continue to vest (or, in the case of performance-based awards, be eligible to vest) on the scheduled dates set forth in the applicable award agreement, subject to, in the case of performance-based awards, certain non-competition conditions set forth in such award agreements. Mr. Leanse will also be given the right under the Separation Agreement to elect to continue health insurance benefits in effect for himself and eligible family members through COBRA, and, if he so elects, the Company will pay all applicable premiums directly to the COBRA provider for a period of up to 36 months. Mr. Leanse provided the Company with a general release of claims and agreed to be subject to restrictive and other covenants contained in the Separation Agreement, including non-solicitation, non-disparagement and confidentiality provisions following the Separation Date.

Under the Consulting Agreement, Mr. Leanse will provide consulting services to the Company for a period of two years following the Separation Date. For the performance of these services, the Company has agreed to pay Mr. Leanse an aggregate fee of $100,000.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

There is hereby incorporated by reference the information which appears under the captions "Information Regarding our Director Nominees," "Executive Officers," "Section 16(a) Beneficial Ownership Reporting Compliance" and "Audit Committee Matters" in the Company's definitive proxy statement for its 2018 Annual Meeting of Stockholders that is responsive to the information required by this Item.

The Company has adopted a Code of Business Conduct and Ethics that provides principles of conduct and ethics for its directors, officers and employees. This Code complies with the requirements of the Sarbanes-Oxley Act of 2002 and applicable rules of the Securities and Exchange Commission and the New York Stock Exchange. In addition, the Company has adopted a Code of Ethics for CEO and Senior Financial Officers which supplements the Code of Business Conduct and Ethics applicable to all employees and complies with the additional requirements of the Sarbanes-Oxley Act of 2002 and applicable rules of the Securities and Exchange Commission for those officers. To the extent required by applicable rules of the Securities and Exchange Commission and the New York Stock Exchange, the Company intends to promptly disclose future amendments to certain provisions of these Codes or waivers of such provisions granted to directors and executive officers, including the Company’s principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions, on the Company’s website at *www.macerich.com* under "Investors—Corporate Governance-Code of Ethics." Each of these Codes of Conduct is available on the Company’s website at *www.macerich.com* under "Investors—Corporate Governance."

During 2017, there were no material changes to the procedures described in the Company's proxy statement relating to the 2017 Annual Meeting of Stockholders by which stockholders may recommend director nominees to the Company.

ITEM 11. EXECUTIVE COMPENSATION

There is hereby incorporated by reference the information which appears under the captions "Compensation of Non-Employee Directors," "Compensation Committee Report," "Compensation Discussion and Analysis," "Executive Compensation" and "Compensation Committee Interlocks and Insider Participation" in the Company's definitive proxy statement for its 2018 Annual Meeting of Stockholders that is responsive to the information required by this Item.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

There is hereby incorporated by reference the information which appears under the captions "Principal Stockholders," "Information Regarding Our Director Nominees," "Executive Officers" and "Equity Compensation Plan Information" in the Company's definitive proxy statement for its 2018 Annual Meeting of Stockholders that is responsive to the information required by this Item.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

There is hereby incorporated by reference the information which appears under the captions "Certain Transactions" and "The Board of Directors and its Committees" in the Company's definitive proxy statement for its 2018 Annual Meeting of Stockholders that is responsive to the information required by this Item.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

There is hereby incorporated by reference the information which appears under the captions "Principal Accountant Fees and Services" and "Audit Committee Pre-Approval Policy" in the Company's definitive proxy statement for its 2018 Annual Meeting of Stockholders that is responsive to the information required by this Item.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE

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ITEM 16. FORM 10-K SUMMARY

Not applicable.

Report of Independent Registered Public Accounting Firm

The Stockholders and Board of Directors of
The Macerich Company:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of The Macerich Company and subsidiaries (the “Company”) as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes and financial statement schedule III - Real Estate and Accumulated Depreciation (collectively, the "consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 23, 2018 expressed an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company’s auditor since 2010.

Los Angeles, California
February 23, 2018

THE MACERICH COMPANY

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except par value)

	December 31,	
	2017	2016
ASSETS:		
Property, net	$ 7,109,230	$ 7,357,310
Cash and cash equivalents	91,038	94,046
Restricted cash	52,067	49,951
Tenant and other receivables, net	112,653	136,998
Deferred charges and other assets, net	449,190	478,058
Due from affiliates	82,162	68,227
Investments in unconsolidated joint ventures	1,709,522	1,773,558
Total assets	$ 9,605,862	$ 9,958,148
LIABILITIES AND EQUITY:		
Mortgage notes payable:		
Related parties	$ 171,569	$ 176,442
Others	4,066,511	3,908,976
Total	4,238,080	4,085,418
Bank and other notes payable	932,184	880,482
Accounts payable and accrued expenses	58,412	61,316
Other accrued liabilities	325,701	366,165
Distributions in excess of investments in unconsolidated joint ventures	83,486	78,626
Co-venture obligation	—	58,973
Total liabilities	5,637,863	5,530,980
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Common stock, $0.01 par value, 250,000,000 shares authorized, 140,993,985 and 143,985,036 shares issued and outstanding at December 31, 2017 and 2016, respectively	1,410	1,440
Additional paid-in capital	4,510,489	4,593,229
Accumulated deficit	(830,279)	(488,782)
Accumulated other comprehensive loss	(42)	—
Total stockholders' equity	3,681,578	4,105,887
Noncontrolling interests	286,421	321,281
Total equity	3,967,999	4,427,168
Total liabilities and equity	$ 9,605,862	$ 9,958,148

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)

	For The Years Ended December 31,		
	2017	2016	2015
Revenues:			
Minimum rents	$ 594,030	$ 616,295	$ 759,603
Percentage rents	17,124	20,902	25,693
Tenant recoveries	283,295	305,282	415,129
Other	55,819	59,328	61,470
Management Companies	43,394	39,464	26,254
Total revenues	993,662	1,041,271	1,288,149
Expenses:			
Shopping center and operating expenses	295,190	307,623	379,815
Management Companies' operating expenses	100,121	98,323	92,340
REIT general and administrative expenses	28,240	28,217	29,870
Costs related to unsolicited takeover offer	—	—	25,204
Depreciation and amortization	335,431	348,488	464,472
	758,982	782,651	991,701
Interest expense:			
Related parties	8,731	8,973	10,515
Other	163,045	154,702	201,428
	171,776	163,675	211,943
Gain on extinguishment of debt, net	—	(1,709)	(1,487)
Total expenses	930,758	944,617	1,202,157
Equity in income of unconsolidated joint ventures	85,546	56,941	45,164
Co-venture expense	(13,629)	(13,382)	(11,804)
Income tax (expense) benefit	(15,594)	(722)	3,223
Gain on sale or write down of assets, net	42,446	415,348	378,248
Gain on remeasurement of assets	—	—	22,089
Net income	161,673	554,839	522,912
Less net income attributable to noncontrolling interests	15,543	37,844	35,350
Net income attributable to the Company	$ 146,130	$ 516,995	$ 487,562
Earnings per common share attributable to common stockholders:			
Basic	$ 1.02	$ 3.52	$ 3.08
Diluted	$ 1.02	$ 3.52	$ 3.08
Weighted average number of common shares outstanding:			
Basic	141,877,000	146,599,000	157,916,000
Diluted	141,913,000	146,711,000	158,060,000

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in thousands)

	For The Years Ended December 31,		
	2017	**2016**	**2015**
Net income	$ 161,673	$ 554,839	$ 522,912
Other comprehensive loss:			
Interest rate cap	(42)	—	—
Comprehensive income	161,631	554,839	522,912
Less net income attributable to noncontrolling interests	15,543	37,844	35,350
Comprehensive income attributable to the Company	$ 146,088	$ 516,995	$ 487,562

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF EQUITY

(Dollars in thousands, except per share data)

	Stockholders' Equity						
	Common Stock						
	Shares	Par Value	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at January 1, 2015	158,201,996	$ 1,582	$ 5,041,797	$ 596,741	$ 5,640,120	$ 399,729	$ 6,039,849
Net income	—	—	—	487,562	487,562	35,350	522,912
Amortization of share and unit-based plans	241,186	2	34,373	—	34,375	—	34,375
Employee stock purchases	23,036	—	1,512	—	1,512	—	1,512
Stock repurchase	(4,140,788)	(41)	(153,602)	(246,501)	(400,144)		(400,144)
Distributions paid ($6.63) per share	—	—	—	(1,050,562)	(1,050,562)	—	(1,050,562)
Distributions to noncontrolling interests	—	—	—	—	—	(74,677)	(74,677)
Contributions from noncontrolling interests	—	—	—	—	—	23	23
Other	—	—	(1,593)	—	(1,593)	—	(1,593)
Conversion of noncontrolling interests to common shares	79,556	1	1,558	—	1,559	(1,559)	—
Redemption of noncontrolling interests	—	—	(343)	—	(343)	(113)	(456)
Adjustment of noncontrolling interests in Operating Partnership	—	—	2,928	—	2,928	(2,928)	—
Balance at December 31, 2015	154,404,986	$ 1,544	$ 4,926,630	$ (212,760)	$ 4,715,414	$ 355,825	$ 5,071,239

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF EQUITY (Continued)

(Dollars in thousands, except per share data)

	Stockholders' Equity						
	Common Stock						
	Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2015	154,404,986	$ 1,544	$ 4,926,630	$ (212,760)	$ 4,715,414	$ 355,825	$ 5,071,239
Net income	—	—	—	516,995	516,995	37,844	554,839
Amortization of share and unit-based plans	139,671	2	40,527	—	40,529	—	40,529
Employee stock purchases	28,147	—	1,697	—	1,697	—	1,697
Stock repurchase	(11,123,011)	(111)	(412,391)	(387,516)	(800,018)	—	(800,018)
Distributions declared ($2.75) per share	—	—	—	(405,501)	(405,501)	—	(405,501)
Distributions to noncontrolling interests	—	—	—	—	—	(35,677)	(35,677)
Contributions from noncontrolling interests	—	—	—	—	—	90	90
Conversion of noncontrolling interests to common shares	535,243	5	12,443	—	12,448	(12,448)	—
Redemption of noncontrolling interests	—	—	(23)	—	(23)	(7)	(30)
Adjustment of noncontrolling interests in Operating Partnership	—	—	24,346	—	24,346	(24,346)	—
Balance at December 31, 2016	143,985,036	$ 1,440	$ 4,593,229	$ (488,782)	$ 4,105,887	$ 321,281	$ 4,427,168

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF EQUITY (Continued)

(Dollars in thousands, except per share data)

	Stockholders' Equity							
	Common Stock							
	Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2016	143,985,036	$ 1,440	$ 4,593,229	$ (488,782)	$ —	$ 4,105,887	$ 321,281	$ 4,427,168
Net income	—	—	—	146,130	—	146,130	15,543	161,673
Cumulative effect of adoption of ASU 2016-09	—	—	—	6,484	—	6,484	—	6,484
Interest rate cap	—	—	—	—	(42)	(42)	—	(42)
Amortization of share and unit-based plans	97,694	1	37,004	—	—	37,005	—	37,005
Employee stock purchases	38,832	—	1,868	—	—	1,868	—	1,868
Stock repurchases	(3,627,390)	(36)	(135,176)	(86,216)	—	(221,428)	—	(221,428)
Distributions declared ($2.87) per share	—	—	—	(407,895)	—	(407,895)	—	(407,895)
Distributions to noncontrolling interests	—	—	—	—	—	—	(35,944)	(35,944)
Contributions from noncontrolling interests	—	—	—	—	—	—	30	30
Conversion of noncontrolling interests to common shares	499,813	5	16,792	—	—	16,797	(16,797)	—
Redemption of noncontrolling interests	—	—	(615)	—	—	(615)	(305)	(920)
Adjustment of noncontrolling interests in Operating Partnership	—	—	(2,613)	—	—	(2,613)	2,613	—
Balance at December 31, 2017	140,993,985	$ 1,410	$ 4,510,489	$ (830,279)	$ (42)	$ 3,681,578	$ 286,421	$ 3,967,999

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

	For the Years Ended December 31,		
	2017	2016	2015
Cash flows from operating activities:			
Net income	$ 161,673	$ 554,839	$ 522,912
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on extinguishment of debt, net	—	(1,709)	(1,487)
Gain on sale or write down of assets, net	(42,446)	(415,348)	(378,248)
Gain on remeasurement of assets	—	—	(22,089)
Depreciation and amortization	341,275	355,358	471,320
Amortization of net premium on mortgage notes payable	(3,277)	(4,048)	(20,232)
Amortization of share and unit-based plans	30,799	33,288	28,367
Straight-line rent adjustment	(8,597)	(5,237)	(7,192)
Amortization of above and below-market leases	(964)	(12,815)	(16,510)
Provision for doubtful accounts	4,314	3,586	4,698
Income tax expense (benefit)	15,594	722	(3,223)
Equity in income of unconsolidated joint ventures	(85,546)	(56,941)	(45,164)
Co-venture expense	13,629	13,382	11,804
Distributions of income from unconsolidated joint ventures	463	7,248	4,541
Changes in assets and liabilities, net of acquisitions and dispositions:			
Tenant and other receivables	(6,508)	(7,585)	1,908
Other assets	(4,414)	(20,033)	13,892
Due from affiliates	(13,982)	15,983	(7,025)
Accounts payable and accrued expenses	(5,822)	(8,929)	(4,014)
Other accrued liabilities	(9,802)	(22,227)	698
Net cash provided by operating activities	386,389	429,534	554,956
Cash flows from investing activities:			
Acquisition of properties	—	—	(26,250)
Development, redevelopment, expansion and renovation of properties	(160,343)	(211,616)	(272,334)
Property improvements	(41,807)	(47,863)	(53,335)
Proceeds from repayment of notes receivable	7,073	3,677	1,833
Deposit on acquisition of property	—	—	(12,500)
Deferred leasing costs	(31,655)	(28,074)	(33,902)
Distributions from unconsolidated joint ventures	267,964	444,095	105,640
Contributions to unconsolidated joint ventures	(117,538)	(430,428)	(426,186)
Proceeds from sale of assets	255,294	724,275	646,898
Restricted cash	(2,116)	(10,953)	(30,888)
Net cash provided by (used in) investing activities	176,872	443,113	(101,024)

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(Dollars in thousands)

	For the Years Ended December 31,		
	2017	2016	2015
Cash flows from financing activities:			
Proceeds from mortgages, bank and other notes payable	1,430,000	3,201,138	4,080,671
Payments on mortgages, bank and other notes payable	(1,219,728)	(2,437,891)	(3,284,213)
Deferred financing costs	(8,500)	(10,584)	(11,805)
Payment of finance deposits, net of refunds received	—	—	(11,138)
Payment of debt extinguishment costs	—	(12,028)	(14,579)
Proceeds from share and unit-based plans	1,868	1,697	1,512
Stock repurchases	(221,428)	(800,018)	(400,144)
Redemption of noncontrolling interests	(920)	(30)	(456)
Contributions from noncontrolling interests	30	90	23
Purchase of noncontrolling interest	—	—	(1,593)
Settlement of contingent consideration	—	(10,012)	—
Dividends and distributions	(443,839)	(779,308)	(787,109)
Distributions to co-venture partner	(103,752)	(18,165)	(23,498)
Net cash used in financing activities	(566,269)	(865,111)	(452,329)
Net (decrease) increase in cash and cash equivalents	(3,008)	7,536	1,603
Cash and cash equivalents, beginning of year	94,046	86,510	84,907
Cash and cash equivalents, end of year	$ 91,038	$ 94,046	$ 86,510
Supplemental cash flow information:			
Cash payments for interest, net of amounts capitalized	$ 168,493	$ 153,838	$ 231,106
Non-cash investing and financing activities:			
Accrued development costs included in accounts payable and accrued expenses and other accrued liabilities	$ 43,726	$ 49,484	$ 52,983
Conversion of Operating Partnership Units to common stock	$ 16,797	$ 12,448	$ 1,559
Accrued dividend	$ —	$ —	$ 337,703
Mortgage notes payable settled by deed-in-lieu of foreclosure	$ —	$ 37,000	$ 34,149
Mortgage notes payable assumed by buyer in exchange for investment in unconsolidated joint venture	$ —	$ 997,695	$ 1,782,455
Acquisition of property in exchange for investment in unconsolidated joint venture	$ —	$ —	$ 76,250
Assumption of mortgage notes payable and other liabilities from unconsolidated joint ventures	$ —	$ —	$ 50,000

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)

1. Organization:

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

The Company commenced operations effective with the completion of its initial public offering on March 16, 1994. As of December 31, 2017, the Company was the sole general partner of and held a 93% ownership interest in The Macerich Partnership, L.P. (the "Operating Partnership"). The Company was organized to qualify as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code").

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

2. Summary of Significant Accounting Policies:

Basis of Presentation:

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America.

The accompanying consolidated financial statements include the accounts of the Company. Investments in entities in which the Company has a controlling financial interest or entities that meet the definition of a variable interest entity ("VIE") 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 VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE are consolidated; otherwise they are accounted for under the equity method of accounting and are reflected as investments in unconsolidated joint ventures.

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

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

	December 31,	
	2017	2016
Assets:		
Property, net	$ 288,881	$ 307,582
Other assets	60,586	68,863
Total assets	$ 349,467	$ 376,445
Liabilities:		
Mortgage notes payable	$ 129,436	$ 133,245
Other liabilities	72,705	75,913
Total liabilities	$ 202,141	$ 209,158

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

2. Summary of Significant Accounting Policies: (Continued)

Cash and Cash Equivalents and Restricted Cash:

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents, for which cost approximates fair value. Restricted cash includes impounds of property taxes and other capital reserves required under loan agreements.

Revenues:

Minimum rental revenues are recognized on a straight-line basis over the terms of the related leases. 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." Minimum rents were increased by $8,597, $5,237 and $7,192 due to the straight-line rent adjustment during the years ended December 31, 2017, 2016 and 2015, respectively. Percentage rents are recognized and accrued when tenants' specified sales targets have been met.

Estimated recoveries from certain tenants for their pro rata share of real estate taxes, insurance and other shopping center operating expenses are recognized as revenues in the period the applicable expenses are incurred. Other tenants pay a fixed rate and these tenant recoveries are recognized as revenues on a straight-line basis over the term of the related leases.

The Management Companies provide property management, leasing, corporate, development, redevelopment and acquisition services to affiliated and non-affiliated shopping centers. In consideration for these services, the Management Companies receive monthly management fees generally ranging from 1.5% to 5% of the gross monthly rental revenue of the properties managed.

Property:

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

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

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

Capitalization of Costs:

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

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

Investment in Unconsolidated Joint Ventures:

The Company accounts for its investments in joint ventures using the equity method of accounting unless the Company has a controlling financial interest in the joint venture or the joint venture meets the definition of a variable interest entity in which the Company is the primary beneficiary through both its 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. Although the Company has a greater than 50% interest in Candlestick Center LLC, Corte Madera Village, LLC, Macerich HHF Centers LLC, New River Associates LLC and Pacific Premier Retail LLC, the Company does not have controlling financial interests in these joint ventures due to the substantive participation rights of the outside partners in these joint ventures and, therefore, accounts for its investments in these joint ventures using the equity method of accounting.

Equity method investments are initially recorded on the balance sheet at cost and are subsequently adjusted to reflect the Company’s proportionate share of net earnings and losses, distributions received, additional contributions and certain other adjustments, as appropriate. The Company separately reports investments in joint ventures when accumulated distributions have exceeded the Company’s investment, as distributions in excess of investments in unconsolidated joint ventures. The net investment of certain joint ventures is less than zero because of financing or operating distributions that are usually greater than net income, as net income includes charges for depreciation and amortization.

Acquisitions:

The Company allocates the estimated fair value of acquisitions to land, building, tenant improvements and identified intangible assets and liabilities, based on their estimated fair values. In addition, any assumed mortgage notes payable are recorded at their estimated fair values. The estimated fair value of the land and buildings is determined utilizing an “as if vacant” methodology. Tenant improvements represent the tangible assets associated with the existing leases valued on a fair value basis at the acquisition date prorated over the remaining lease terms. The tenant improvements are classified as an asset under property and are depreciated over the remaining lease terms. Identifiable intangible assets and liabilities relate to the value of in-place operating leases which come in three forms: (i) leasing commissions and legal costs, which represent the value associated with “cost avoidance” of acquiring in-place leases, such as lease commissions paid under terms generally experienced in the Company's markets; (ii) value of in-place leases, which represents the estimated loss of revenue and of costs incurred for the period required to lease the “assumed vacant” property to the occupancy level when purchased; and (iii) above or below-market value of in-place leases, which represents the difference between the contractual rents and market rents at the time of the acquisition, discounted for tenant credit risks. Leasing commissions and legal costs are recorded in deferred charges and other assets and are amortized over the remaining lease terms. The value of in-place leases are recorded in deferred charges and other assets and amortized over the remaining lease terms plus any below-market fixed rate renewal options. Above or below-market leases are classified in deferred charges and other assets or in other accrued liabilities, depending on whether the contractual terms are above or below-market, and the asset or liability is amortized to minimum rents over the remaining terms of the leases. The remaining lease terms of below-market leases may include certain below-market fixed-rate renewal periods. In considering whether or not a lessee will execute a below-market fixed-rate lease renewal option, the Company evaluates economic factors and certain qualitative factors at the time of acquisition such as tenant mix in the Center, the Company's relationship with the tenant and the availability of competing tenant space. The initial allocation of purchase price is based on management's preliminary assessment, which may change when final information becomes available. Subsequent adjustments made to the initial purchase price allocation are made within the allocation period, which does not exceed one year. The purchase price allocation is described as preliminary if it is not yet final. The use of different assumptions in the allocation of the purchase price of the acquired assets and liabilities assumed could affect the timing of recognition of the related revenues and expenses.

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

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

2. Summary of Significant Accounting Policies: (Continued)

Deferred Charges:

Costs relating to obtaining tenant leases are deferred and amortized over the initial term of the lease agreement using the straight-line method. As these deferred leasing costs represent productive assets incurred in connection with the Company's leasing arrangements at the Centers, the related cash flows are classified as investing activities within the accompanying 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.

The range of the terms of the agreements is as follows:

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

Accounting for Impairment:

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

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

Share and Unit-based Compensation Plans:

The cost of share and unit-based compensation awards is measured at the grant date based on the calculated fair value of the awards and is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the awards. For market-indexed LTIP awards, compensation cost is recognized under the graded attribution method.

Derivative Instruments and Hedging Activities:

The Company recognizes all derivatives in the consolidated financial statements and measures the derivatives at fair value. The Company uses interest rate swap and cap agreements (collectively, "interest rate agreements") in the normal course of business to manage or reduce its exposure to adverse fluctuations in interest rates. The Company designs its hedges to be effective in reducing the risk exposure that they are designated to hedge. Any instrument that meets the cash flow hedging criteria is formally designated as a cash flow hedge at the inception of the derivative contract. On an ongoing quarterly basis, the Company adjusts its balance sheet to reflect the current fair value of its derivatives. To the extent they are effective, changes in fair value are recorded in comprehensive income. Ineffective portions, if any, are included in net income (loss).

Amounts paid (received) as a result of interest rate agreements are recorded as an addition (reduction) to (of) interest expense.

If any derivative instrument used for risk management does not meet the hedging criteria, it is marked-to-market each period with the change in value included in the consolidated statements of operations.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

Income Taxes:

The Company elected to be taxed as a REIT under the Code commencing with its taxable year ended December 31, 1994. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it distribute at least 90% of its taxable income to its stockholders. It is management's current intention to adhere to these requirements and maintain the Company's REIT status. As a REIT, the Company generally will not be subject to corporate level federal income tax on taxable income it distributes currently to its stockholders. If the Company fails to qualify as a REIT in any taxable year, then it will be subject to federal income taxes at regular corporate rates (including any applicable alternative minimum tax) and may not be able to qualify as a REIT for four subsequent taxable years. Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state and local taxes on its income and property and to federal income and excise taxes on its undistributed taxable income, if any.

Each partner is taxed individually on its share of partnership income or loss, and accordingly, no provision for federal and state income tax is provided for the Operating Partnership in the consolidated financial statements. 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.

Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The deferred tax assets and liabilities of the TRSs relate primarily to differences in the book and tax bases of property and to operating loss carryforwards for federal and state income tax purposes. A valuation allowance for deferred tax assets is provided if the Company believes it is more likely than not that all or some portion of the deferred tax assets will not be realized. Realization of deferred tax assets is dependent on the Company generating sufficient taxable income in future periods.

Segment Information:

The Company currently operates in one business segment, the acquisition, ownership, development, redevelopment, management and leasing of regional and community shopping centers. Additionally, the Company operates in one geographic area, the United States.

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.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

2. Summary of Significant Accounting Policies: (Continued)

Fair Value of Financial Instruments:(Continued)

The fair values of interest rate agreements are determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates fell below or rose above the strike rate of the interest rate agreements. The variable interest rates used in the calculation of projected receipts on the interest rate agreements are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees.

Concentration of Risk:

The Company maintains its cash accounts in a number of commercial banks. Accounts at these banks are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250. At various times during the year, the Company had deposits in excess of the FDIC insurance limit.

No Center or tenant generated more than 10% of total revenues during the years ended December 31, 2017, 2016 or 2015.

Management Estimates:

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements:

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ("ASU") 2014-09, “Revenue From Contracts With Customers,” which outlines a comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard states that “an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.” While the standard specifically references contracts with customers, it may apply to certain other transactions such as the sale of real estate or equipment. The standard will initially apply to the Company's recognition of management companies and other revenues. This standard will not apply to the Company's recognition of tenant recoveries until January 1, 2019, when it adopts ASU 2016-02, "Leases (Topic 842)", as discussed below. The Company's adoption of ASU 2014-09 on January 1, 2018 did not have a significant impact on the pattern of revenue recognition for management companies and other revenues.

Additionally, under ASU 2014-09, the Company will account for its joint venture in Chandler Fashion Center and Freehold Raceway Mall (See Note 11—Co-Venture Arrangement) as a financing arrangement. The financing arrangement liability is required to be recorded at fair value upon adoption and any subsequent changes in fair value recognized as interest expense in the Company's consolidated statements of operations. The Company's adoption of this standard effective January 1, 2018 is expected to result in the replacement of its $31,150 distributions in excess of co-venture obligation (See Note 8—Deferred Charges and Other Assets, net) with a financing arrangement liability estimated to be $393,700 on its consolidated balance sheets. This will result in the recognition of an estimated $424,850 increase in the Company’s accumulated deficit as a cumulative effect adjustment under the modified retrospective method of adoption. The financing arrangement liability and cumulative effect adjustment are provisional and are still being evaluated by management. Such amounts are subject to change and will be finalized on the Company’s consolidated financial statements for the three months ended March 31, 2018.

2. Summary of Significant Accounting Policies: (Continued)

Recent Accounting Pronouncements: (Continued)

In February 2016, the FASB issued ASU 2016-02, which sets out principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The standard requires that lessors expense, on an as-incurred basis, certain initial direct costs that are not incremental in negotiating a lease. Under existing standards, certain of these costs are capitalizable and therefore this new standard may result in certain of these costs being expensed as incurred after adoption. Additionally, under the standard, certain common area maintenance recoveries must be accounted for as a non-lease component.

Under ASU 2016-02, lessees apply a dual approach, classifying leases as either finance or operating leases. A lessee is required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months, regardless of their lease classification. The Company is a lessee on ground leases at certain properties, on certain office space leases and on certain other improvements and equipment. The standard will impact the accounting and disclosure requirements for these leases. The standard is effective for the Company under a modified retrospective approach beginning January 1, 2019. The Company is evaluating the impact of the adoption of this standard on its consolidated financial statements.

In November 2017, the FASB decided to proceed with issuing a final accounting standards update on the new leasing standard, which would provide additional practical expedients that can be elected upon adoption of ASU 2016-02 on January 1, 2019. The FASB issued an exposure draft on January 5, 2018 that includes a practical expedient that would allow lessors, as an accounting policy election by class of underlying asset, to not bifurcate non-lease components from the related lease components if certain conditions are met, and a practical expedient that would enable a cumulative effect transition option in which a company would not have to adjust their comparative period financial statements for the effects of the new standard. The Company plans on utilizing the practical expedients provided by ASU 2016-02 and the final accounting standards update and will continue to monitor and review updates as they are provided by the FASB.

In March 2016, the FASB issued ASU 2016-09, "Compensation-Stock Compensation (Topic 718)," which amended the accounting for share-based payments, including the income tax consequences, classification of awards and classification on the statement of cash flows. The Company's adoption of this standard on January 1, 2017 under the modified retrospective method resulted in the recognition of excess tax benefits of $6,484 as a cumulative effect adjustment, which reduced its accumulated deficit and increased its deferred tax assets by the same amount.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash flows (Topic 230)," which amended the accounting for the statement of cash flows by providing guidance on how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The Company's adoption of this standard on January 1, 2017 resulted in the reclassification of $12,028 and $14,579 of debt extinguishment costs from operating activities to financing activities on its consolidated statements of cash flows for the year ended December 31, 2016 and 2015, respectively.

On November 17, 2016, the FASB issued ASU 2016-18, “Restricted Cash,” which requires that the statement of cash flows explain the change during a reporting period in the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. This standard states that transfers between cash, cash equivalents, and restricted cash are not part of the entity’s operating, investing, and financing activities. Therefore, restricted cash should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Company's adoption of this standard on January 1, 2018 did not have a significant impact on its consolidated statements of cash flows.

On January 5, 2017, the FASB issued ASU 2017-01, “Business Combinations,” which clarifies the definition of a business. The objective of the standard is to add further guidance that assists entities in evaluating whether a transaction will be accounted for as an acquisition of an asset or a business. The guidance requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If so, the set of transferred assets and activities are not a business and should be treated as an asset acquisition. The guidance also requires a business to include at least one substantive process and narrows the definition of outputs. The primary difference between business combinations and asset acquisitions is the recognition of transaction costs, which are expensed as period costs for business combinations and capitalized for asset acquisitions. The Company's adoption of this standard on January 1, 2018 did not have a significant impact on its consolidated financial statements.

2. Summary of Significant Accounting Policies: (Continued)

Recent Accounting Pronouncements: (Continued)

In February 2017, the FASB issued ASU No. 2017-05, “Other Income-Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets,” which clarifies the scope of asset derecognition and adds further guidance for recognizing gains and losses from the transfer of nonfinancial assets in contracts with non-customers. The Company's adoption of this standard on January 1, 2018 did not have a significant impact on its consolidated financial statements.

In August 2017, the FASB issued ASU 2017-12, “Targeted Improvements to Accounting for Hedging Activities,” which aims to (i) improve the transparency and understandability of information conveyed to financial statement users about an entity’s risk management activities by better aligning the entity’s financial reporting for hedging relationships with those risk management activities and (ii) reduce the complexity of and simplify the application of hedge accounting by preparers. The standard is effective for the Company beginning January 1, 2019, with early adoption permitted. The Company is evaluating the impact of the adoption of this standard on its consolidated financial statements.

3. Earnings Per Share ("EPS"):

The following table reconciles the numerator and denominator used in the computation of earnings per share for the years ended December 31 (shares in thousands):

	2017	2016	2015
Numerator			
Net Income	$ 161,673	$ 554,839	$ 522,912
Net income attributable to noncontrolling interests	(15,543)	(37,844)	(35,350)
Net income attributable to the Company	146,130	516,995	487,562
Allocation of earnings to participating securities	(757)	(779)	(1,493)
Numerator for basic and diluted EPS—net income attributable to common stockholders	$ 145,373	$ 516,216	$ 486,069
Denominator			
Denominator for basic EPS—weighted average number of common shares outstanding	141,877	146,599	157,916
Effect of dilutive securities (1)			
Share and unit based compensation	36	112	144
Denominator for diluted EPS—weighted average number of common shares outstanding	141,913	146,711	158,060
EPS—net income attributable to common stockholders:			
Basic	$ 1.02	$ 3.52	$ 3.08
Diluted	$ 1.02	$ 3.52	$ 3.08

(1) Diluted EPS excludes 90,619, 133,366 and 139,186 convertible preferred units for the years ended December 31, 2017, 2016 and 2015, respectively, as their impact was antidilutive.

Diluted EPS excludes 10,416,321 and 10,721,271 and 10,562,154 Operating Partnership units ("OP Units") for the years ended December 31, 2017, 2016 and 2015, respectively, as their effect was antidilutive.

4. Investments in Unconsolidated Joint Ventures:

The following are the Company's direct or indirect investments in various joint ventures with third parties. The Company's direct or indirect ownership interest in each joint venture as of December 31, 2017 was as follows:

Joint Venture	Ownership %(1)
443 Wabash MAB LLC	45.0%
AM Tysons LLC	50.0%
Biltmore Shopping Center Partners LLC	50.0%
Candlestick Center LLC—Fashion Outlets of San Francisco	50.1%
Coolidge Holding LLC	37.5%
Corte Madera Village, LLC	50.1%
Country Club Plaza KC Partners LLC	50.0%
Fashion District Philadelphia—Various Entities	50.0%
Jaren Associates #4	12.5%
Kierland Commons Investment LLC	50.0%
Macerich HHF Centers LLC—Various Properties	51.0%
Macerich Northwestern Associates—Broadway Plaza	50.0%
MS Portfolio LLC	50.0%
New River Associates LLC—Arrowhead Towne Center	60.0%
North Bridge Chicago LLC	50.0%
One Scottsdale Investors LLC	50.0%
Pacific Premier Retail LLC—Various Properties	60.0%
Propcor II Associates, LLC—Boulevard Shops	50.0%
Scottsdale Fashion Square Partnership	50.0%
The Market at Estrella Falls LLC	40.1%
TM TRS Holding Company LLC	50.0%
Tysons Corner LLC	50.0%
Tysons Corner Hotel I LLC	50.0%
Tysons Corner Property Holdings II LLC	50.0%
Tysons Corner Property LLC	50.0%
West Acres Development, LLP	19.0%
Westcor/Queen Creek LLC	38.2%
Westcor/Surprise Auto Park LLC	33.3%
WMAP, L.L.C.—Atlas Park, The Shops at	50.0%

(1) The Company's ownership interest in this table reflects its direct or indirect legal ownership interest. Legal ownership may, at times, not equal the Company’s economic interest in the listed entities because of various provisions in certain joint venture agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and payments of preferred returns. As a result, the Company’s actual economic interest (as distinct from its legal ownership interest) in certain of the properties could fluctuate from time to time and may not wholly align with its legal ownership interests. Substantially all of the Company’s joint venture agreements contain rights of first refusal, buy-sell provisions, exit rights, default dilution remedies and/or other break up provisions or remedies which are customary in real estate joint venture agreements and which may, positively or negatively, affect the ultimate realization of cash flow and/or capital or liquidation proceeds.

4. Investments in Unconsolidated Joint Ventures: (Continued)

The Company has made the following investments and dispositions in unconsolidated joint ventures during the years ended December 31, 2017, 2016 and 2015:

On February 17, 2015, the Company acquired the remaining 50% ownership interest in Inland Center, an 869,000 square foot regional shopping center in San Bernardino, California, that it did not previously own for $51,250. The purchase price was funded by a cash payment of $26,250 and the assumption of the third party's share of the mortgage note payable on the property of $25,000. Concurrent with the purchase of the joint venture interest, the Company paid off the $50,000 mortgage note payable on the property. The cash payment was funded by borrowings under the Company's line of credit. Prior to the acquisition, the Company had accounted for its investment in Inland Center under the equity method of accounting. Since the date of acquisition, the Company has included Inland Center in its consolidated financial statements (See Note 14—Acquisitions).

On April 30, 2015, the Company entered into a 50/50 joint venture with Sears to own nine freestanding stores located at Arrowhead Towne Center, Chandler Fashion Center, Danbury Fair Mall, Deptford Mall, Freehold Raceway Mall, Los Cerritos Center, South Plains Mall, Vintage Faire Mall and Washington Square. The Company invested $150,000 for a 50% ownership interest in the joint venture, which was funded by borrowings under the Company's line of credit.

On October 30, 2015, the Company sold a 40% ownership interest in Pacific Premier Retail LLC (the "PPR Portfolio"), which owns Lakewood Center, a 2,070,000 square foot regional shopping center in Lakewood, California; Los Cerritos Center, a 1,305,000 square foot regional shopping center in Cerritos, California; South Plains Mall, a 1,128,000 square foot regional shopping center in Lubbock, Texas; and Washington Square, a 1,442,000 square foot regional shopping center in Portland, Oregon, for a total sales price of $1,258,643, resulting in a gain on sale of assets of $311,194. The sales price was funded by a cash payment of $545,643 and the assumption of a pro rata share of the mortgage and other notes payable on the properties of $713,000. The Company used the cash proceeds from the sales to pay down its line of credit and for general corporate purposes, which included funding the ASR and Special Dividend (See Note 13—Stockholders' Equity). Upon completion of the sale of the ownership interest, the Company no longer has a controlling interest in the joint venture due to the substantive participation rights of the outside partner. Accordingly, the Company accounts for its investment in the PPR Portfolio under the equity method of accounting.

On January 6, 2016, the Company sold a 40% ownership interest in Arrowhead Towne Center, a 1,197,000 square foot regional shopping center in Glendale, Arizona, for $289,496, resulting in a gain on the sale of assets of $101,629. The sales price was funded by a cash payment of $129,496 and the assumption of a pro rata share of the mortgage note payable on the property of $160,000. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes, which included funding the Special Dividend (See Note 13—Stockholders' Equity). Upon completion of the sale of the ownership interest, the Company no longer has a controlling interest in the joint venture due to the substantive participation rights of the outside partner. Accordingly, the Company accounts for its investment in Arrowhead Towne Center under the equity method of accounting.

On January 14, 2016, the Company formed a joint venture, whereby the Company sold a 49% ownership interest in Deptford Mall, a 1,040,000 square foot regional shopping center in Deptford, New Jersey; FlatIron Crossing, a 1,433,000 square foot regional shopping center in Broomfield, Colorado; and Twenty Ninth Street, an 847,000 square foot regional shopping center in Boulder, Colorado (the "MAC Heitman Portfolio"), for $771,478, resulting in a gain on the sale of assets of $340,734. The sales price was funded by a cash payment of $478,608 and the assumption of a pro rata share of the mortgage notes payable on the properties of $292,870. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes. Upon completion of the sale of the ownership interest, the Company no longer has a controlling interest in the joint venture due to the substantive participation rights of the outside partner. Accordingly, the Company accounts for its investment in the MAC Heitman Portfolio under the equity method of accounting.

On March 1, 2016, the Company, through a 50/50 joint venture, acquired Country Club Plaza, a 1,001,000 square foot regional shopping center in Kansas City, Missouri, for a purchase price of $660,000. The Company funded its pro rata share of the purchase price of $330,000 from borrowings under its line of credit. On March 28, 2016, the joint venture placed a $320,000 loan on the property that bears interest at an effective rate of 3.88% and matures on April 1, 2026. The Company used its pro rata share of the proceeds to pay down its line of credit and for general corporate purposes.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

4. Investments in Unconsolidated Joint Ventures: (Continued)

On March 17, 2017, the Company's joint venture in Country Club Plaza sold an office building for $78,000, resulting in a gain on sale of assets of $4,580. The Company's pro rata share of the gain on sale of assets of $2,290 was included in equity in income of unconsolidated joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See Note 13—Stockholders' Equity).

On September 18, 2017, the Company's joint venture in Fashion District Philadelphia sold an office building for $61,500, resulting in a gain on sale of assets of $13,078. The Company's pro rata share of the gain on sale of assets of $6,539 was included in equity in income of unconsolidated joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See Note 13—Stockholders' Equity).

On December 14, 2017, the Company’s joint venture in Westcor/Queens Creek LLC sold land for $30,491, resulting in a gain on sale of assets of $14,853. The Company’s share of the gain on sale was $5,436, which was included in equity in income of unconsolidated joint ventures. The Company used its portion of the proceeds to pay down its line of credit and for general corporate purposes.

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

Combined and Condensed Balance Sheets of Unconsolidated Joint Ventures as of December 31:

	2017	2016
Assets(1):		
Property, net	$ 9,052,105	$ 9,176,642
Other assets	635,838	614,607
Total assets	$ 9,687,943	$ 9,791,249
Liabilities and partners' capital(1):		
Mortgage and other notes payable(2)	$ 5,296,594	$ 5,224,713
Other liabilities	405,052	403,369
Company's capital	2,188,057	2,279,819
Outside partners' capital	1,798,240	1,883,348
Total liabilities and partners' capital	$ 9,687,943	$ 9,791,249
Investment in unconsolidated joint ventures:		
Company's capital	$ 2,188,057	$ 2,279,819
Basis adjustment(3)	(562,021)	(584,887)
	$ 1,626,036	$ 1,694,932
Assets—Investments in unconsolidated joint ventures	$ 1,709,522	$ 1,773,558
Liabilities—Distributions in excess of investments in unconsolidated joint ventures	(83,486)	(78,626)
	$ 1,626,036	$ 1,694,932

(1) These amounts include the assets of $3,106,105 and $3,179,255 of the PPR Portfolio as of December 31, 2017 and 2016, respectively, and liabilities of $1,872,227 and $1,887,952 of the PPR Portfolio as of December 31, 2017 and 2016, respectively.

(2) Included in mortgage and other notes payable are amounts due to affiliates of Northwestern Mutual Life ("NML") of $482,332 and $265,863 as of December 31, 2017 and 2016, 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 $17,898, $16,898 and $29,372 for the years ended December 31, 2017, 2016 and 2015, respectively.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

4. Investments in Unconsolidated Joint Ventures: (Continued)

(3) The Company amortizes the difference between the cost of its investments in unconsolidated joint ventures and the book value of the underlying equity into income on a straight-line basis consistent with the lives of the underlying assets. The amortization of this difference was $16,562, $17,610 and $5,619 for the years ended December 31, 2017, 2016 and 2015, respectively.

Combined and Condensed Statements of Operations of Unconsolidated Joint Ventures:

	PPR Portfolio	Other Joint Ventures	Total
Year Ended December 31, 2017			
Revenues:			
Minimum rents	$ 134,450	$ 501,732	$ 636,182
Percentage rents	5,050	13,866	18,916
Tenant recoveries	46,575	189,059	235,634
Other	5,959	51,767	57,726
Total revenues	192,034	756,424	948,458
Expenses:			
Shopping center and operating expenses	41,340	243,271	284,611
Interest expense	67,053	131,714	198,767
Depreciation and amortization	101,625	250,921	352,546
Total operating expenses	210,018	625,906	835,924
(Loss) gain on sale of assets	(36)	33,861	33,825
Net (loss) income	$ (18,020)	$ 164,379	$ 146,359
Company's equity in net (loss) income	$ (453)	$ 85,999	$ 85,546
Year Ended December 31, 2016			
Revenues:			
Minimum rents	$ 129,145	$ 471,139	$ 600,284
Percentage rents	5,437	15,480	20,917
Tenant recoveries	47,856	187,288	235,144
Other	6,303	49,937	56,240
Total revenues	188,741	723,844	912,585
Expenses:			
Shopping center and operating expenses	39,804	234,704	274,508
Interest expense	64,626	123,043	187,669
Depreciation and amortization	108,880	251,498	360,378
Total operating expenses	213,310	609,245	822,555
Loss on sale of assets	—	(375)	(375)
Net (loss) income	$ (24,569)	$ 114,224	$ 89,655
Company's equity in net (loss) income	$ (3,088)	$ 60,029	$ 56,941

4. Investments in Unconsolidated Joint Ventures: (Continued)

	PPR Portfolio(1)	Other Joint Ventures	Total
Year Ended December 31, 2015			
Revenues:			
Minimum rents	$ 21,172	$ 293,921	$ 315,093
Percentage rents	2,569	13,188	15,757
Tenant recoveries	8,408	129,059	137,467
Other	1,182	33,931	35,113
Total revenues	33,331	470,099	503,430
Expenses:			
Shopping center and operating expenses	6,852	165,795	172,647
Interest expense	10,448	78,279	88,727
Depreciation and amortization	16,919	133,707	150,626
Total operating expenses	34,219	377,781	412,000
Gain on sale of assets	—	9,850	9,850
Loss on extinguishment of debt	—	(3)	(3)
Net (loss) income	$ (888)	$ 102,165	$ 101,277
Company's equity in net income	$ 1,409	$ 43,755	$ 45,164

(1) These amounts exclude the results of operations from January 1, 2015 to October 29, 2015, as the PPR Portfolio was converted from Consolidated Centers to an Unconsolidated Joint Venture Centers effective October 30, 2015, as a result of the PPR Portfolio transaction as discussed above.

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

5. Derivative Instruments and Hedging Activities:

The Company recorded other comprehensive loss related to the marking-to-market of an interest rate cap agreement of $42 for the year ended December 31, 2017. There were no derivatives outstanding at December 31, 2016 or 2015.

The following derivative was outstanding at December 31, 2017:

Property	Notional Amount	Product	LIBOR Rate	Maturity	Fair Value
Santa Monica Place	$ 300,000	Cap	4.00%	12/9/2019	$ 11

The above interest rate cap agreement was designated as a hedging instrument with a fair value of $11 that was included in deferred charges and other assets, net at December 31, 2017.

6. Property, net:

Property at December 31, 2017 and 2016 consists of the following:

	2017	2016
Land	$ 1,567,152	$ 1,607,590
Buildings and improvements	6,385,035	6,511,741
Tenant improvements	620,352	622,878
Equipment and furnishings	187,998	177,036
Construction in progress	366,996	289,966
	9,127,533	9,209,211
Less accumulated depreciation	(2,018,303)	(1,851,901)
	$ 7,109,230	$ 7,357,310

Depreciation expense for the years ended December 31, 2017, 2016 and 2015 was $277,917, $277,270 and $354,977, respectively.

The gain on sale or write down of assets, net for the year ended December 31, 2017 includes a gain of $59,577 on the sale of Cascade Mall and Northgate Mall (See Note 15—Dispositions), $14,597 on the sale of 500 North Michigan Avenue (See Note 15—Dispositions) and $1,564 on the sales of land. These gains were offset in part by a loss of $22,108 on impairment, $10,138 on the write down of an investment in non-real estate assets and $1,046 on the write off of development costs. The loss on impairment was due to the reduction of the estimated holding periods of Southridge Center and Promenade at Casa Grande.

The gain on sale or write down of assets, net for the year ended December 31, 2016 includes a gain of $101,629 on the sale of a 40% ownership interest in Arrowhead Towne Center (See Note 4—Investments in Unconsolidated Joint Ventures), $340,734 on the sale of a 49% ownership interest in the MAC Heitman Portfolio (See Note 4—Investments in Unconsolidated Joint Ventures), $24,894 on the sale of Capitola Mall (See Note 15—Dispositions) and $4,546 on the sale of land. These gains were offset in part by a loss of $39,671 on impairment, a charge of $12,180 from a contingent consideration obligation, a loss of $3,066 on the sale of a former Mervyn's store (See Note 15—Dispositions) and $1,538 on the write-off of development costs. The loss on impairment was due to the reduction of the estimated holding periods of Cascade Mall, Promenade at Casa Grande, The Marketplace at Flagstaff and a freestanding store.

The gain on sale or write down of assets, net for the year ended December 31, 2015 includes the gain of $311,194 on the sale of a 40% ownership interest in the PPR Portfolio (See Note 4—Investments in Unconsolidated Joint Ventures), $73,726 on the sale of Panorama Mall (See Note 15—Dispositions), $2,336 on the sale of assets and $1,807 on the sale of land offset in part by a loss of $9,963 on impairment and $852 on the write-off of development costs. The loss on impairment was due to the reduction of the estimated holding periods of Flagstaff Mall (See Note 15—Dispositions) and a freestanding store.

6. Property, net: (Continued)

The following table summarizes certain of the Company's assets that were measured on a nonrecurring basis as a result of impairment charges recorded for the years ended December 31, 2017, 2016 and 2015 as described above:

Years ended December, 31	Total Fair Value Measurement	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2017	$ 38,000	$ —	$ 38,000	$ —
2016	$ 86,100	$ —	$ —	$ 86,100
2015	$ 49,700	$ —	$ 6,200	$ 43,500

The fair value relating to impairments that were based on sales contracts were classified within Level 2 of the fair value hierarchy. The fair value relating to impairment assessments that were not based on sales contracts were based on a discounted cash flow model that included all cash inflows and outflows over a specific holding period. Such projected cash flows are comprised of contractual rental revenues and forecasted rental revenues and expenses based upon market conditions and expectations for growth. Terminal capitalization rates and discount rates utilized in these models are based on a reasonable range of current market rates for each property analyzed. Based upon these inputs, the Company determined that its valuations of properties using a discounted cash flow model are classified within Level 3 of the fair value hierarchy.

The following table sets forth quantitative information about the unobservable inputs of the Company’s Level 3 real estate recorded as of December 31, 2016 and 2015:

Unobservable Inputs	2016	2015
Terminal capitalization rate	7.0% - 10.0%	9.0%
Discount rate	8.0% - 15.0%	9.5%
Market rents per square foot	$2.00 - $20.00	$5.00 - $150.00

7. Tenant and Other Receivables, net:

Included in tenant and other receivables, net is an allowance for doubtful accounts of $2,786 and $1,991 at December 31, 2017 and 2016, respectively. Also included in tenant and other receivables, net are accrued percentage rents of $8,711 and $9,509 at December 31, 2017 and 2016, respectively, and a deferred rent receivable due to straight-line rent adjustments of $61,859 and $56,761 at December 31, 2017 and 2016, respectively.

On March 17, 2014, in connection with the sale of Lake Square Mall, a 559,000 square foot regional shopping center in Leesburg, Florida, the Company issued a note receivable for $6,500 that bore interest at an effective rate of 6.5% and was to mature on March 17, 2018 ("LSM Note A") and a note receivable for $3,103 that bore interest at 5.0% and was to mature on December 31, 2014 ("LSM Note B"). LSM Note A and LSM Note B were paid off on October 20, 2017 and September 2, 2014, respectively.

8. Deferred Charges and Other Assets, net:

Deferred charges and other assets, net at December 31, 2017 and 2016 consist of the following:

	2017	2016
Leasing	$ 232,819	$ 239,983
Intangible assets:		
In-place lease values(1)	108,432	140,437
Leasing commissions and legal costs(1)	25,958	32,384
Above-market leases	164,040	181,851
Deferred tax assets	29,006	38,301
Deferred compensation plan assets	52,221	42,711
Distributions in excess of co-venture obligation(2)	31,150	—
Other assets	66,990	72,206
	710,616	747,873
Less accumulated amortization(3)	(261,426)	(269,815)
	$ 449,190	$ 478,058

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(1) The amortization of these intangible assets for the next five years and thereafter is as follows:

Year Ending December 31,	
2018	$ 13,165
2019	11,115
2020	8,418
2021	6,866
2022	5,136
Thereafter	15,183
	$ 59,883

(2) See Note 11—Co-Venture Arrangement.

(3) Accumulated amortization includes $74,507 and $88,785 relating to in-place lease values, leasing commissions and legal costs at December 31, 2017 and 2016, respectively. Amortization expense for in-place lease values, leasing commissions and legal costs was $19,988, $33,048 and $69,460 for the years ended December 31, 2017, 2016 and 2015, respectively.

8. Deferred Charges and Other Assets, net: (Continued)

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

	2017	2016
Above-Market Leases		
Original allocated value	$ 164,040	$ 181,851
Less accumulated amortization	(60,210)	(57,505)
	$ 103,830	$ 124,346
Below-Market Leases(1)		
Original allocated value	$ 120,573	$ 144,713
Less accumulated amortization	(55,489)	(58,400)
	$ 65,084	$ 86,313

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

The allocated values of above and below-market leases will be amortized into minimum rents on a straight-line basis over the individual remaining lease terms. The amortization of these values for the next five years and thereafter is as follows:

Year Ending December 31,	Above Market	Below Market
2018	$ 11,109	$ 11,657
2019	9,265	10,400
2020	8,088	8,016
2021	6,944	6,286
2022	5,370	5,201
Thereafter	63,054	23,524
	$ 103,830	$ 65,084

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

9. Mortgage Notes Payable:

Mortgage notes payable at December 31, 2017 and 2016 consist of the following:

	Carrying Amount of Mortgage Notes(1)						
	2017		2016				
Property Pledged as Collateral	**Related Party**	**Other**	**Related Party**	**Other**	**Effective Interest Rate(2)**	**Monthly Debt Service(3)**	**Maturity Date(4)**
Chandler Fashion Center(5)	—	199,904	—	199,833	3.77%	625	2019
Danbury Fair Mall	104,599	104,598	107,929	107,928	5.53%	1,538	2020
Fashion Outlets of Chicago(6)	—	199,298	—	198,966	3.02%	477	2020
Fashion Outlets of Niagara Falls USA	—	112,770	—	115,762	4.89%	727	2020
Freehold Raceway Mall(5)(7)	—	398,050	—	220,643	3.94%	1,300	2029
Fresno Fashion Fair	—	323,261	—	323,062	3.67%	971	2026
Green Acres Commons(8)	—	107,219	—	—	4.07%	322	2021
Green Acres Mall	—	291,366	—	297,798	3.61%	1,447	2021
Kings Plaza Shopping Center	—	447,231	—	456,958	3.67%	2,229	2019
Northgate Mall(9)	—	—	—	63,434			
Oaks, The	—	196,732	—	201,235	4.14%	1,064	2022
Pacific View	—	124,397	—	127,311	4.08%	668	2022
Queens Center	—	600,000	—	600,000	3.49%	1,744	2025
Santa Monica Place(10)	—	296,366	—	219,564	3.13%	706	2022
SanTan Village Regional Center	—	124,703	—	127,724	3.14%	589	2019
Stonewood Center(11)	—	—	—	99,520			
Towne Mall	—	21,161	—	21,570	4.48%	117	2022
Tucson La Encantada	66,970	—	68,513	—	4.23%	368	2022
Victor Valley, Mall of	—	114,617	—	114,559	4.00%	380	2024
Vintage Faire Mall	—	263,818	—	269,228	3.55%	1,256	2026
Westside Pavilion	—	141,020	—	143,881	4.49%	783	2022
	$ 171,569	$ 4,066,511	$ 176,442	$ 3,908,976			

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

The debt premiums as of December 31, 2017 and 2016 consist of the following:

Property Pledged as Collateral	**2017**	**2016**
Fashion Outlets of Niagara Falls USA	$ 2,630	$ 3,558
Stonewood Center	—	2,349
	$ 2,630	$ 5,907

The mortgage notes payable balances also include unamortized deferred finance costs that are amortized into interest expense over the remaining term of the related debt in a manner that approximates the effective interest method. Unamortized deferred finance costs were $17,838 and $12,716 at December 31, 2017 and 2016, respectively.

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

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

9. Mortgage Notes Payable: (continued)

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

(5) A 49.9% interest in the loan has been assumed by a third party in connection with a co-venture arrangement (See Note 11—Co-Venture Arrangement).

(6) The loan bears interest at LIBOR plus 1.50% and matures on March 31, 2020. At December 31, 2017 and 2016, the total interest rate was 3.02% and 2.43%, respectively.

(7) On October 19, 2017, the joint venture replaced the existing loan on the property with a new $400,000 loan that bears interest at an effective rate of 3.94% and matures on November 1, 2029.

(8) On September 29, 2017, the Company placed a new $110,000 loan on the property that bears interest at LIBOR plus 2.15% and matures on March 29, 2021. The loan can be expanded, depending on certain conditions, up to $130,000. At December 31, 2017, the total interest rate was 4.07%.

(9) On January 18, 2017, the loan was paid off in connection with sale of the underlying property (See Note 15—Dispositions).

(10) On December 4, 2017, the Company replaced the existing loan on the property with a new $300,000 loan that bears interest at LIBOR plus 1.35% and matures on December 9, 2019 with three one-year extension options. The loan is covered by an interest rate cap agreement that effectively prevents LIBOR from exceeding 4.00% (See Note 5—Derivative Instruments and Hedging Activities). At December 31, 2017 the total interest rate was 3.13%.

(11) On November 1, 2017, the Company paid off the loan on the property.

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

As of December 31, 2017, all of the Company's mortgage notes payable are secured by the properties on which they are placed and are non-recourse to the Company.

Total interest expense capitalized during the years ended December 31, 2017, 2016 and 2015 was $13,160, $10,316 and $13,052, 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 estimated fair value (Level 2 measurement) of mortgage notes payable at December 31, 2017 and 2016 was $4,250,816 and $4,126,819, respectively, based on current interest rates for comparable loans. Fair value was determined using a present value model and an interest rate that included a credit value adjustment based on the estimated value of the property that serves as collateral for the underlying debt.

The future maturities of mortgage notes payable are as follows:

Year Ending December 31,	
2018	$ 49,800
2019	796,591
2020	528,456
2021	401,733
2022	802,552
Thereafter	1,674,156
	4,253,288
Debt premium	2,630
Deferred finance cost, net	(17,838)
	$ 4,238,080

The future maturities reflected above reflect the extension options that the Company believes will be exercised.

10. Bank and Other Notes Payable:

Bank and other notes payable at December 31, 2017 and 2016 consist of the following:

Line of Credit:

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

Based on the Company's leverage level as of December 31, 2017, the borrowing rate on the facility was LIBOR plus 1.45%. As of December 31, 2017 and 2016, borrowings under the line of credit, were $935,000 and $885,000, respectively, less unamortized deferred finance costs of $7,548 and $10,039, respectively, at a total interest rate of 3.13% and 2.40%, respectively. The estimated fair value (Level 2 measurement) of the line of credit at December 31, 2017 and 2016 was $919,158 and $865,921, respectively, based on a present value model using a credit interest rate spread offered to the Company for comparable debt.

Term Loan:

On December 8, 2011, the Company obtained a $125,000 unsecured term loan under the line of credit that bore interest at LIBOR plus a spread of 1.95% to 3.20%, depending on the Company's overall leverage level, and was to mature on December 8, 2018. On October 23, 2015, the Company paid off the term loan, which resulted in a loss of $578 on the early extinguishment of debt.

Prasada Note:

On March 29, 2013, the Company issued a $13,330 note payable that bears interest at 5.25% and matures on May 30, 2021. The note payable is collateralized by a portion of a development reimbursement agreement with the City of Surprise, Arizona. At December 31, 2017 and 2016, the note had a balance of $4,732 and $5,521, respectively. The estimated fair value (Level 2 measurement) of the note at December 31, 2017 and 2016 was $4,717 and $5,786, respectively, based on current interest rates for comparable notes. Fair value was determined using a present value model and an interest rate that included a credit value adjustment based on the estimated value of the collateral for the underlying debt.

As of December 31, 2017 and 2016, the Company was in compliance with all applicable financial loan covenants.

The future maturities of bank and other notes payable are as follows:

Year Ending December 31,		
2018	$	830
2019		875
2020		922
2021		937,105
		939,732
Deferred finance cost		(7,548)
	$	932,184

The future maturities reflected above reflect the extension options that the Company believes will be exercised.

11. 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, a 1,671,000 square foot regional shopping center in Freehold, New Jersey, and Chandler Fashion Center, a 1,318,000 square foot regional shopping center in Chandler, Arizona.

As a result of the Company having certain rights under the agreement to repurchase the assets after the seventh year of the venture formation, the transaction did not qualify for sale treatment. The Company, however, is not obligated to repurchase the assets. The transaction has been accounted for as a profit-sharing arrangement, and accordingly the assets, liabilities and operations of the properties remain on the books of the Company and a co-venture obligation was established for the amount of $168,154, representing the net cash proceeds received from the third party less costs allocated to the warrant. The co-venture obligation was increased for the allocation of income to the co-venture partner and decreased for distributions to the co-venture partner. On October 19, 2017, the joint venture replaced the existing loan on Freehold Raceway Mall with a new $400,000 loan. The subsequent distribution of a share of the net proceeds from the refinancing to the outside partner exceeded the co-venture obligation.

At December 31, 2017 and 2016, the Company had the following asset and liability related to the co-venture arrangement:

	2017	2016
Asset—Distributions in excess of co-venture obligation(1)	$ 31,150	$ —
Liability—Co-venture obligation	$ —	$ 58,973

(1) See Note 8—Deferred Charges and Other Assets, net

12. 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 periodically to reflect its ownership interest in the Company. The Company had a 93% ownership interest in the Operating Partnership as of December 31, 2017 and 2016. The remaining 7% limited partnership interest as of December 31, 2017 and 2016, was owned by certain of the Company's executive officers and directors, certain of their affiliates, and other third party investors in the form of OP Units. The OP Units may be redeemed for shares of registered or unregistered 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 December 31, 2017 and 2016, the aggregate redemption value of the then-outstanding OP Units not owned by the Company was $671,592 and $733,141, respectively.

The Company issued common and cumulative 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.

13. Stockholders' Equity:

2015 Stock Buyback Program:

On September 30, 2015, the Company's Board of Directors authorized the repurchase of up to $1,200,000 of the Company's outstanding common shares over the period ending September 30, 2017, as market conditions warranted.

On November 12, 2015, the Company entered into an accelerated share repurchase program ("ASR") to repurchase $400,000 of the Company's common stock. In accordance with the ASR, the Company made a prepayment of $400,000 and received an initial share delivery of 4,140,788 shares. On January 19, 2016, the ASR was completed and the Company received delivery of an additional 970,609 shares. The average price of the 5,111,397 shares repurchased under the ASR was $78.26 per share. The ASR was funded from proceeds in connection with the financing and sale of the ownership interest in the PPR Portfolio (See Note 4—Investments in Unconsolidated Joint Ventures).

On February 17, 2016, the Company entered into an ASR to repurchase an additional $400,000 of the Company's common stock. In accordance with the ASR, the Company made a prepayment of $400,000 and received an initial share delivery of 4,222,193 shares. On April 19, 2016, the ASR was completed and the Company received delivery of an additional 861,235 shares. The average price of the 5,083,428 shares repurchased under the ASR was $78.69 per share. The ASR was funded from borrowings under the Company's line of credit, which had been recently paid down from the proceeds from the financings and sale of ownership interests in Arrowhead Towne Center and the MAC Heitman Portfolio (See Note 4—Investments in Unconsolidated Joint Ventures).

On May 9, 2016, the Company entered into an ASR to repurchase the remaining $400,000 of the Company's common stock authorized for repurchase. In accordance with the ASR, the Company made a prepayment of $400,000 and received an initial share delivery of 3,964,812 shares. On July 11, 2016, the ASR was completed and the Company received delivery of an additional 1,104,162 shares. The average price of the 5,068,974 shares repurchased under the ASR was $78.91 per share. The ASR was funded from borrowings under the Company's line of credit, which had been recently paid down from the proceeds from the financings and sale of ownership interests in Arrowhead Towne Center and the MAC Heitman Portfolio (See Note 4—Investments in Unconsolidated Joint Ventures).

2017 Stock Buyback Program:

On February 12, 2017, the Company's Board of Directors authorized the repurchase of up to $500,000 of its outstanding common shares as market conditions and the Company’s liquidity warrant. Repurchases may be made through open market purchases, privately negotiated transactions, structured or derivative transactions, including ASR transactions, or other methods of acquiring shares and pursuant to Rule 10b5-1 of the Securities Act of 1934, from time to time as permitted by securities laws and other legal requirements.

During the period from February 12, 2017 to December 31, 2017, the Company repurchased a total of 3,627,390 of its common shares for $221,428, representing an average price of $61.01 per share. The Company funded the repurchases from the net proceeds of the sale of Cascade Mall and Northgate Mall (See Note 15—Dispositions), its share of the proceeds from the sale of office buildings at Country Club Plaza and Fashion District Philadelphia (See Note 4—Investments in Unconsolidated Joint Ventures) and from borrowings under its line of credit.

13. Stockholders' Equity: (Continued)

Special Dividends:

On October 30, 2015, the Company declared two special dividends/distributions ("Special Dividend"), each of $2.00 per share of common stock and per OP Unit. The first Special Dividend was paid on December 8, 2015 to stockholders and OP Unit holders of record on November 12, 2015. The second Special Dividend was paid on January 6, 2016 to common stockholders and OP Unit holders of record on November 12, 2015. The Special Dividends were funded from proceeds in connection with the financing and sale of ownership interests in the PPR Portfolio and Arrowhead Towne Center (See Note 4—Investments in Unconsolidated Joint Ventures).

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

On August 20, 2014, the Company entered into an equity distribution agreement with a number of sales agents (the "ATM Program") to issue and sell, from time to time, shares of common stock, par value $0.01 per share, having an aggregate offering price of up to $500,000. The ATM Program expired by its terms in August 2017. No shares were sold under the ATM Program.

14. Acquisitions:

Fashion Outlets of Chicago:

On October 31, 2014, the Company purchased the outside ownership interest in its consolidated joint venture in Fashion Outlets of Chicago, for $69,987. The purchase agreement included contingent consideration based on the financial performance of Fashion Outlets of Chicago. On August 19, 2016, the Company paid $23,800 in full settlement of the contingent consideration obligation.

Inland Center:

On February 17, 2015, the Company acquired the remaining 50% ownership interest in Inland Center that it did not previously own for $51,250. The purchase price was funded by a cash payment of $26,250 and the assumption of the third party's share of the mortgage note payable on the property of $25,000. Prior to the acquisition, the Company had accounted for its investment in Inland Center under the equity method of accounting (See Note 4—Investments in Unconsolidated Joint Ventures). As a result of this transaction, the Company obtained 100% ownership of Inland Center. The acquisition was completed in order to obtain 100% ownership and control over this asset.

The following is a summary of the allocation of the fair value of Inland Center:

Property	$	91,871
Deferred charges		9,752
Other assets		5,782
Total assets acquired		107,405
Mortgage note payable		50,000
Other accrued liabilities		4,905
Total liabilities assumed		54,905
Fair value of acquired net assets (at 100% ownership)	$	52,500

14. Acquisitions: (Continued)

The Company determined that the purchase price represented the fair value of the additional ownership interest in Inland Center that was acquired.

Fair value of existing ownership interest (at 50% ownership)	$	26,250
Carrying value of investment		(4,161)
Gain on remeasurement of assets	$	22,089

The following is the reconciliation of the purchase price to the fair value of the acquired net assets:

Purchase price	$	51,250
Less debt assumed		(25,000)
Carrying value of investment		4,161
Gain on remeasurement of assets		22,089
Fair value of acquired net assets (at 100% ownership)	$	52,500

From the date of acquisition, the Company has included Inland Center in its consolidated financial statements.

15. Dispositions:

On June 30, 2015, the Company conveyed Great Northern Mall, an 895,000 square foot regional shopping center in Clay, New York, to the mortgage lender by a deed-in-lieu of foreclosure and was discharged from the mortgage note payable. The loan was nonrecourse to the Company. As a result, the Company recognized a loss on the extinguishment of debt of $1,627.

On November 19, 2015, the Company sold Panorama Mall, a 312,000 square foot community center in Panorama City, California, for $98,000, resulting in a gain on the sale of assets of $73,726. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On April 13, 2016, the Company sold Capitola Mall, a 586,000 square foot regional shopping center in Capitola, California, for $93,000, resulting in a gain on the sale of assets of $24,894. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On May 31, 2016, the Company sold a former Mervyn's store in Yuma, Arizona, for $3,200, resulting in a loss on the sale of assets of $3,066. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On July 15, 2016, the Company conveyed Flagstaff Mall, a 347,000 square foot regional shopping center in Flagstaff, Arizona, to the mortgage lender by a deed-in-lieu of foreclosure and was discharged from the mortgage note payable. The loan was non-recourse to the Company. As a result, the Company recognized a gain on the extinguishment of debt of $5,284.

On January 18, 2017, the Company sold Cascade Mall, a 589,000 square foot regional shopping center in Burlington, Washington; and Northgate Mall, a 750,000 square foot regional shopping center in San Rafael, California, in a combined transaction for $170,000, resulting in a gain on the sale of assets of $59,577. The proceeds were used to pay off the mortgage note payable on Northgate Mall and to repurchase shares of the Company's common stock under the 2017 Stock Buyback Program (See Note 13—Stockholders' Equity).

On November 16, 2017, the Company sold 500 North Michigan Avenue, a 326,000 square foot office building in Chicago, Illinois for $86,350, resulting in a gain on sale of assets of $14,597. The Company used the proceeds from the sale to pay down its line of credit and for other general corporate purposes.

16. Future Rental Revenues:

Under existing non-cancelable operating lease agreements, tenants are committed to pay the following minimum rental payments to the Company:

Year Ending December 31,		
2018	$	508,750
2019		432,248
2020		386,803
2021		332,080
2022		283,600
Thereafter		850,735
	$	2,794,216

17. Commitments and Contingencies:

The Company has certain properties subject to non-cancelable operating leases. The leases expire at various times through 2098, subject in some cases to options to extend the terms of the lease. Certain leases provide for contingent rent payments based on a percentage of base rental income, as defined in the lease. Lease rent expenses were $18,499, $16,495 and $17,938 for the years ended December 31, 2017, 2016 and 2015, respectively. No contingent rent was incurred for the years ended December 31, 2017, 2016 or 2015.

Minimum future rental payments required under the leases are as follows:

Year Ending December 31,		
2018	$	10,461
2019		9,334
2020		9,351
2021		8,999
2022		9,021
Thereafter		208,184
	$	255,350

As of December 31, 2017, the Company was contingently liable for $60,588 in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company.

The Company has entered into a number of construction agreements related to its redevelopment and development activities. Obligations under these agreements are contingent upon the completion of the services within the guidelines specified in the relevant agreement. At December 31, 2017, the Company had $40,121 in outstanding obligations, which it believes will be settled in the next twelve months.

18. Related Party Transactions:

Certain unconsolidated joint ventures have engaged the Management Companies to manage the operations of the Centers. Under these arrangements, the Management Companies are reimbursed for compensation paid to on-site employees, leasing agents and project managers at the Centers, as well as insurance costs and other administrative expenses. The following are fees charged to unconsolidated joint ventures for the years ended December 31:

	2017	2016	2015
Management fees	$ 19,105	$ 17,937	$ 10,064
Development and leasing fees	15,558	13,907	9,615
	$ 34,663	$ 31,844	$ 19,679

Certain mortgage notes on the properties are held by NML (See Note 9—Mortgage Notes Payable). Interest expense in connection with these notes was $8,731, $8,973 and $10,515 for the years ended December 31, 2017, 2016 and 2015, respectively. Included in accounts payable and accrued expenses is interest payable to this related party of $716 and $736 at December 31, 2017 and 2016, respectively.

Due from (to) affiliates includes $5,411 and $(6,809) of unreimbursed (prepaid) costs and fees due from (to) unconsolidated joint ventures under management agreements at December 31, 2017 and 2016, respectively.

In addition, due from affiliates at December 31, 2017 and 2016 includes a note receivable from RED/303 LLC ("RED") that bears interest at 5.25% and matures on May 30, 2021. Interest income earned on this note was $268, $366 and $520 for the years ended December 31, 2017, 2016 and 2015, respectively. The balance on this note receivable was $4,796 and $5,593 at December 31, 2017 and 2016, respectively. RED is considered a related party because it is a partner in a joint venture development project. The note is collateralized by RED's interest in a development agreement.

Also included in due from affiliates is a note receivable from Lennar Corporation that bears interest at LIBOR plus 2% and matures upon the completion of certain milestones in connection with the development of Fashion Outlets of San Francisco. Interest income earned on this note was $2,513, $2,234 and $1,872 for the years ended December 31, 2017, 2016 and 2015, respectively. The balance on this note was $71,955 and $69,443 at December 31, 2017 and 2016, respectively. Lennar Corporation is considered a related party because it has an ownership interest in Fashion Outlets of San Francisco.

19. Share and Unit-based Plans:

The Company has established share and unit-based compensation plans for the purpose of attracting and retaining executive officers, directors and key employees.

2003 Equity Incentive Plan:

The 2003 Equity Incentive Plan ("2003 Plan") authorizes the grant of stock awards, stock options, stock appreciation rights, stock units, stock bonuses, performance-based awards, dividend equivalent rights and OP Units or other convertible or exchangeable units. As of December 31, 2017, stock awards, stock units, LTIP Units (as defined below), stock appreciation rights ("SARs") and stock options have been granted under the 2003 Plan. All stock options or other rights to acquire common stock granted under the 2003 Plan have a term of 10 years or less. These awards were generally granted based on the performance of the Company and the employees. None of the awards have performance requirements other than a service condition of continued employment unless otherwise provided. All awards are subject to restrictions determined by the Company's compensation committee. The aggregate number of shares of common stock that may be issued under the 2003 Plan is 19,825,428 shares. As of December 31, 2017, there were 6,176,479 shares available for issuance under the 2003 Plan.

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

Stock Awards:

The value of the stock awards was determined by the market price of the Company's common stock on the date of the grant. The following table summarizes the activity of non-vested stock awards during the years ended December 31, 2017, 2016 and 2015:

	2017		2016		2015	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Balance at beginning of year	—	$ —	1,612	$ 62.01	9,189	$ 59.25
Granted	—	—	—	—	—	—
Vested	—	—	(1,612)	62.01	(7,577)	58.67
Balance at end of year	—	$ —	—	$ —	1,612	$ 62.01

Stock Units:

The stock units represent the right to receive upon vesting one share of the Company's common stock for one stock unit. The value of the stock units was determined by the market price of the Company's common stock on the date of the grant. The following table summarizes the activity of non-vested stock units during the years ended December 31, 2017, 2016 and 2015:

	2017		2016		2015	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Balance at beginning of year	148,428	$ 78.53	132,086	$ 74.58	144,374	$ 59.94
Granted	86,827	66.46	85,601	79.22	77,282	86.53
Vested	(81,205)	75.62	(69,259)	71.82	(86,761)	61.29
Forfeited	(2,695)	69.57	—	—	(2,809)	86.72
Balance at end of year	151,355	$ 73.32	148,428	$ 78.53	132,086	$ 74.58

SARs:

The executives and key employees have up to 10 years from the grant date to exercise the SARs. Upon exercise, the executives and key employees will receive unrestricted common shares for the appreciation in value of the SARs from the grant date to the exercise date.

The Company determined the value of each SAR awarded during the year ended December 31, 2012 to be $9.67 using the Black-Scholes Option Pricing Model based upon the following assumptions: volatility of 25.85%, dividend yield of 3.69%, risk free rate of 1.20%, current value of $59.57 and an expected term of 8 years. The value of each of the other outstanding SARs was determined at the grant date to be $7.68 based upon the following assumptions: volatility of 22.52%, dividend yield of 5.23%, risk free rate of 3.15%, current value of $61.17 and an expected term of 8 years. The assumptions for volatility and dividend yield were based on the Company's historical experience as a publicly traded company, the current value was based on the closing price on the date of grant and the risk free rate was based upon the interest rate of the 10-year Treasury bond on the date of grant.

In connection with the payment of the Special Dividend (See Note 13—Stockholders' Equity), the compensation committee approved an adjustment to all outstanding SARs. The exercise price and number of outstanding SARs were adjusted such that each SAR had the same fair value to the holder before and after giving effect to the payment of the special dividend. As a result, the 407,823 outstanding SARs on December 8, 2015 with a weighted-average price of $56.49 were adjusted to

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

417,783 outstanding SARs with a weighted average price of $55.13 and the 417,783 outstanding SARs on January 6, 2016 with a weighted-average price of $55.13 were adjusted to 427,968 outstanding SARs with a weighted average price of $53.85.

The following table summarizes the activity of SARs awards during the years ended December 31, 2017, 2016 and 2015:

	2017		2016		2015	
	Units	Weighted Average Exercise Price	Units	Weighted Average Exercise Price	Units	Weighted Average Exercise Price
Balance at beginning of year	284,146	$ 53.85	417,783	$ 55.13	772,639	$ 56.67
Granted	—	—	—	—	—	—
Exercised	(48,707)	53.95	(143,822)	53.73	(364,807)	56.86
Special dividend adjustment	—	—	10,185	53.88	9,951	55.13
Balance at end of year	235,439	$ 53.83	284,146	$ 53.85	417,783	$ 55.13

Long-Term Incentive Plan Units:

Under the Long-Term Incentive Plan ("LTIP"), each award recipient is issued a form of operating partnership units ("LTIP Units") in the Operating Partnership. Upon the occurrence of specified events and subject to the satisfaction of applicable vesting conditions, LTIP Units (after conversion into OP Units) are ultimately redeemable for common stock of the Company, or cash at the Company's option, on a one-unit for one-share basis. LTIP Units receive cash dividends based on the dividend amount paid on the common stock of the Company. The LTIP may include both market-indexed awards and service-based awards.

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

The fair value of the service-based LTIP Units was determined by the market price of the Company's common stock on the date of the grant. The fair value of the market-indexed LTIP Units are 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 (for market-indexed awards), is assumed to follow the Multivariate Geometric Brownian Motion Process. Multivariate Geometric Brownian Motion is a common assumption when modeling in financial markets, as it allows the modeled quantity (in this case, the stock price) to vary randomly from its current value and take any value greater than zero. The volatilities of the returns on the share price of the Company and the peer group REITs were estimated based on a look-back period. The expected growth rate of the stock prices over the "derived service period" is determined with consideration of the risk free rate as of the grant date.

On January 1, 2015, the Company granted 49,451 LTIP Units with a grant date fair value of $83.41 per LTIP Unit that vested in equal annual installments over a service period that ended December 31, 2017. Concurrently, the Company granted 186,450 market-indexed LTIP Units ("2015 Market LTIP Units") at a grant date fair value of $66.37 per LTIP Unit that vested over a service period ending December 31, 2015. The 2015 Market LTIP Units were equally divided between two types of awards. The terms of both types of awards were the same, except one award has an additional 3% absolute Total Return requirement, which if it is not met, then such LTIP Units would not have vested. The grant date fair value of the 2015 Market LTIP Units assumed a risk free interest rate of 0.25% and an expected volatility of 16.81%. On January 7, 2016, the compensation committee determined that the 2015 Market LTIP Units had vested at a 130% level, based on the Company's percentile ranking in terms of Total Return per common stock share compared to the Total Return of a group of peer REITs during the period of January 1, 2015 to December 31, 2015. In addition, the compensation committee determined that the applicable 3% absolute Total Return requirement was exceeded. As a result, an additional 55,934 fully-vested LTIP Units were granted on December 31, 2015.

On March 6, 2015, the Company granted 132,607 LTIP Units at a fair value of $86.72 per LTIP Unit that were fully vested on the grant date.

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

On January 1, 2016, the Company granted 58,786 LTIP Units with a grant date fair value of $80.69 per LTIP Unit that will vest in equal annual installments over a service period ending December 31, 2018. Concurrently, the Company granted 266,899 market-indexed LTIP Units ("2016 Market LTIP Units") at a grant date fair value of $53.32 per LTIP Unit that vest over a service period ending December 31, 2018. The fair value of the 2016 Market LTIP Units was estimated on the date of grant using a Monte Carlo Simulation model that assumed a risk free interest rate of 1.32% and an expected volatility of 20.31%.

On March 4, 2016, the Company granted 154,686 LTIP Units at a fair value of $79.20 per LTIP Unit that were fully vested on the grant date.

On January 1, 2017, the Company granted 66,079 LTIP Units with a grant date fair value of $70.84 per LTIP Unit that will vest in equal annual installments over a service period ending December 31, 2019. Concurrently, the Company granted 297,849 market-indexed LTIP Units ("2017 Market LTIP Units") at a grant date fair value of $47.15 per LTIP Unit that will vest over a service period ending December 31, 2019. The fair value of the 2017 Market LTIP Units was estimated on the date of grant using a Monte Carlo Simulation model that assumed a risk free interest rate of 1.49% and an expected volatility of 20.75%.

On March 3, 2017, the Company granted 134,742 LTIP Units at a fair value of $66.57 per LTIP Unit that were fully vested on the grant date.

On June 1, 2017, the Company granted 1,522 LTIP Units with a grant date fair value of $58.31 per LTIP Unit that will vest in equal annual installments over a service period ending May 29, 2020. Concurrently, the Company granted 6,714 market-indexed LTIP Units at a grant date fair value of $39.66 per LTIP Unit that will vest over a service period ending May 29, 2020. The fair value of the market-indexed LTIP Units was estimated on the date of grant using a Monte Carlo Simulation model that assumed a risk free interest rate of 1.45% and an expected volatility of 21.40%.

The following table summarizes the activity of the non-vested LTIP Units during the years ended December 31, 2017, 2016 and 2015:

	2017		2016		2015	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Balance at beginning of year	322,572	$ 58.18	56,315	$ 73.24	46,695	$ 58.89
Granted	506,906	55.33	480,371	65.00	424,442	74.71
Vested	(192,846)	69.93	(214,114)	77.45	(414,822)	73.13
Forfeited	—	—	—	—	—	
Balance at end of year	636,632	$ 52.36	322,572	$ 58.18	56,315	$ 73.24

Stock Options:

The Company measured the value of each option awarded during the year ended December 31, 2012 to be $9.67 using the Black-Scholes Option Pricing Model based upon the following assumptions: volatility of 25.85%, dividend yield of 3.69%, risk free rate of 1.20%, current value of $59.57 and an expected term of 8 years. The assumptions for volatility and dividend yield were based on the Company's historical experience as a publicly traded company, the current value was based on the closing price on the date of grant and the risk free rate was based upon the interest rate of the 10-year Treasury bond on the date of grant.

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

In connection with the payment of the Special Dividend (See Note 13—Stockholders' Equity), the compensation committee approved an adjustment to all outstanding stock options. The exercise price and number of outstanding stock options were adjusted such that each stock option had the same fair value to the holder before and after giving effect to the payment of the Special Dividend. As a result, the 10,068 outstanding stock options on December 8, 2015 with a weighted-average price of $59.57 were adjusted to 10,314 outstanding stock options with a weighted average price of $58.15 and the 10,314 outstanding stock options on January 6, 2016 with a weighted-average price of $58.15 were adjusted to 10,565 outstanding stock options with a weighted average price of $56.77.

On May 30, 2017, the Company granted 25,000 non-qualified stock options with a grant date fair value of $10.02 that will vest on May 30, 2019. The Company measured the value of each option awarded using the Black-Scholes Option Pricing Model based upon the following assumptions: volatility of 30.19%, dividend yield of 4.93%, risk free rate of 2.08%, current value of $57.55 and an expected term of 8 years.

The following table summarizes the activity of stock options for the years ended December 31, 2017, 2016 and 2015:

	2017		2016		2015	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Balance at beginning of year	10,565	$ 56.77	10,314	$ 58.15	10,068	$ 59.57
Granted	25,000	57.55	—	—	—	—
Exercised	—	—	—	—	—	—
Special dividend adjustment	—	—	251	56.77	246	58.15
Balance at end of year	35,565	$ 57.32	10,565	$ 56.77	10,314	$ 58.15

Directors' Phantom Stock Plan:

The Directors' Phantom Stock Plan offers non-employee members of the board of directors ("Directors") the opportunity to defer their cash compensation and to receive that compensation in common stock rather than in cash after termination of service or a predetermined period. Compensation generally includes the annual retainers payable by the Company to the Directors. Deferred amounts are generally credited as units of phantom stock at the beginning of each three-year deferral period by dividing the present value of the deferred compensation by the average fair market value of the Company's common stock at the date of award. Compensation expense related to the phantom stock awards was determined by the amortization of the value of the stock units on a straight-line basis over the applicable service period. The stock units (including dividend equivalents) vest as the Directors' services (to which the fees relate) are rendered. Vested phantom stock units are ultimately paid out in common stock on a one-unit for one-share basis. To the extent elected by a Director, stock units receive dividend equivalents in the form of additional stock units based on the dividend amount paid on the common stock. The aggregate number of phantom stock units that may be granted under the Directors' Phantom Stock Plan is 500,000. As of December 31, 2017, there were 169,755 stock units available for grant under the Directors' Phantom Stock Plan.

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

The following table summarizes the activity of the non-vested phantom stock units for the years ended December 31, 2017, 2016 and 2015:

	2017		2016		2015	
	Stock Units	Weighted Average Grant Date Fair Value	Stock Units	Weighted Average Grant Date Fair Value	Stock Units	Weighted Average Grant Date Fair Value
Balance at beginning of year	5,845	$ 81.47	—	$ —	9,269	$ 58.35
Granted	8,760	68.93	21,088	80.21	13,351	78.72
Vested	(10,551)	71.69	(15,243)	79.73	(20,162)	72.17
Forfeited	—	—	—	—	(2,458)	55.62
Balance at end of year	4,054	$ 79.82	5,845	$ 81.47	—	$ —

Employee Stock Purchase Plan ("ESPP"):

The ESPP authorizes eligible employees to purchase the Company's common stock through voluntary payroll deductions made during periodic offering periods. Under the ESPP common stock is purchased at a 15% discount from the lesser of the fair value of common stock at the beginning and end of the offering period. A maximum of 750,000 shares of common stock is available for purchase under the ESPP. The number of shares available for future purchase under the plan at December 31, 2017 was 450,306.

Compensation:

The following summarizes the compensation cost under the share and unit-based plans for the years ended December 31, 2017, 2016 and 2015:

	2017	2016	2015
Stock awards	$ —	$ 20	$ 252
Stock units	6,045	6,305	6,041
LTIP units	30,161	32,957	26,622
Stock options	85	16	16
Phantom stock units	714	1,231	1,444
	$ 37,005	$ 40,529	$ 34,375

The Company capitalized share and unit-based compensation costs of $6,206, $7,241 and $6,008 for the years ended December 31, 2017, 2016 and 2015, respectively.

The fair value of the stock awards and stock units that vested during the years ended December 31, 2017, 2016 and 2015 was $5,257, $5,644 and $8,794, respectively. Unrecognized compensation costs of share and unit-based plans at December 31, 2017 consisted of $286 from LTIP Units, $3,239 from stock units, $176 from stock options and $324 from phantom stock units.

20. Employee Benefit Plans:

401(k) Plan:

The Company has a defined contribution retirement plan that covers its eligible employees (the "Plan"). The Plan is a defined contribution retirement plan covering eligible employees of the Macerich Property Management Company, LLC and participating affiliates. The Plan is qualified in accordance with section 401(a) of the Code. Effective January 1, 1995, the Plan was amended to constitute a qualified cash or deferred arrangement under section 401(k) of the Code, whereby employees can elect to defer compensation subject to Internal Revenue Service withholding rules. This Plan was further amended effective as of February 1, 1999 to add The Macerich Company Common Stock Fund as a new investment alternative under the Plan. A total of 150,000 shares of common stock were reserved for issuance under the Plan, which was subsequently increased by an additional 500,000 shares in February 2013. On January 1, 2004, the Plan adopted the "Safe Harbor" provision under Sections 401(k)(12) and 401(m)(11) of the Code. In accordance with adopting these provisions, the Company makes matching contributions equal to 100 percent of the first three percent of compensation deferred by a participant and 50 percent of the next two percent of compensation deferred by a participant. During the years ended December 31, 2017, 2016 and 2015, these matching contributions made by the Company were $3,481, $3,384 and $3,299, respectively. Contributions and matching contributions to the Plan by the plan sponsor and/or participating affiliates are recognized as an expense of the Company in the period that they are made.

Deferred Compensation Plans:

The Company has established deferred compensation plans under which executives and key employees of the Company may elect to defer receiving a portion of their cash compensation otherwise payable in one calendar year until a later year. The Company may, as determined by the Board of Directors in its sole discretion prior to the beginning of the plan year, credit a participant's account with a matching amount equal to a percentage of the participant's deferral. The Company contributed $1,069, $1,032 and $933 to the plans during the years ended December 31, 2017, 2016 and 2015, respectively. Contributions are recognized as compensation in the periods they are made.

21. Income Taxes:

For income tax purposes, distributions paid to common stockholders consist of ordinary income, capital gains, unrecaptured Section 1250 gain and return of capital or a combination thereof. The following table details the components of the distributions, on a per share basis, for the years ended December 31, 2017, 2016 and 2015 are as follows:

	2017		2016 (1)		2015 (1)	
Ordinary income	$ 1.98	69.0%	$ 0.94	20.8%	$ 1.20	24.8%
Capital gains	0.51	17.8%	3.24	71.4%	3.64	75.2%
Unrecaptured Section 1250 gain	0.38	13.2%	0.36	7.8%	—	—%
Return of capital	—	—%	—	—%	—	—%
Dividends paid	$ 2.87	100.0%	$ 4.54	100.0%	$ 4.84	100.0%

(1) During the year ended December 31, 2015, the Company paid cash dividends of $4.63 per common share. In addition, the Company declared a $2.00 special cash dividend to shareholders of record as of November 12, 2015 which was paid on January 6, 2016 (See Note 13—Stockholders' Equity). Pursuant to relevant U.S. tax rules, $0.21 per common share of this dividend is treated as having been paid by the Company on December 31, 2015, and received by each shareholder of record as of November 12, 2015 on December 31, 2015. The balance of the special cash dividend has been included in the amount of dividends paid for the year ended December 31, 2016.

The Company has made Taxable REIT Subsidiary elections for all of its corporate subsidiaries other than its Qualified REIT Subsidiaries. The elections, effective for the year beginning January 1, 2001 and future years, were made pursuant to Section 856(l) of the Code.

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21. Income Taxes: (Continued)

The income tax provision of the TRSs for the years ended December 31, 2017, 2016 and 2015 are as follows:

	2017	2016	2015
Current	$ 185	$ (176)	$ —
Deferred	(15,779)	(546)	3,223
Income tax (expense) benefit	$ (15,594)	$ (722)	$ 3,223

The income tax provision of the TRSs for the years ended December 31, 2017, 2016 and 2015 are reconciled to the amount computed by applying the Federal Corporate tax rate as follows:

	2017	2016	2015
Book loss for TRSs	$ 2,094	$ 5,254	$ 10,681
Tax at statutory rate on earnings from continuing operations before income taxes	$ 712	$ 1,786	$ 3,632
Change in tax rates	(14,189)	—	—
State taxes	109	160	420
Other	(2,226)	(2,668)	(829)
Income tax (expense) benefit	$ (15,594)	$ (722)	$ 3,223

The Tax Cuts and Jobs Act of 2017 (“TCJA”), signed into law on December 22, 2017, adjusted the federal corporate tax income rate to 21%. FASB Accounting Standards Codification Topic 740 requires deferred tax assets and liabilities to be measured at the enacted rate expected to apply when temporary differences are to be realized or settled. Accordingly, the Company has remeasured its ending deferred tax asset and reduced the value by $14,189. Additionally, GAAP requires that all adjustments resulting from tax rate changes be recorded to the income statement. Therefore, the Company recorded a $14,189 deferred tax expense in the fourth quarter related to the revaluation of its deferred tax assets and liabilities.

The net operating loss carryforwards are currently scheduled to expire through 2035, beginning in 2025.

The tax effects of temporary differences and carryforwards of the TRSs included in the net deferred tax assets at December 31, 2017 and 2016 are summarized as follows:

	2017	2016
Net operating loss carryforwards	$ 21,398	$ 22,335
Property, primarily differences in depreciation and amortization, the tax basis of land assets and treatment of certain other costs	5,077	12,720
Other	2,531	3,246
Net deferred tax assets	$ 29,006	$ 38,301

For the years ended December 31, 2017, 2016 and 2015 there were no unrecognized tax benefits.

The tax years 2014 through 2016 remain open to examination by the taxing jurisdictions to which the Company is subject. The Company does not expect that the total amount of unrecognized tax benefit will materially change within the next 12 months.

22. Quarterly Financial Data (Unaudited):

The following is a summary of quarterly results of operations for the years ended December 31, 2017 and 2016:

	2017 Quarter Ended				2016 Quarter Ended			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Revenues	$ 256,743	$ 242,451	$ 247,423	$ 247,045	$ 272,000	$ 253,367	$ 259,904	$ 256,000
Net income attributable to the Company(1)	$ 32,751	$ 17,498	$ 26,638	$ 69,243	$ 37,128	$ 13,730	$ 45,222	$ 420,915
Net income attributable to common stockholders per share-basic	$ 0.23	$ 0.12	$ 0.19	$ 0.48	$ 0.26	$ 0.09	$ 0.31	$ 2.77
Net income attributable to common stockholders per share-diluted	$ 0.23	$ 0.12	$ 0.19	$ 0.48	$ 0.26	$ 0.09	$ 0.31	$ 2.76

(1) Net income attributable to the Company for the quarter ended March 31, 2016 includes the gain on sale of assets of $101,629 from the Arrowhead Towne Center transaction (See Note 4—Investments in Unconsolidated Joint Ventures) and $340,734 from the MAC Heitman Portfolio transaction (See Note 4—Investments in Unconsolidated Joint Ventures).

23. Subsequent Events:

On January 22, 2018, the Company's joint venture in Fashion District Philadelphia obtained a $250,000 term loan that bears interest at LIBOR plus 2.0% and matures on January 22, 2023. Concurrent with the loan closing, the joint venture borrowed $150,000 on the term loan and expects to borrow the remaining $100,000 in the first quarter of 2018. The Company used its share of the proceeds to pay down its line of credit and for general corporate purposes.

On January 26, 2018, the Company announced a dividend/distribution of $0.74 per share for common stockholders and OP Unit holders of record on February 21, 2018. All dividends/distributions will be paid 100% in cash on March 2, 2018.

On February 5, 2018, the Company's joint venture in Broadway Plaza received a loan commitment for $450,000 on the property at a fixed rate of 4.18% for twelve years. The loan is expected to close in the first quarter of 2018. The Company plans to use its share of the loan proceeds to pay down its line of credit.

THE MACERICH COMPANY

Schedule III—Real Estate and Accumulated Depreciation

December 31, 2017

(Dollars in thousands)

	Initial Cost to Company				Gross Amount at Which Carried at Close of Period						
Shopping Centers/Entities	Land	Building and Improvements	Equipment and Furnishings	Cost Capitalized Subsequent to Acquisition	Land	Building and Improvements	Equipment and Furnishings	Construction in Progress	Total	Accumulated Depreciation	Total Cost Net of Accumulated Depreciation
Chandler Fashion Center	$ 24,188	$ 223,143	$ —	$ 19,336	$ 24,188	$ 236,717	$ 5,762	$ —	$ 266,667	$ 105,891	$ 160,776
Danbury Fair Mall	130,367	316,951	—	114,644	142,751	409,658	9,257	296	561,962	143,969	417,993
Desert Sky Mall	9,447	37,245	12	4,598	9,082	40,886	1,334	—	51,302	10,315	40,987
Eastland Mall	22,050	151,605	—	11,855	22,066	160,977	2,199	268	185,510	28,798	156,712
Estrella Falls	10,550	—	—	71,512	10,747	14,254	—	57,061	82,062	1,181	80,881
Fashion Outlets of Chicago	—	—	—	262,936	40,575	217,945	4,131	285	262,936	45,946	216,990
Fashion Outlets of Niagara Falls USA	18,581	210,139	—	101,022	22,936	304,202	2,354	250	329,742	62,663	267,079
The Marketplace at Flagstaff	—	—	—	45,840	—	45,838	2	—	45,840	21,980	23,860
Freehold Raceway Mall	164,986	362,841	—	123,130	168,098	474,036	8,789	34	650,957	176,715	474,242
Fresno Fashion Fair	17,966	72,194	—	43,852	17,966	113,147	2,428	471	134,012	53,177	80,835
Green Acres Mall	156,640	321,034	—	177,943	179,274	464,133	9,264	2,946	655,617	81,986	573,631
Inland Center	8,321	83,550	—	25,509	10,291	106,983	61	45	117,380	12,618	104,762
Kings Plaza Shopping Center	209,041	485,548	20,000	171,964	195,701	466,529	28,137	196,186	886,553	75,113	811,440
La Cumbre Plaza	18,122	21,492	—	24,830	17,280	46,096	426	642	64,444	24,061	40,383
Macerich Management Co.	1,150	10,475	26,562	54,558	3,878	15,094	66,598	7,175	92,745	57,437	35,308
MACWH, LP	—	25,771	—	18,545	11,557	27,455	—	5,304	44,316	9,121	35,195
NorthPark Mall	7,746	74,661	—	10,266	7,885	84,284	504	—	92,673	17,512	75,161
Oaks, The	32,300	117,156	—	260,520	56,387	350,325	3,099	165	409,976	138,052	271,924
Pacific View	8,697	8,696	—	130,806	7,854	137,572	2,262	511	148,199	68,254	79,945
Paradise Valley Mall	33,445	128,485	—	36,472	39,382	155,485	2,606	929	198,402	74,731	123,671
Promenade at Casa Grande	15,089	—	—	50,736	3,900	61,849	76	—	65,825	39,735	26,090
Queens Center	251,474	1,039,922	—	32,254	256,786	1,063,912	2,478	474	1,323,650	88,343	1,235,307
Santa Monica Place	26,400	105,600	—	329,495	48,374	403,953	8,071	1,097	461,495	118,272	343,223
SanTan Adjacent Land	29,414	—	—	8,105	30,506	—	—	7,013	37,519	—	37,519
SanTan Village Regional Center	7,827	—	—	198,366	5,839	195,690	1,562	3,102	206,193	87,621	118,572
SouthPark Mall	7,035	38,215	—	25,600	7,479	62,511	415	445	70,850	12,497	58,353
Southridge Center	6,764	—	—	8,412	2,676	12,290	99	111	15,176	5,046	10,130
Stonewood Center	4,948	302,527	—	8,723	4,935	311,163	100	—	316,198	29,927	286,271
Superstition Springs Center	10,928	112,718	—	8,140	10,928	120,392	466	—	131,786	15,896	115,890
Superstition Springs Power Center	1,618	4,420	—	290	1,618	4,627	83	—	6,328	1,889	4,439
Tangerine (Marana), The Shops at	36,158	—	—	(8,462)	16,922	—	—	10,774	27,696	—	27,696

See accompanying report of independent registered public accounting firm.

THE MACERICH COMPANY

Schedule III—Real Estate and Accumulated Depreciation (Continued)

December 31, 2017

(Dollars in thousands)

	Initial Cost to Company				Gross Amount at Which Carried at Close of Period						
Shopping Centers/Entities	Land	Building and Improvements	Equipment and Furnishings	Cost Capitalized Subsequent to Acquisition	Land	Building and Improvements	Equipment and Furnishings	Construction in Progress	Total	Accumulated Depreciation	Total Cost Net of Accumulated Depreciation
The Macerich Partnership, L.P.	—	2,534	—	23,773	—	—	10,823	15,484	26,307	2,559	23,748
Towne Mall	6,652	31,184	—	4,870	6,877	35,221	518	90	42,706	15,066	27,640
Tucson La Encantada	12,800	19,699	—	56,549	12,800	75,618	597	33	89,048	42,637	46,411
Valley Mall	16,045	26,098	—	13,856	15,616	40,005	378	—	55,999	8,258	47,741
Valley River Center	24,854	147,715	—	23,592	24,854	168,840	1,954	513	196,161	60,194	135,967
Victor Valley, Mall of	15,700	75,230	—	53,028	20,080	121,774	2,104	—	143,958	49,257	94,701
Vintage Faire Mall	14,902	60,532	—	59,390	17,645	115,179	1,777	223	134,824	70,638	64,186
Westside Pavilion	34,100	136,819	—	77,198	34,100	201,512	5,820	6,685	248,117	106,511	141,606
Wilton Mall	19,743	67,855	—	26,762	19,810	93,407	1,143	—	114,360	36,604	77,756
Other freestanding stores	5,926	31,785	—	10,113	5,927	41,576	321	—	47,824	15,929	31,895
Other land and development properties	33,795	—	—	50,423	31,582	4,252	—	48,384	84,218	1,904	82,314
	$ 1,455,769	$ 4,853,839	$ 46,574	$ 2,771,351	$ 1,567,152	$ 7,005,387	$ 187,998	$ 366,996	$ 9,127,533	$ 2,018,303	$ 7,109,230

See accompanying report of independent registered public accounting firm.

THE MACERICH COMPANY

Schedule III—Real Estate and Accumulated Depreciation (Continued)

December 31, 2017

(Dollars in thousands)

Depreciation of the Company's investment in buildings and improvements reflected in the consolidated statements of operations are calculated over the estimated useful lives of the asset as follows:

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

The changes in total real estate assets for the three years ended December 31, 2017 are as follows:

	2017	2016	2015
Balances, beginning of year	$ 9,209,211	$ 10,689,656	$ 12,777,882
Additions	202,280	254,604	392,575
Dispositions and retirements	(283,958)	(1,735,049)	(2,480,801)
Balances, end of year	$ 9,127,533	$ 9,209,211	$ 10,689,656

The aggregate cost of the property included in the table above for federal income tax purposes was $8,551,235 (unaudited) at December 31, 2017.

The changes in accumulated depreciation for the three years ended December 31, 2017 are as follows:

	2017	2016	2015
Balances, beginning of year	$ 1,851,901	$ 1,892,744	$ 1,709,992
Additions	277,917	277,270	354,977
Dispositions and retirements	(111,515)	(318,113)	(172,225)
Balances, end of year	$ 2,018,303	$ 1,851,901	$ 1,892,744

See accompanying report of independent registered public accounting firm.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on February 23, 2018.

THE MACERICH COMPANY

By /s/ ARTHUR M. COPPOLA

Arthur M. Coppola

Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ ARTHUR M. COPPOLA Arthur M. Coppola	Chairman and Chief Executive Officer and Director (Principal Executive Officer)	February 23, 2018
/s/ EDWARD C. COPPOLA Edward C. Coppola	President and Director	February 23, 2018
/s/ JOHN H. ALSCHULER John H. Alschuler	Director	February 23, 2018
/s/ STEVEN R. HASH Steven R. Hash	Director	February 23, 2018
/s/ FREDERICK S. HUBBELL Frederick S. Hubbell	Director	February 23, 2018
/s/ DIANA M. LAING Diana M. Laing	Director	February 23, 2018
/s/ MASON G. ROSS Mason G. Ross	Director	February 23, 2018
/s/ STEVEN L. SOBOROFF Steven L. Soboroff	Director	February 23, 2018
/s/ ANDREA M. STEPHEN Andrea M. Stephen	Director	February 23, 2018
/s/ JOHN M. SULLIVAN John M. Sullivan	Director	February 23, 2018
/s/ THOMAS E. O'HERN Thomas E. O'Hern	Senior Executive Vice President, Treasurer and Chief Financial and Accounting Officer (Principal Financial and Accounting Officer)	February 23, 2018

EXHIBIT INDEX

Exhibit Number	Description
2.1	Master Agreement, dated November 14, 2014, by and among Pacific Premier Retail LLC, MACPT LLC, Macerich PPR GP LLC, Queens JV LP, Macerich Queens JV LP, Queens JV GP LLC, 1700480 Ontario Inc. and the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date November 14, 2014).
3.1	Articles of Amendment and Restatement of the Company (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-11, as amended (No. 33-68964)) (Filed in paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
3.1.1	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 30, 1995) (Filed in paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
3.1.2	Articles Supplementary of the Company (with respect to the first paragraph) (incorporated by reference as an exhibit to the Company's 1998 Form 10-K).
3.1.3	Articles Supplementary of the Company (Series D Preferred Stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 26, 2002).
3.1.4	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-3, as amended (No. 333-88718)).
3.1.5	Articles of Amendment of the Company (declassification of Board) (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
3.1.6	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date February 5, 2009).
3.1.7	Articles of Amendment of the Company (increased authorized shares) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
3.1.8	Articles of Amendment of the Company (to eliminate the supermajority vote requirement to amend the charter and to clarify a reference in Article NINTH) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 30, 2014).
3.1.9	Articles Supplementary (election to be subject to Section 3-803 of the Maryland General Corporation Law) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date March 17, 2015).
3.1.10	Articles Supplementary (designation of Series E Preferred Stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date March 18, 2015).
3.1.11	Articles Supplementary (reclassification of Series E Preferred Stock to preferred stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 7, 2015).
3.1.12	Articles Supplementary (repeal of election to be subject to Section 3-803 of the Maryland General Corporation Law (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 28, 2015).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 21, 2016).

Exhibit Number	Description
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)).
10.1	Amended and Restated Limited Partnership Agreement for the Operating Partnership dated as of March 16, 1994 (incorporated by reference as an exhibit to the Company's 1996 Form 10-K).
10.1.1	Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated June 27, 1997 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date June 20, 1997).
10.1.2	Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated November 16, 1997 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.1.3	Fourth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated February 25, 1998 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.1.4	Fifth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated February 26, 1998 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.1.5	Sixth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated June 17, 1998 (incorporated by reference as an exhibit to the Company's 1998 Form 10-K).
10.1.6	Seventh Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated December 23, 1998 (incorporated by reference as an exhibit to the Company's 1998 Form 10-K).
10.1.7	Eighth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated November 9, 2000 (incorporated by reference as an exhibit to the Company's 2000 Form 10-K).
10.1.8	Ninth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated July 26, 2002 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K event date July 26, 2002).
10.1.9	Tenth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated October 26, 2006 (incorporated by reference as an exhibit to the Company's 2006 Form 10-K).
10.1.10	Eleventh Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership dated as of March 16, 2007 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date March 16, 2007).
10.1.11	Twelfth Amendment to the Amended and Restated Limited Partnership Agreement of the Operating Partnership dated as of April 30, 2009 (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
10.1.12	Thirteenth Amendment to the Amended and Restated Limited Partnership Agreement of the Operating Partnership dated as of October 29, 2009 (incorporated by reference as an exhibit to the Company's 2009 Form 10-K).
10.1.13	Form of Fourteenth Amendment to Amended and Restated Limited Partnership Agreement for the Operating Partnership (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 25, 2005).

Exhibit Number		Description
10.2	*	Amended and Restated Deferred Compensation Plan for Executives (2003) (incorporated by reference as an exhibit to the Company's 2003 Form 10-K).
10.2.1	*	Amendment Number 1 to Amended and Restated Deferred Compensation Plan for Executives (October 30, 2008) (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.2.2	*	Amendment Number 2 to Amended and Restated Deferred Compensation Plan for Executives (May 1, 2011) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011).
10.2.3	*	Amendment Number 3 to Amended and Restated Deferred Compensation Plan for Executives (September 27, 2012) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012).
10.3	*	Amended and Restated Deferred Compensation Plan for Senior Executives (2003) (incorporated by reference as an exhibit to the Company's 2003 Form 10-K).
10.3.1	*	Amendment Number 1 to Amended and Restated Deferred Compensation Plan for Senior Executives (October 30, 2008) (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.3.2	*	Amendment Number 2 to Amended and Restated Deferred Compensation Plan for Senior Executives (May 1, 2011) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011).
10.3.3	*	Amendment Number 3 to Amended and Restated Deferred Compensation Plan for Senior Executives (September 27, 2012) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012).
10.4	*	Eligible Directors' Deferred Compensation/Phantom Stock Plan (as amended and restated as of January 1, 2013) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013).
10.5	*	Amended and Restated 2013 Deferred Compensation Plan for Executives effective (January 1, 2016).
10.6		Deferred Compensation Plan Rabbi Trust between the Company and Wilmington Trust, National Association, effective as of October 1, 2012 (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012).
10.7		Registration Rights Agreement, dated as of March 16, 1994, among the Company and Mace Siegel, Dana K. Anderson, Arthur M. Coppola and Edward C. Coppola (incorporated by reference as an exhibit to the Company's 1994 Form 10-K) (Filed in paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
10.8		Registration Rights Agreement, dated as of March 16, 1994, between the Company and The Northwestern Mutual Life Insurance Company (incorporated by reference as an exhibit to the Company’s 1994 Form 10-K) (Filed in paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
10.9		Registration Rights Agreement dated as of December 18, 2003 by the Operating Partnership, the Company and Taubman Realty Group Limited Partnership (Registration rights assigned by Taubman to three assignees) (incorporated by reference as an exhibit to the Company's 2003 Form 10-K).

Exhibit Number		Description
10.10		Incidental Registration Rights Agreement dated March 16, 1994 (incorporated by reference as an exhibit to the Company's 1994 Form 10-K) (Filed in paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
10.11		Incidental Registration Rights Agreement dated as of July 21, 1994 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.12		Incidental Registration Rights Agreement dated as of August 15, 1995 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.13		Incidental Registration Rights Agreement dated as of December 21, 1995 (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.14		List of Omitted Incidental/Demand Registration Rights Agreements (incorporated by reference as an exhibit to the Company's 1997 Form 10-K).
10.15		Redemption, Registration Rights and Lock-Up Agreement dated as of July 24, 1998 between the Company and Harry S. Newman, Jr. and LeRoy H. Brettin (incorporated by reference as an exhibit to the Company's 1998 Form 10-K).
10.16		Form of Indemnification Agreement between the Company and its executive officers and directors (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.17		Form of Registration Rights Agreement with Series D Preferred Unit Holders (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 26, 2002).
10.17.1		List of Omitted Registration Rights Agreements (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 26, 2002).
10.18		Registration Rights Agreement between the Company and 1700480 Ontario Inc. dated as of November 14, 2014 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date November 14, 2014).
10.19		Second Amended and Restated Credit Agreement, dated as of July 6, 2016, by and among the Company, The Macerich Partnership, L.P., Deutsche Bank AG New York Branch, as administrative agent; Deutsche Bank Securities Inc., JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC, Goldman Sachs Bank USA and U.S.Bank National Association, as joint lead arrangers and joint bookrunning managers; JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association, Goldman Sachs Bank USA and U.S.Bank National Association, N.A. as co-syndication agents, PNC Bank, National Association, as documentation agent, and various lenders party thereto (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 6, 2016).
10.20		Guaranty, dated as of July 6, 2016, by the Company in favor of Deutsche Bank AG New York Branch, as administrative agent (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 6, 2016).
10.21		Tax Matters Agreement (Wilmorite) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 25, 2005).
10.22	*	2003 Equity Incentive Plan, as amended and restated as of May 26, 2016 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 26, 2016).
10.22.1	*	Amended and Restated Cash Bonus/Restricted Stock/Stock Unit and LTIP Unit Award Program under the 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2010 Form 10-K).

Exhibit Number		Description
10.22.2	*	Form of Restricted Stock Award Agreement under 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.22.3	*	Form of Stock Unit Award Agreement under 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2014 Form 10-K).
10.22.4	*	Form of Employee Stock Option Agreement under 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.22.5	*	Form of Non-Qualified Stock Option Grant under 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.22.6	*	Form of Restricted Stock Award Agreement for Non-Management Directors (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.22.7	*	Form of Stock Unit Award Agreement under 2003 Equity Incentive Plan for Non-Employee Directors (incorporated by reference as an exhibit to the Company's 2015 Form 10-K).
10.22.8	*	Form of Stock Appreciation Right under 2003 Equity Incentive Plan (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
10.22.9	*	Form of LTIP Unit Award Agreement under 2003 Equity Incentive Plan (service-based).
10.22.10	*	Form of LTIP Unit Award Agreement under 2003 Equity Incentive Plan (performance-based).
10.22.11	*	Form of LTIP Unit Award Agreement under 2003 Equity Incentive Plan (fully-vested) (incorporated by reference as an exhibit to the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2014).
10.23	*	Amendment and Restatement of the Employee Stock Purchase Plan (as amended and restated as of June 1, 2013) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013).
10.24.1	*	First Amendment to Amended and Restated Employee Stock Purchase Plan (October 23, 2014) (incorporated by reference as an exhibit to the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014).
10.25	*	Management Continuity Agreement between the Company and Thomas J. Leanse, effective January 1, 2013 (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012).
10.26	*	Change in Control Severance Pay Plan for Senior Executives (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017).
10.27	*	Separation Agreement and Release of Claims between the Company and Thomas J. Leanse dated February 22, 2018 (includes form of Consulting Agreement between the Company and Mr. Leanse).
10.28		2005 Amended and Restated Agreement of Limited Partnership of MACWH, LP dated as of April 25, 2005 (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 25, 2005).

Exhibit Number		Description
10.29		Registration Rights Agreement dated as of April 25, 2005 among the Company and the persons names on Exhibit A thereto (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 25, 2005).
21.1		List of Subsidiaries
23.1		Consent of Independent Registered Public Accounting Firm (KPMG LLP)
31.1		Section 302 Certification of Arthur Coppola, Chief Executive Officer
31.2		Section 302 Certification of Thomas O'Hern, Chief Financial Officer
32.1	**	Section 906 Certifications of Arthur Coppola and Thomas O'Hern
101.INS		XBRL Instance Document
101.SCH		XBRL Taxonomy Extension Schema Document
101.CAL		XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB		XBRL Taxonomy Extension Label Linkbase Document
101.PRE		XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF		XBRL Taxonomy Extension Definition Linkbase Document

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

** Furnished herewith.

Exhibit 10.27

SEPARATION AGREEMENT AND RELEASE OF CLAIMS

THIS SEPARATION AGREEMENT AND RELEASE OF CLAIMS (“***Agreement***”) is made as of February 22, 2018 by Thomas J. Leanse (“***Executive***”) concerning Executive’s resignation from, and release of claims against, The Macerich Company (the “***Company***”) or any of its affiliated organizations. The Company and Executive are also referred to individually as “***Party***” or collectively as “***Parties***”.

1. Recitals.

a. The Company and Executive have reached an amicable and mutual resolution of issues regarding Executive’s employment, including Executive’s resignation from employment with the Company, effective as of February 28, 2018 (the “***Separation Date***”).

b. Executive acknowledges that by this Agreement, Executive agrees to the release of all claims arising from, and in any way related to, Executive’s employment with the Company through the date of the Agreement and in any way related to Executive’s employment with the Company, as specified below.

Based upon the foregoing, and in consideration of the mutual promises contained in this Agreement, Executive and the Company (for its benefit and the benefit of the Company Releasees, as defined below) agree, effective as provided below.

2. Employment Relationship with the Company.

Effective on the Separation Date, Executive will resign from employment with the Company and in connection therewith will resign all offices and directorships at the Company and its affiliates. In addition to receiving his base salary, less all applicable withholdings, and associated benefits through the Separation Date, Executive will be paid for any accrued but unused vacation and personal days through the Separation Date. On the Separation Date, Executive will receive his final regular paycheck. Except as specifically provided for in this Agreement, Executive’s continuing eligibility to make additional deferrals pursuant to the Company’s Profit Sharing/401(k) Plans and 2013 Deferred Compensation Plan for Executives as amended and restated effective January 1, 2016 (the “***Deferred Compensation Plan***”) will terminate effective on the Separation Date.

Executive’s current medical coverage will remain active through February 28, 2018. Executive will be given the opportunity to continue health insurance benefits in effect for himself and eligible family members through COBRA by electing to participate, subject to all eligibility requirements set forth in the applicable notice. Notice of COBRA rights will be sent to Executive within the time prescribed by COBRA. In the event Executive elects COBRA (or similar state continuation coverage available to him and his eligible family members), Company will pay all applicable premiums attributable to Executive and his eligible family members directly to the COBRA provider for the maximum period (up to 36 months) available under COBRA and Cal-

COBRA for which Executive and his eligible family members have elected coverage and remain eligible. In addition, the Company will pay Executive the amount specified in Section 5(ii) to cover the cost of Medicare and Medigap premiums through the duration of the maximum continuation coverage period without regard to continued eligibility for continuation coverage under COBRA and Cal-COBRA as a result of entitlement to Medicare coverage.

Executive represents that he has full power and authority to enter into this Agreement and agrees that, other than set forth herein, the Company has paid him all amounts due and owing, including without limitation, any and all wages, bonus, deferred compensation, equity payments, incentive pay, accrued but unused vacation and/or personal days, expenses or any and all other forms of compensation due to him. The undersigned representative of the Company has been duly authorized to execute this Agreement on behalf of the Company, and the Company represents that this Agreement has been duly approved by the Compensation Committee of the Company's Board of Directors (the "***Committee***").

3. Consulting Agreement.

Effective on the Separation Date, Executive and the Company will enter into a consulting arrangement in substantially the form set forth on Exhibit A (the "***Consulting Agreement***"), which will have a term from March 1, 2018 through February 28, 2020 (the "***Consulting Term***").

4. Treatment of Stock Options and LTIP Units.

Executive's equity compensation awards in respect of his service to the Company that are outstanding as of the date of this Agreement (other than outstanding LTIP Unit Awards and other awards that are fully earned and vested) are set forth on Exhibit B hereto (the "***Awards***"). Notwithstanding anything to the contrary in the award agreements for such Awards or the Company's 2003 Equity Incentive Plan, as amended and restated as of May 26, 2016 (the "***2003 Plan***"): (i) any Awards that are stock options (including those denominated as "incentive stock options") will remain exercisable through the expiration date set forth in the applicable award agreements for such Awards; provided, however, that treatment of any stock options as "incentive stock options (ISOs)" shall lapse on the three month anniversary of the Separation Date and the Company and its affiliates shall have no liability in respect of any such characterization or treatment of such options as other than incentive stock options (i.e., after such anniversary date, any such options will be treated pursuant to this Agreement as nonqualified stock options), and (ii) any Awards that were awarded pursuant to LTIP Unit Award Agreements under the 2003 Plan as units in 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 such units the "***Units***") shall remain outstanding, shall continue to be governed by such LTIP Unit Award Agreements and the 2003 Plan as applicable (including, as applicable, rights to adjustments and distributions), and shall continue to vest (or in the case of performance based Awards, be eligible to vest) on the scheduled dates set forth in such award agreements for such Awards as though Executive continued to be employed by the Company through such vesting dates (or as applicable, the last day of the Performance Period with respect to performance based Units). Notwithstanding the foregoing, in the event that Executive engages in Competitive Activities (as defined in the applicable LTIP Unit Award Agreements (with respect to

performance based Units) prior to the last day of the applicable “Performance Period” (as defined in the applicable LTIP Unit Award Agreement with respect to performance based Units) then, without limiting any remedy the Company may have for breach under any arrangement to which it is a party with Executive or his affiliates, Executive will forfeit without consideration any performance based Units for which the Performance Period has not concluded as of the date of such Competitive Activities unless Executive’s Competitive Activities consisted solely of representing a Competitive Business (as defined in the applicable LTIP Unit Award Agreement with respect to performance based Units) (x) in his capacity as counsel, principal or employee at a law or consulting firm owned principally by third parties that provides services to an array of clientele or (y) directly or through an entity not described in (x) above where not more than 250 hours of Executive’s time per calendar quarter are for any Competitive Business, and in each case of (x) or (y) so long as such representation (A) is not adverse to the Company or its affiliated entities, predecessors or successors and (B) does not involve or use and could not reasonably be expected to involve or use Company Confidential Information or Proprietary Information.

5. Compensation Through Separation Date.

Notwithstanding any contrary provisions of the Company’s annual bonus plan or otherwise, contingent upon this Agreement becoming effective pursuant to its terms, at the time bonuses for the 2017 year are paid to Company executives (but in no event later than March 15, 2018), Executive will receive 100% of his annual bonus for the 2017 bonus period, payable in cash or fully vested Units as the Company elects. The amount and manner of payment of any such 2017 bonus will be made by the Committee. Further notwithstanding, Executive will be paid his base salary at the annual rate in effect at the time of this Agreement through the Separation Date in accordance with the Company’s regular payroll practices. On the Separation Date, and in addition to the payments described above, the Company, will contingent upon this Agreement becoming effective pursuant to its terms (i) pay Executive a lump sum cash payment equal to the amount specified in Exhibit C attached hereto (representing a prorated target annual bonus for the 2018 calendar year), (ii) pay Executive a cash payment equal to the aggregate amount specified in Exhibit C (in lieu of Medicare and Medigap premiums and a payment for outplacement services), and (iii) make a one time, fully vested, Company Discretionary Contribution credit to the Executive’s Company Contribution Account under the Deferred Compensation Plan in an amount specified in Exhibit C, which Company Discretionary Contribution credit will not be subject to any matching, discretionary, or other Company contributions but will be subject to deferral and payment in five annual installments commencing January 15, 2026 under the Deferred Compensation Plan. Other deferral amounts payable under the Deferred Compensation Plan shall be paid as provided in (or pursuant to applicable elections under) the Deferred Compensation Plan and to the extent vested shall not be released under this Agreement (the “***Deferred Compensation Amounts***”).

6. Consideration.

The consideration set forth in this Agreement is in lieu of any and all payments and/or other consideration of any kind which at any time has been the subject of any prior discussions, representations, inducements or promises, oral or written, direct or indirect, contingent or otherwise including, without limitation, future wage and benefit claims, and Executive acknowledges and

agrees that he is not eligible for any severance or termination benefit program, practice, policy, agreement or arrangement, any of which are hereby waived by Executive. If at any point during the period during which the consideration set forth in this Agreement is being provided, the Company receives or otherwise discovers credible evidence that Executive is in breach of any provision of this Agreement or the Consulting Agreement, the Company's obligations under this Agreement and the Consulting Agreement, if any (to the extent not already paid) shall be subject to cancellation, provided that prior to any such cancellation Company shall give Executive written notice specifying the particulars of such alleged breach, and a 15-day period following such written notice within which to cure any such alleged breach to the reasonable objective satisfaction of Company.

7. Taxes.

Executive shall pay in full when due, and shall be solely responsible for, any and all federal, state, or local income taxes or other taxes that are or may be assessed against him relating to the consideration provided or amounts payable hereunder, as well as all interest or penalties that may be owed in connection with such taxes. Executive is not relying on any representations or conduct of the Company with respect to the adequacy of the withholdings. Notwithstanding the foregoing, the payments and benefits provided under this Agreement are subject to normal payroll withholdings applicable to such sums as may be required under applicable law.

8. Internal Revenue Code Section 409A.

All payments and benefits provided in connection with this Agreement are intended to be exempt from or compliant with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("***Section 409A***"), or similar state law, and the parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A. Notwithstanding any provision of this Agreement to the contrary, in the event that following the date of termination, the Company determines that any payments or benefits hereunder are not either exempt from or compliant with the requirements of Section 409A, the Company shall adopt such amendments to this Agreement or adopt such other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions that are reasonably necessary or appropriate, (i) to preserve the intended tax treatment of the payments and benefits provided in this Agreement, to preserve the economic benefits with respect to such payments and benefits, and/or (ii) to exempt such payments and benefits from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. As a condition to receiving the payments provided in connection with this Agreement, Executive shall cooperate fully in the adoption of any such amendments, policies or procedures as the Company deems necessary to effectuate the intent of this Section 8. Notwithstanding anything herein to the contrary, in no event shall any liability for failure to comply with the requirements of Section 409A be transferred from Executive or any other individual to the Company or any of its respective employees or agents pursuant to the terms of this Agreement or otherwise, in no event shall the Company or any of its respective employees or agents (other than Executive) be liable for any tax consequences under Section 409A, and the Company does not guarantee the exemption from or compliance with Section

409A. Each payment under this Agreement is a separate payment in a series of separate payments for purposes of Section 409A.

9. Release of All Claims.

a. Executive makes this Agreement on behalf of himself and his respective predecessors, successors, ancestors, descendants, spouse, dependents, executors, heirs, administrators, assigns and anyone else claiming by, through or under each of them.

b. In exchange for the consideration provided herein, which Executive acknowledges and agrees is fair and adequate, Executive hereby agrees to fully release, waive and forever discharge the Company, including all of the Company's related, affiliated and client entities (including corporations, limited liability companies, partnerships and joint ventures) and with respect to each of the Company and its related, affiliated and client entities:

i) their respective members, parents, subsidiaries, affiliates, predecessors, successors and associates, participants, present and former, and each of them, and

ii) their respective directors, shareholders, partners, officers, agents, owners, attorneys, servants, employees, trustees, plan administrators, fiduciaries, representatives and assigns, past and present, and each of them,

all of which together and collectively are hereinafter referred to as ("***Company Releasees***").

c. This full release and discharge is effective with respect to all claims, promises, causes of action or similar rights of any type, known or unknown, which Executive ever had, now has or may hereafter claim to have had, against the Company or the Company Releasees.

d. Executive's full release and discharge is effective with respect to all claims, wages or any other payments, agreements, obligations, demands and causes of action, known or unknown, suspected or unsuspected (collectively, "***Claims***"), arising out of any act or omission occurring before Executive's execution of this Agreement, including but not limited to, any Claims based on, arising out of, or related to: Executive's employment with, or the ending of Executive's employment with the Company; the federal, state or local laws that prohibit harassment or discrimination on the basis of race, national origin, religion, sex, gender, age, marital status, bankruptcy status, disability, perceived disability, ancestry, sexual orientation, family and medical leave, or any other form of harassment or discrimination or related cause of action (including but not limited to failure to maintain an environment free from harassment and retaliation, inappropriate comments or touching and/or "off-duty" conduct of any the Company employee); California Labor Code; severance pay, bonus, commission, or similar benefit, sick leave, pension, retirement, vacation pay, wages, incentive pay, life insurance, health or medical insurance or any other fringe benefit, or disability; or any other occurrences, acts or omissions whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of any of the Company Releasees committed or omitted prior to the date of this Agreement, including, without limiting the generality

of the foregoing, any Claim under Title VII of the Civil Rights Act of 1964, the California Labor Code, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the California Fair Employment and Housing Act, the California Unruh Act or any other federal, state or local law, regulation, ordinance, statute or under the common law. Executive represents that at the time of the execution of this Agreement, he suffers from no work-related injuries and has no disability or medical condition as defined by the Family Medical Leave Act. Executive represents that he has no workers' compensation claims that he intends to bring against the Company.

e. Notwithstanding anything to the contrary above, the release of claims in this paragraph is not intended to and does not apply to any claims which cannot be released as a matter of law including claims arising from events which occur after the execution of the Agreement, unemployment claims, state or federal disability claims, or workers' compensation claims, all of which survive the Release. Further notwithstanding, the release of claims in this paragraph is not intended to and does not apply to release any claims, as applicable, for the Awards, any Operating Partnership Units or common stock received prior to the date hereof in redemption thereof held by Executive as of the date hereof, Deferred Compensation Amounts, indemnification, directors' and officers' insurance, and vested employee benefits under any qualified retirement plan to which Executive may be entitled pursuant to the terms of any indemnification, insurance policy, agreement or plan.

f. Executive retains the right to petition the National Labor Relations Board, the Equal Employment Opportunity Commission and California Department of Fair Employment and Housing regarding any conduct which Executive believes, in good faith, to warrant review by such agency, provided, however, Executive acknowledges and agrees that any claims for personal relief in connection with such a charge or investigation (such as reinstatement or money damages) would be and are hereby barred. In addition, this release does not prevent Executive from filing any lawsuit authorized by the Age Discrimination in Employment Act challenging the validity of this release and this release does not apply to any other rights Executive cannot lawfully release under applicable law.

g. Executive agrees that no action, suit or proceeding has been brought or complaint filed or initiated by the himself or any executor, heir, administrator or assign in any court, or with any governmental body or commission with respect to any matter or course of action based upon any facts that might have occurred prior to the date of this Agreement whether known now or discovered hereafter, nor has Executive assigned or transferred any Claim being released hereby or purported to do so.

h. Executive also agrees that if any Claim is prosecuted in his name before any court or administrative agency, he waives and agrees not to take any award or other damages from such suit to the extent permissible under applicable law. Executive further agrees to cooperate fully with the Company in the event of a need for transition assistance, or in connection with defense of a lawsuit or threat of lawsuit arising out of acts and events occurred during Executive's employment with the Company. In the event there is need for cooperation from Executive, the Company agrees that any request for cooperation under this paragraph will be reasonable and that the Company will a make good faith effort to accommodate Executive's schedule. In the event a Company request

requires Executive to travel or spend substantially all of a given day, or days on Company matters, the Company and Executive will agree in advance on reasonable compensation for any such services. However, subject to the terms of Section I.A. of the Consulting Agreement, the Company will not be obligated to provide such compensation during for any time that Executive is receiving a consulting fee under the terms of the Consulting Agreement.

i. For full and adequate consideration and as a condition to the receipt or retention of the consideration payable hereunder, which the Parties hereby acknowledge, Executive agrees to re-execute this Agreement on or following the Separation Date, provided, that the consideration payable hereunder and in respect of the Consulting Agreement may be payable only once.

j. The Company, on its behalf and on behalf of its affiliated entities, and their respective predecessors and successors, agrees to fully release, waive and forever discharge Executive with respect to all claims, promises, causes of action or similar rights of any type (including Claims), known or unknown, which any of them ever had, now has or may hereafter claim to have had, against Executive, arising out of any act or omission occurring before the Company's execution of this Agreement, including but not limited to, any Claims based on, arising out of, or related to Executive's employment with, or the ending of Executive's employment with the Company or any other occurrences, acts or omissions whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of any of Executive committed or omitted prior to the date of this Agreement; provided, that, nothing under this Agreement shall release Executive from Claims of or relating to bad faith, gross negligence, willful misconduct, fraud, embezzlement, breach of fiduciary duty, breach of any restrictive covenants, or contribution.

10. Covenants. Without limiting any restriction to which Executive may be subject:

a. Executive shall, through and following the date of this Agreement:

i) Refrain from disparaging, criticizing or denigrating any Company Releasees;

ii) Refrain from engaging in or assisting in any litigation against the Company relating to anything referring to or occurring prior to the date of this Agreement unless ordered by a court to do so; and

iii) Refrain, from the date hereof throughout the Consulting Term of the Consulting Agreement, from soliciting any of the employees, agents, consultants or representatives of the Company to terminate his, her, or its relationship with the Company.

b. Executive agrees through and following the date of this Agreement: To refrain from ever disclosing or using any of the Company's Proprietary Information or Confidential Information, either directly or indirectly, without the express, written consent of the Company. For purposes of this Agreement, "***Confidential Information***" consists of any and all trade secrets as defined by the California Uniform Trade Secrets Act (California *Civil Code* §3426, *et. seq.*) and

"***Proprietary Information***" includes, without limitation, any information concerning any procedures, operations, techniques, data, compilations of information, member lists, pay practices, records, costs, employees, purchasing, sales, salaries, and all other information which is related to any service or business of the Company, other than information which is generally known in the industry in which the Company's business is conducted or acquired from public sources, all of which Proprietary Information is the exclusive and valuable property of Company. Notwithstanding anything herein or in any other agreement or arrangement to the contrary, Executive is not prohibited from reporting possible violations of federal law or regulation to any governmental agency or entity, or making other disclosures, that are protected under the whistleblower provisions of federal law or regulation (or similar state laws) or receipt of awards thereunder, Executive will not need the prior authorization of the Company or the Committee to make any such reports or disclosures and Executive will not be required to notify the Committee or the Company that Executive has made such reports or disclosures, provided, that nothing shall waive any attorney client or similar privilege of the Company or its affiliates. Executive will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose trade secrets to the Executive's attorney and use the trade secret information in the court proceeding if Executive (x) files any document containing the trade secret under seal and (y) does not disclose the trade secret, except pursuant to court order.

c. The Company shall, through and following the date of this Agreement, (i) refrain from and (ii) shall instruct and, during their service to the Company take commercially reasonable efforts to cause, its senior executive officers and the Company's Board of Directors to refrain from, disparaging, criticizing or denigrating Executive.

11. Mistake in Fact; Voluntary Consent.

The Parties acknowledge that, after the execution of this Agreement, they may discover facts different from or in addition to those that they now know or believe to be true with respect to the Claims released herein. Nonetheless, this Agreement shall be and remain in full force and effect in all respects, notwithstanding such different or additional facts and the Parties intend for any release to fully, finally, and forever settle and release the items (including, without limitation, Claims) released in this Agreement.

12. Waiver of § 1542 Rights.

Subject to the terms of this Agreement and the Consulting Agreement, Executive and the Company expressly waive any and all rights and benefits conferred upon them by Section 1542 of the California Civil Code:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS, HER OR ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY

HIM, HER OR IT MUST HAVE MATERIALLY AFFECTED HIS, HER OR ITS SETTLEMENT WITH THE DEBTOR.

Subject to the terms of this Agreement and the Consulting Agreement, Executive and the Company further waive and relinquish all rights and benefits they may have under any other statutes or common law principles of similar effect. Executive and the Company further affirm that they are, respectively, knowingly releasing all known and unknown Claims that they have or may have against the Company Releasees or Executive as specifically set forth herein.

13. No Admission of Liability.

The Company and Executive agree that this Agreement and the consideration set forth herein are not an admission by Company Releasees of any wrongdoing or liability. Company Releasees specifically deny any liability or wrongful acts against Executive. The Company and Executive agree that this Agreement and the covenants made herein are not an admission by the Company or Executive of any wrongdoing or liability. The Parties have entered into this Agreement in order to settle all disputes and differences between them, without admitting liability or wrongdoing by either Party.

14. Survival of Indemnification and D&O Insurance Coverage.

a. **Insurance**. To the extent that the Company maintains any errors and omissions or other liability insurance covering officers and directors ("***Insurance***"), Executive shall continue to be covered under such policy or policies for the periods that he is or was serving as an employee, officer, director or consultant of or to the Company or any subsidiary or affiliate in accordance with the terms of such Insurance. However, nothing herein shall in any way require the Company to continue to maintain any Insurance; provided, that the Company shall provide to Executive notice of any material modification (including a copy of such modification) or termination of Insurance.

b. **Indemnification**. Notwithstanding any provisions of this Agreement to the contrary, the terms of any indemnification agreement or provision applicable to Executive by reason of the fact that he is or was serving as an employee, officer, director or consultant of or to the Company or any subsidiary or affiliate shall survive his termination of employment and any expiration or termination of this Agreement or the Consulting Agreement. Notwithstanding the terms of any indemnification agreement, the Company shall continue to indemnify Executive for his prior services to the Company or at the Company's request to another entity and under the terms of the Consulting Agreement to the maximum extent permitted under Maryland law, and to pay or reimburse reasonable expenses in advance of the final disposition of the proceeding to the maximum extent permitted from time to time by the laws of Maryland, provided, that Executive shall be required to repay any advanced amounts if the standard of conduct for indemnification thereunder is not met.

15. Return of Company Property.

At or before the Separation Date, Executive agrees and acknowledges that he will return to the Company all Company property in Executive's possession, custody, or control, including but not limited to the Confidential Information and Proprietary Information, keys, key cards, computer equipment, computer disks or files, business information, records, and any other such property; provided, that through the Consulting Term of the Consulting Agreement Executive may continue to use in satisfying his obligations hereunder and under the Consulting Agreement (and will be provided access to) his Company email address, Company telephone extension, Company computer, and Company iPad, if any, and that such email, telephone extension, computer and iPad will be returned to the Company at the end of the Consulting Term of the Consulting Agreement. Executive also agrees to promptly return any subsequently discovered Company property to the Company, and to return any property of the Company at the request of the Company.

16. Executive Outplacement Services.

The Parties acknowledge that Executive hereby waives any entitlement to any outplacement services provided from time to time to terminated employees.

17. Confidentiality.

Executive agrees that prior to the public disclosure of this Agreement by the Company, as applicable, except to the extent required by law or subpoena, he will not disclose to others (excepting Executive's spouse, tax advisors, and attorneys) (i) the fact or terms of this Agreement, (ii) the amounts referenced in this Agreement, or (iii) the fact or terms of the Consulting Agreement, which is Exhibit A to this Agreement. The Company agrees that prior to the public disclosure of this Agreement by the Company, as applicable, except to the extent required by law or subpoena, the Company will take commercially reasonable efforts not to disclose (except to counsel or senior executives of the Company or its affiliates, or other service providers to the Company, who have a need to know as reasonably determined by the Company's Chief Operating Officer in good faith), (i) the fact or terms of this Agreement, (ii) the amounts referenced in this Agreement, or (iii) the fact or terms of the Consulting Agreement, which is Exhibit A to this Agreement.

18. Binding Effect.

This Agreement shall be binding upon the Parties and upon their respective heirs, administrators, representatives, executors, successors and assigns, and shall ensure to the benefit of each Party and to their heirs, administrators, representatives, executors, successors and assigns.

19. Severability.

Should any provision of this Agreement be declared or determined by any court or by an arbitrator to be illegal or invalid, the validity of the remaining parts, terms and provisions shall not be affected thereby and the illegal or invalid part, term or provision shall not be deemed to be a part of this Agreement.

20. Entire Agreement.

The Company and Executive acknowledge that, except as provided for in this Agreement, this Agreement, together with Exhibit A, Exhibit B, and Exhibit C, which are expressly incorporated herein by reference, constitutes the entire and exclusive Agreement between the Company and Executive with respect to the subject matter hereof and that no other promise, inducement or agreement has been made to either Party in connection with the subject matter hereof. The Company and Executive further acknowledge that this Agreement is not subject to modifications of any kind, except for modifications in writing which are signed by both Parties or the modifications in respect of Section 409A as described above.

21. Governing Law.

The Parties agree that this Agreement shall be construed and enforced pursuant to the internal laws of the State of California, without regard to conflicts of law principles.

22. Attorneys' Fees.

The arbitrator or determining party having competent jurisdiction in any dispute between the Parties may in its sole discretion, but shall not be obligated to, award attorneys' fees to any Party in connection with any determination made by such arbitrator or determining party.

23. Notice.

In the event notice is required under this Agreement, the Parties agree all notices shall be in writing and shall either be served by personal delivery, certified mail (return receipt requested), or by email delivered before 5:00 p.m. with a copy by certified mail (return receipt requested). Such notice shall be deemed given two (2) business days after mailing, or on the date when personally delivered or sent by email if the sender can prove that the emailed transmission was received (if the sender cannot so prove, then such emailed notice shall be deemed given two (2) business days after the certified mail copy is mailed); provided, however, notices of change of address shall be effective only after the actual receipt thereof. Notices must be provided as follows:

If to the Company or any of the Company Releasees:
The Macerich Company
Robert Perlmutter
Chief Operating Officer
401 Wilshire Blvd., Suite 700
Santa Monica, CA 90401

If to Executive:
Thomas J. Leanse
230 21st Street
Santa Monica, California 90402

24. Dispute Resolution.

If a dispute or claim shall arise with respect to (i) any of the terms or provisions of this Agreement, or the performance of any Party hereunder, or (ii) matters relating to this Agreement, then the aggrieved Party may, by notice as herein provided and given no later than the expiration of the statute of limitation that California state law prescribes for such a claim, require that the dispute be submitted under the Judicial Arbitration and Mediation Services, Inc. (“***JAMS***”). The JAMS Employment Arbitration Rules & Procedures in effect at the time of the claim or dispute is arbitrated will govern the procedure for the arbitration proceedings between the Parties, except as expressly set forth herein. The written decision of the arbitrator shall be binding and conclusive on the Parties. Judgment may be entered in any court having jurisdiction and the parties consent to the jurisdiction of the Superior Court of Los Angeles County, California for this purpose. Any arbitration undertaken pursuant to the terms of this Agreement shall occur in Los Angeles County, California unless the Parties mutually agree in writing to some other venue. This arbitration obligation shall not apply to any action by the Company or its affiliates for injunctive or other equitable relief.

25. Voluntary Agreement.

The Company and Executive hereby acknowledge that each has read this Agreement and fully know, understand and appreciate the contents and effects thereof, and that each executes this Agreement voluntarily and of their own free will and accord. Executive further acknowledges that he was advised, and has had the opportunity, to consult legal counsel of Executive’s own choosing with respect to the execution and legal effect of this Agreement, or has voluntarily and knowingly chosen not to consult with legal counsel.

26. Acknowledgement of Waiver of Claims Under ADEA.

Executive further specifically agrees and acknowledges: (i) that his waiver of rights under this Agreement is knowing and voluntary as required under the Age Discrimination in Employment Act, 29 U.S.C. § 621 *et. seq.* and the Older Workers Benefit Protection Act; (ii) that he understands the terms of this Agreement; (iii) that the Company advises him to consult with an attorney prior to executing this Agreement; (iv) that the Company has given him a period of up to twenty-one (21) days within which to consider this Agreement; (v) that, following his execution of this Agreement, he has seven (7) days in which to revoke his agreement to this Agreement as specified below, and that, if he chooses not to so revoke, the Agreement shall then become effective and enforceable and the payments set forth herein shall then be provided to him in accordance with the terms of the Agreement; and (vi) nothing in this Agreement shall be construed to prohibit him from filing a charge or complaint, including a challenge to the validity of the waiver provision of this Agreement, with a government agency or the Equal Employment Opportunity Commission or participating in any investigation conducted by the Equal Employment Opportunity Commission. However, Employee agrees he is waiving the right to monetary damages or other equitable or monetary relief as a result of any such proceeding.

27. Revocation Period.

Executive may revoke this Agreement and his release insofar as it extends to potential claims under the Age Discrimination in Employment Act, by informing the Company of his intent to revoke this Agreement and his release within seven (7) calendar days following his execution of this Agreement. Executive understands that any such revocation must be in writing and delivered by hand and received by the Company at the address set forth herein in the Agreement, prior to the end of the seventh day following his execution and delivery of this Agreement to the Company. Executive understands that if Executive exercises his right to revoke, then (i) the Company will have no obligations under the Agreement to Executive or to others whose rights derive from him and the Company's agreements (including the releases in 9(j) hereunder and payment obligations hereunder) will be void *ab initio* and (ii) Executive will have no right to retain (and will forfeit without further action by Executive) any payments paid (except as required under applicable law). Notwithstanding anything herein to the contrary, the obligations set forth in this Agreement do not become effective until the expiration of the revocation period.

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

The Macerich Company,

A Maryland corporation

By: /s/ Robert D. Perlmutter

Robert D. Perlmutter

Title: Senior Executive Vice President and

Chief Operating Officer

Executive acknowledges and agrees that he has carefully read and voluntarily signed this Agreement, that he has had at least 21 days to consider this Agreement, that Executive voluntarily and knowingly signs this Agreement with the intent of releasing the Company and the Company Releasees from any and all Claims.

Date: February 22, 2018 /s/ Thomas J. Leanse

Thomas J. Leanse

EXHIBIT A

CONSULTING AGREEMENT

This Consulting Agreement ("***Consulting Agreement***") is entered into as of the 28th day of February, 2018 by and between [*Thomas J. Leanse, an individual]* ("***Consultant***"), and The Macerich Company, a Maryland corporation (the "***Company***"). Consultant and the Company (collectively, the "***Parties***") agree as follows:

I. <u>Engagement</u>

The Company hereby engages Consultant and Consultant hereby accepts such non-exclusive engagement, upon the terms and conditions hereinafter set forth, for the Consulting Term. The "***Consulting Term***" is the period of time commencing on March 1, 2018 (the "***Effective Date***") and ending on the first to occur of: (x) February 28, 2020 or (y) the date that Consultant breaches one of his obligations or agreements under this Consulting Agreement or under the Separation Agreement and Release of Claims between Company and Consultant dated February 22, 2018 (the "***Separation Agreement***").

A. **Performance**

Consultant shall perform consulting services as requested by the Company with reasonable notice, including without limitation as to matters with which Consultant is familiar or about which Consultant has acquired knowledge, expertise, or experience, including, without limitation, counseling on specific projects such as Candlestick, Carson, Green Acres pilot and property taxes. Consultant shall perform up to ten (10) hours of consulting services per month as directed by the Company, with any hours in excess of such amount, including services in connection with Section 9(h) of the Separation Agreement, being subject to Consultant's (or any succeeding employer's or

service recipient's, as designated by Consultant) prior written agreement and subject to written agreement by the Parties on compensation payable for such excess services. Except as set forth herein, the Consulting Agreement is non-exclusive. The Parties reasonably agree to coordinate such services and reasonably take into account Consultant's personal and other service commitments.

B. **Competent Service**

Consultant agrees to honestly and faithfully conduct himself at all times during the performance of consulting services for the Company. Consultant agrees to perform his services in a diligent and competent manner. Consultant shall not engage any other individual or entity to perform all or any part of the services without the prior written consent of the Company.

II. Compensation

In consideration for the services to be provided by Consultant, the Company will pay the Consulting Fee, in substantially equal monthly installments at the beginning of each month during the Consulting Term. The aggregate amount of the monthly consulting fees in respect of his obligations under the Consulting Agreement will be $100,000 during the duration of the Consulting Term (the "***Consulting Fee***"). Failure of the Consultant to provide the services requested by the Company in accordance with this Consulting Agreement shall result in a breach of this Consulting Agreement, and, as a result, the Parties acknowledge and agree that Company may terminate the term of the Agreement and Consultant and Consultant's affiliates and members shall cease to be entitled to any future monthly installments of the Consulting Fee. The Company shall also pay or reimburse any expenses reasonably incurred by Consultant in performing the services upon the submission of documentation for such expenses incurred in accordance with the expense reimbursement policies of the Company in effect from time to time for its senior executive level

employees (although reference to such policies does not modify the relationship of Consultant and the Company from independent contractor to employee or otherwise). Any material expenses shall be subject to the Company's prior written consent prior to incurrence and reimbursement thereof.

III. Termination

Upon termination of the Consulting Term for Consultant's breach pursuant to Section I(y), Consultant's obligations hereunder shall continue without additional compensation.

IV. Relationship

A. **Independent Contractor**

Consultant shall operate at all times under this Consulting Agreement as an independent contractor of the Company.

B. **Agency**

This Consulting Agreement does not authorize Consultant to act as an agent of the Company or any of its affiliates or to make commitments on behalf of the Company or any of its affiliates, except as specifically authorized in writing in advance by any one of the following: the CEO, CFO, COO, CLO or the President of the Company. Consultant and the Company intend that an independent contractor relationship be created by this Consulting Agreement, and nothing herein shall be construed as creating an employer/employee relationship, partnership, joint venture, or other business group or concerted action. Except as specifically authorized in writing in advance by any one of the following: the CEO, CFO, COO, CLO or the President of the Company, Consultant shall not hold himself out as an agent of the Company or any of its affiliates for any purpose, including reporting to any governmental authority or agency, and shall have no authority to bind the Company or any of its affiliates to any obligation whatsoever. Notwithstanding the foregoing, Consultant and the Company may, to the extent deemed necessary or desired by any one of the following: the CEO,

CFO, COO, CLO or the President of the Company, agree in writing in advance to the terms of any actual authority afforded Consultant, and until such time as such writing is duly executed by the Parties, Consultant will have no actual or apparent authority to bind the Company or its affiliates.

C. **Taxes**

Consultant and the Company agree that Consultant (and any of its employees or service providers) is not an employee for state or federal tax purposes. Consultant shall be solely responsible for any taxes due as a result of the payment of any consulting fee or other compensation in respect of this Consulting Agreement (including the Consulting Fee). Consultant will defend and indemnify the Company and each of its affiliates, and hold each of them harmless (including, without limitation, with respect to attorneys' fees and costs reasonably incurred therewith), from and against any obligation arising or having arisen out of any recharacterization of Consultant (or any of its employees or service providers) as an employee (and the consequences of any failure in respect thereto (including in connection with any withholding or reporting obligations and penalties therefrom)) and/or Consultant's failure to pay such taxes with respect to any such payments (including without limitation the Consulting Fee). If the Company reasonably determines that applicable law requires that taxes should be withheld from any payments or other compensation and benefits in respect of this Consulting Agreement, the Company reserves the right to withhold, as legally required, from any compensation payable to Consultant and to notify Consultant accordingly.

D. **Workers' Compensation and Unemployment Insurance**

Consultant (and its employees or service providers) is not entitled to workers' compensation benefits or unemployment compensation benefits provided by the Company. Consultant shall be solely responsible for the payment of his workers' compensation, unemployment compensation,

and other such payments. The Company will not pay for workers' compensation for Consultant (or its employees or service providers). The Company will not contribute to a state unemployment fund for Consultant (or its employees or service providers). The Company will not pay the federal unemployment tax for Consultant (or its employees or service providers).

E. **Benefits**

Consultant (and its employees or service providers, if any) shall not be entitled to participate in any vacation, medical, retirement, or other health and welfare or fringe benefit plan of the Company by virtue of this Consulting Agreement, and Consultant shall not make (and shall cause its employees and service providers, if any, not to make) claim of entitlement any such employee plan, program or benefit on the basis of this Consulting Agreement. Nothing in this Consulting Agreement is intended, however, to supersede or otherwise affect Consultant's rights to continued medical, dental or group health following his termination of employment with the Company pursuant to COBRA as set forth in the Separation Agreement.

F. By signing below, Consultant (on its behalf and on behalf of its employees and service providers, if any) waives any rights to the aforementioned benefits and coverages.

V. Non-Disparagement

A. **Consultant's Obligation**

Without limiting any provision of the Separation Agreement or other obligations to which Consultant or its affiliates may be subject, Consultant agrees that Consultant will not at any time during the Consulting Term, directly or indirectly, (1) make or ratify any statement, public or private, oral or written, to any person that denigrates or disparages, either professionally or personally, the Company, any of its subsidiaries or affiliates, or any of their respective directors, officers, or employees, successors or products, past and present, or (2) make any statement or engage in any

conduct that has the purpose (or which a reasonable person reasonably should have known would likely have the effect) of disrupting the business of the Company or any of its subsidiaries or affiliates. Notwithstanding anything herein or in any other agreement or arrangement to the contrary, Consultant is not prohibited from reporting possible violations of federal law or regulation to any governmental agency or entity, or making other disclosures, that are protected under the whistleblower provisions of federal law or regulation (or similar state laws) or receipt of awards thereunder, Consultant will not need the prior authorization of the Company to make any such reports or disclosures and Consultant will not be required to notify the Company that Consultant has made such reports or disclosures, provided, that nothing shall waive any attorney client or similar privilege of the Company or its affiliates. Consultant will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Consultant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Consultant may disclose trade secrets to the Consultant's attorney and use the trade secret information in the court proceeding if Consultant (x) files any document containing the trade secret under seal and (y) does not disclose the trade secret, except pursuant to court order.

B. **Company's Obligation**

The Company shall, through and following the date of this Agreement, (i) refrain from and (ii) shall instruct and, during their service to the Company take commercially reasonable efforts to cause, its senior executive officers and the Company's Board of Directors to refrain from,

disparaging, criticizing or denigrating Consultant. Without limiting any provision of the Separation Agreement or other obligations to which Consultant or its affiliates may be subject, Company agrees that Company will not at any time during the Consulting Term, directly or indirectly, (1) make or ratify any statement, public or private, oral or written, to any person that denigrates or disparages, either professionally or personally, the Consultant, or (2) make any statement or engage in any conduct that has the purpose (or which a reasonable person reasonably should have known would likely have the effect) of disrupting the business or reputation of the Consultant or any of Consultant's affiliates.

VI. <u>Acceleration of Consulting Fee</u>

A. **Death or Disability**

In the event Consultant is unable to perform the consulting services requested by the Company on account of Consultant's death or Disability, the Consulting Term will terminate, Consultant will not be deemed to be in breach of the Agreement, and Company shall accelerate and pay the remainder of the unpaid Consulting Fee in a lump sum payment on or within 30 days after the termination date. For purposes of this Agreement, "Disability" means the inability of the Consultant to perform substantial gainful activity of his own occupation by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

B. **Change in Control**

In the event of the occurrence of a Change in Control, as that term is defined in The Macerich Company Change in Control Severance Plan for Senior Executives, the Consulting Term will terminate, Consultant will not be deemed to be in breach of the Agreement, and Company shall

accelerate and pay the remainder of the unpaid Consulting Fee in a lump sum payment on or within 30 days after the Change in Control date.

VII. <u>Miscellaneous</u>

A. **Successors**

This Consulting Agreement is personal to each of Consultant and the Company and shall not, without the prior written consent of the other, be assignable by either of them, except to a purchaser or the Company's assets or successor at law.

B. **Waiver and Modification**

No waiver of any breach of any term or provision of this Consulting Agreement shall be construed to be, nor shall be, a waiver of any other breach of this Consulting Agreement. No waiver shall be binding unless in writing and signed by the Party waiving the breach. This Consulting Agreement may not be amended or modified other than by a written agreement executed by Consultant and an authorized officer of the Company.

C. **Complete Agreement**

This Consulting Agreement constitutes and contains the entire agreement and final understanding concerning Consultant's consulting relationship with the Company and its affiliates from and after the date hereof, and the other subject matters addressed herein between the Parties, and it supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matters hereof, except the Separation Agreement; provided however, that Consultant's confidentiality, proprietary information, trade secret and similar obligations under any existing agreement with the Company shall continue in addition to and not in lieu of any obligations set forth herein or in the Separation Agreement.

D. **Severability**

If any provision of this Consulting Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Consulting Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Consulting Agreement are declared to be severable.

E. **Governing Law**

The Parties agree that this Agreement shall be construed and enforced pursuant to the internal laws of the State of California, without regard to conflicts of law principles.

F. **Advice of Counsel**

In entering this Consulting Agreement, the Parties represent that they have relied upon the advice of their attorneys, who are attorneys of their own choice, and that the terms of this Consulting Agreement have been completely read and explained to them by their attorneys, and that those terms are fully understood and voluntarily accepted by them. Each Party has cooperated in the drafting and preparation of this Consulting Agreement. Hence, in any construction to be made of this

Consulting Agreement, the same shall not be construed against any party on the basis that the Party was the drafter.

G. **Attorneys' Fees**

The arbitrator or determining party having competent jurisdiction in any dispute between the Parties may in its sole discretion, but shall not be obligated to, award attorneys' fees to any Party in connection with any determination made by such arbitrator or determining party.

H. **Counterparts**

This Consulting Agreement may be executed in counterparts, and each counterpart, when executed, shall have the efficacy of a signed original. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

I. **Headings**

The section headings contained in this Consulting Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Consulting Agreement.

J. **Dispute Resolution.**

If a dispute or claim shall arise with respect to (i) any of the terms or provisions of this Agreement, or the performance of any Party hereunder, or (ii) matters relating to this Agreement, then the aggrieved Party may, by notice as herein provided and given no later than the expiration of the statute of limitation that California state law prescribes for such a claim, require that the dispute be submitted under the Judicial Arbitration and Mediation Services, Inc. ("***JAMS***"). The JAMS Employment Arbitration Rules & Procedures in effect at the time of the claim or dispute is arbitrated will govern the procedure for the arbitration proceedings between the Parties, except as expressly set forth herein. The written decision of the arbitrator shall be binding and conclusive

on the Parties. Judgment may be entered in any court having jurisdiction and the parties consent to the jurisdiction of the Superior Court of Los Angeles County, California for this purpose. Any arbitration undertaken pursuant to the terms of this Agreement shall occur in Los Angeles County, California unless the Parties mutually agree in writing to some other venue. This arbitration obligation shall not apply to any action by the Company or its affiliates for injunctive or other equitable relief.

[SIGNATURE PAGE FOLLOWS]

THE UNDERSIGNED HAVE READ THE FOREGOING CONSULTING AGREEMENT AND ACCEPT AND AGREE TO THE PROVISIONS IT CONTAINS AND HEREBY EXECUTE IT VOLUNTARILY WITH FULL UNDERSTANDING OF ITS CONSEQUENCES.

EXECUTED this _____day of _________, 2018, in the State of California, with the effective date as set forth above.

CONSULTANT

_

[Thomas J. Leanse]

EXECUTED this _____day of __________, 2018, in the State of California, with the effective date as set forth above.

THE MACERICH COMPANY, A MARYLAND CORPORATION

By: _

Its: _

EXHIBIT B

AWARDS

Incentive Stock Option	Grant Date: September 1, 2012	10,565 shares

Type	**Issuance/ Grant Date**	**Number of Units**	**Vesting Date**	**End of Holding Period**
2016 service-based LTIP Units	1/1/2016	1,420	12/30/2016	N/A
2017 Fully Vested LTIP Units (2016 annual incentive bonus)	3/3/2017	13,459	3/3/2017	N/A
2015 service-based LTIP Units# (Booked up)	1/1/2015	1,249	12/29/2017	N/A
2016 service-based LTIP Units	1/1/2016	1,420	12/29/2017	N/A
2017 service-based LTIP Units	1/1/2017	1,617	12/29/2017	N/A
2016 service-based LTIP Units	1/1/2016	1,420	12/31/2018	N/A
2017 service-based LTIP Units	1/1/2017	1,617	12/31/2018	N/A
2017 service-based LTIP Units	1/1/2017	1,618	12/31/2019	N/A
2016 performance-based LTIP Units (vesting based on TSR 1/1/16-12/31/18)	1/1/2016	19,340	12/31/2018	N/A
2017 performance-based LTIP Units (vesting based on TSR 1/1/17 – 12/31/19)	1/1/2017	21,871	12/31/2019	N/A

EXHIBIT C

Section 5 Payments

Prorated 2018 Target Annual Bonus payable
as a lump sum under Section 5(i) $125,000.00

Amount in lieu of Medicare and Medigap premiums $ 98,535.96

Amount for 12 months' outplacement assistance $ 13,500.00

Total amount payable as a lump sum under Section 5(ii) $112,035.96

Deferred Compensation Plan Credit under Section 5(iii) $900,000.00

Exhibit 10.22.10

THE MACERICH COMPANY
[2018] LTIP UNIT AWARD AGREEMENT
(PERFORMANCE-BASED)

[2018] LTIP UNIT AWARD AGREEMENT (Performance-Based) made as of the date set forth on Schedule A hereto between The Macerich Company, a Maryland corporation (the "Company"), its subsidiary The Macerich Partnership, L.P., a Delaware limited partnership and the entity through which the Company conducts substantially all of its operations (the "Partnership"), and the party listed on Schedule A (the "Grantee").

RECITALS

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

B. Pursuant to its Long-Term Incentive Plan ("LTIP") the Company can award units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement (as defined herein) under The Macerich Company 2003 Equity Incentive Plan, as amended (the "2003 Plan"), to provide certain key employees of the Company or its Subsidiaries and affiliates, including the Grantee, in connection with their employment with the long-term incentive compensation described in this Award Agreement (this "Agreement" or "Award Agreement"), and thereby provide additional incentive for them to promote the progress and success of the business of the Company and its Subsidiaries and affiliates, including the Partnership, while increasing the total return to the Company's stockholders. [2018] LTIP Units (PB) (as defined herein) have been awarded by the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") pursuant to authority delegated to it by the Board as set forth in the Committee's charter, including authority to make grants of equity interests in the Partnership which may, under certain circumstances, become exchangeable for shares of the Company's Common Stock reserved for issuance under the 2003 Plan, or any successor equity plan (as any such plan may be amended, modified or supplemented from time to time, collectively the "Stock Plan"). This Agreement evidences an award to the Grantee under the LTIP (this "Award"), which is subject to the terms and conditions set forth herein.

C. The Grantee was selected by the Committee to receive this Award as one of a select group of highly compensated or management employees who, through the effective execution of their assigned duties and responsibilities, are in a position to have a direct and measurable impact on the Company's long-term financial results. Effective as of the grant date specified in Schedule A hereto, the Committee awarded to the Grantee the number of [2018] LTIP Units (PB) (as defined herein) set forth in Schedule A.

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

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

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

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

"Award [2018] LTIP Units (PB)" has the meaning set forth in Section 3(a).

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

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

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

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

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

"Change in Control Severance Pay Plan" means The Macerich Company Change in Control Severance Pay Plan For Senior Executives, as may be amended or modified from time to time

"Change of Control" means any of the following:

(a) The acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 33% or more of either (A) the then-

outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliate of the Company or successor or (iv) any acquisition by any entity pursuant to a transaction that complies with (c)(i), (c)(ii) and (c)(iii) below;

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

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets directly or through one or more subsidiaries ("Parent")) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any entity resulting from such Business Combination or a Parent or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination or Parent) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that the ownership in excess of 20% existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors or trustees of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

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

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

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

"Competitive Activities" means that the Grantee, directly or indirectly, whether as owner, partner, shareholder, consultant, agent, employee, co-venturer or otherwise, engages, participates, assists or invests in any Competing Business (as hereinafter defined). The term "Competing Business" shall mean a publicly-traded real estate investment trust that is identified by the National Association of Real Estate Investment Trusts as a "mall REIT" (other than the Company or a surviving or resulting entity upon a Change of Control, or any of their respective affiliates). Notwithstanding the foregoing, the Grantee may own equity securities of an entity which constitutes, or is affiliated with, a Competing Business, so long at their value does not exceed five percent (5%) of the aggregate equity market capitalization of the Competing Business.

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

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

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

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

"Effective Date" means January 1, [2018].

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

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

“Good Reason” means an action taken by the Company, without the Grantee’s written consent thereto, resulting in a material negative change in the employment relationship. 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.

"[2018] LTIP Units (PB)" means units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement awarded pursuant to this Agreement under the LTIP having the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption set forth in the Partnership Agreement.

"Partial Service Factor" means a factor carried out to the sixth decimal, but never greater than one (1.000000), to be used in calculating the number of Award [2018] LTIP Units (PB) that become vested pursuant to Section 5(c) hereof in the event of the Grantee's Qualified Termination, death, Disability or Retirement during the Performance Period, determined by dividing (A) the number of calendar days that have elapsed since the Effective Date to and including the date of the Grantee's Qualified Termination, death or Disability by (B) 365.

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

"Peer REIT" means each of the business entities qualified as real estate investment trusts ("REITs") that are publicly-traded "equity REITs." It is the current intention of the Committee to use the Peer REITs identified by the National Association of Real Estate Investment Trusts ("NAREIT") to determine the Peer REIT Total Return for each Peer REIT. If the Committee determines that NAREIT no longer identifies Peer REITs, or that NAREIT's identification of Peer

REITs is no longer suitable for the purposes of this Agreement, then the Committee in its good faith reasonable discretion shall select Peer REITs identified by another reputable business organization for purposes of this Agreement. REITs classified as “mortgage REITs” are not included in the definition of Peer REIT. The Committee may in its sole and absolute discretion exclude from the group of Peer REITs designated as set forth above, any REIT (A) that is in bankruptcy at any point during the Performance Period or (B) that did not qualify as a Peer REIT during the entire Performance Period. In lieu of excluding such Peer REIT altogether, the Committee may adjust the calculation of Peer REIT Total Return for any REIT described in (A) or (B) of the preceding sentence, to the extent determined by the Committee in its reasonable discretion. The Committee does not have the discretion to adjust the Peer REIT Total Return for matters other than as described above.

“Peer REIT Total Return” means, 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 (and including) January 1, [2018] and concluding on (and including) the earliest of (a) December 31, [2020] or (b) the date of a Change of Control.]

[“Performance Period” means, the period commencing on (and including) January 1, [2018] and concluding on (and including) December 31, [2020].]

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

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

“Retirement” means: (A) if the Grantee is a party to a Service Agreement immediately prior to such event, and “Retirement” is defined therein, then “Retirement” shall have the meaning set forth in such Service Agreement, or (B) if the Grantee is not party to a Service Agreement immediately prior to such event and/or the Grantee’s Service Agreement does not define “Retirement,” then “Retirement” shall mean the Grantee’s voluntary termination of employment with the Company and its Subsidiaries after attainment of age 55 and completion of five (5) years of employment with the Company and/or a Subsidiary, provided that following Retirement the Grantee does not engage in Competitive Activities during the balance of the Performance Period; provided, however, that if the Grantee would be eligible for Retirement pursuant to clause (B) as of the date of this Agreement, the Grantee will not be entitled to the benefits provided in this Agreement in the event of Retirement until the first anniversary of the date of this Agreement.

“Service Agreement” means, as of a particular date, any employment, consulting or similar service agreement, including, without limitation, management continuity agreement, then in effect

between the Grantee, on the one hand, and the Company or one of its affiliates, on the other hand, as amended or supplemented through such date.

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

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

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

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

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

3. **Award of [2018] LTIP Units (PB)**.

(a) On the terms and conditions set forth in this Agreement, as well as the terms and conditions of the Stock Plan, the Grantee is hereby granted this Award consisting of the number of [2018] LTIP Units (PB) set forth on Schedule A hereto, which is incorporated herein by reference (the “Award [2018] LTIP Units (PB)”).

(b) [2018] LTIP Units (PB) shall constitute and be treated as the property of the Grantee as of the applicable grant date, subject to the terms of this Agreement and the Partnership Agreement. Every grant of [2018] LTIP Units (PB) to the Grantee pursuant to this Award shall be set forth in minutes of the meetings of the Committee. [2018] LTIP Units (PB) will be: (A) subject to vesting and/or forfeiture to the extent provided in Sections 4 and 5 hereof; and (B) subject to restrictions on transfer as provided in Section 8 hereof.

4. **Vesting of [2018] LTIP Units (PB)**.

(a) Except as otherwise set forth in this Section 4 and Section 5 below, the percentage of the Grantee's Award [2018] LTIP Units (PB) that will become vested at the end of the Performance Period [(or at such other date as provided in Section 5 hereof)] will be based on the percentile rank of the Company's Total Return relative to the Peer REIT Total Return for the Peer REITs for the Performance Period as set forth below.

Percentile Rank	**Percentage of Award Earned**
At or above the 75th percentile	100% of the Award [2018] LTIP Units (PB)
At the 50th percentile	66-2/3% of the Award [2018] LTIP Units (PB)
At the 25th percentile	33-1/3% of the Award [2018] LTIP Units (PB)
Below the 25th percentile	0% of the Award [2018] LTIP Units (PB)

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

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

Where:

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

Y = the total number of Peer REITs minus 1.

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

If the percentile rank falls between the 25th and 75th percentiles, the percentage of the Grantee's Award [2018] LTIP Units (PB) that become vested will be calculated using linear interpolation, such that for every additional percentile of rank between the 25th and 75th percentiles an additional 1.33334% of the Award [2018] LTIP Units (PB) will be earned. For example: at the 34th percentile rank 45.334% of the Award [2018] LTIP Units (PB) will be earned {33.334% + [(9/25) x (33.334%)] = 45.334%}.

Subject to Section 5 hereof, vesting of the Grantee's [2018] LTIP Units (PB) 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.

For the avoidance of doubt, assuming no Change of Control (*i.e.* the last day of the Performance period is December 31, [2020]), the intent of this Section 4(a) is that (i) the Company's Total Return will be calculated using as the first input the Share Price on December 31, [2017] and as the last input the Share Price on December 31, [2020], and (ii) each Peer REIT's Total Return will be calculated in the same manner with respect to the common equity of each such Peer REIT.

(b) The Committee may, upon consideration of the statistical data for the Peer REITs relative to Peer REIT Total Return for the Performance Period, exercise its reasonable discretion to allow for vesting of Award [2018] LTIP Units (PB) under Section 4(a) on a basis other than a strict mathematical calculation of percentile rank to the extent appropriate in light of the circumstances. By way of illustration, the foregoing would allow the Committee to provide for vesting to occur at a particular level if the Peer REIT Total Return of a number of Peer REITs is clustered within a narrow range such that the effect of the precise calculation of percentile rank would be that vesting would not occur or occur at a lower level. The Committee does not have the discretion to adjust downward the vesting of Award [2018] LTIP Units (PB).

(c) Any Award [2018] LTIP Units (PB) 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 [2018] LTIP Units (PB).

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

(a) If the Grantee is a party to a Service Agreement, the provisions of Sections 5(b), 5(c), 5(d) and 5(e) below shall govern the vesting of the Grantee's Award [2018] LTIP Units (PB) exclusively in the event of a Change of Control or termination of the Grantee's service relationship with the Company or any Subsidiary or affiliate, unless the Service Agreement contains provisions that expressly refer to this Section 5 and provides that those provisions of the Service Agreement shall instead govern the vesting of the Grantee's Award [2018] LTIP Units (PB). The foregoing sentence will be deemed an amendment to any applicable Service Agreement to the extent required to apply its terms consistently with this Section 5, such that, by way of illustration, any provisions of the Service Agreement with respect to accelerated vesting or payout of the Grantee's bonus or incentive compensation awards in the event of certain types of terminations of Grantee's service relationship (such as, for example, termination at the end of the term, termination without Cause by the employer or termination for Good Reason by the employee) shall not 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 [2018] LTIP Units (PB) that have not previously been forfeited.

(b) In the event of a Change of Control prior to December 31, [2020], then:

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

(ii) if the Award [2018] LTIP Units (PB) remain outstanding after a Change of Control or equivalent replacement awards (as defined in Section 5(b)(iv) hereof) are substituted for the Award [2018] LTIP Units (PB) at the time of the Change of Control, then the number of Award [2018] LTIP Units (PB) that are deemed earned as of the date of the Change of Control pursuant to the calculations provided in Section 4 shall remain subject to vesting tied to the Grantee's Continuous Service until December 31, [2020] as if no Change of Control had occurred, except that the Grantee shall become fully vested in such Award [2018] LTIP Units (PB) immediately (A) upon the Grantee's Qualified Termination in connection with or within twenty-four (24) months after the Change of Control, or (B) upon the Grantee's death, Disability or Retirement;

(iii) if neither the Award [2018] LTIP Units (PB) remain outstanding after a Change of Control nor equivalent replacement awards (as defined in Section 5(b)(iv) hereof) are substituted for the Award [2018] LTIP Units (PB) at the time of the Change of Control, then the Grantee shall become fully vested in the number of Award [2018] LTIP Units (PB) that are earned pursuant to the calculations provided in Section 4 as of the date of the Change of Control; and

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

(A) the replacement award is of the same type as the Award [2018] LTIP Units (PB) being replaced, including, without limitation, income tax attributes relating to the extent and timing of recognition of taxable income, gain or loss by the Grantee;

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

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

(D) the replacement award contains terms relating to vesting (including with respect to the Grantee's Qualified Termination, death, Disability or Retirement) that are substantially identical to those of the Award [2018] LTIP Units (PB); and

(E) the other terms and conditions of the replacement award are not less favorable to the Grantee than the terms and conditions of the Award [2018] LTIP Units (PB).

(i) if the Award [2018] LTIP Units (PB) remain outstanding after a Change of Control or equivalent replacement awards (as defined in Section 5(b)(iii) hereof) are substituted for the Award [2018] LTIP Units (PB) at the time of the Change of Control, then:

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

(B) vesting tied to the Grantee's Continuous Service will occur upon the earlier of (i) the end of the Performance Period or (ii) the date of the Grantee's Qualified Termination, death, Disability or Retirement; provided, however, that the number of earned Award [2018] LTIP Units (PB) shall not be determined until the end of the Performance Period as provided in Section 4;

(ii) if neither the Award [2018] LTIP Units (PB) remain outstanding after a Change of Control nor equivalent replacement awards are substituted for Award [2018] LTIP Units (PB) at the time of the Change of Control, then:

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

(B) the Grantee shall become fully vested in the number of Award [2018] LTIP Units (PB) that are earned pursuant to the calculations provided in Section 4 hereof as of the effective date of the Change of Control; and

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

(A) the replacement award is of the same type as the Award [2018] LTIP Units (PB) being replaced, including, without limitation, income tax

attributes relating to the extent and timing of recognition of taxable income, gain or loss by the Grantee;

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

(C) the replacement award contains terms relating to vesting (including with respect to a Qualified Termination) that are substantially identical to those of the Award [2018] LTIP Units (PB);

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

(E) the other terms and conditions of the replacement award are not less favorable to the Grantee than the terms and conditions of the Award [2018] LTIP Units (PB).]

(c) In the event of the Grantee's Qualified Termination, death, Disability or Retirement prior to the end of the Performance Period, conditioned upon the execution and delivery by the Grantee of a customary release of claims and covenant not to solicit employees of the Company or its Subsidiaries or Affiliates following termination, the Grantee will not forfeit the Award [2018] LTIP Units (PB) upon such event, but the following provisions of this Section 5(c) shall modify the determination of vesting for the Grantee:

(i) the calculations provided in Section 4 hereof shall be performed as of the end of the Performance Period as if Qualified Termination, death, Disability or Retirement had not occurred;

(ii) if the Grantee's Qualified Termination, death or Disability occurs before the first anniversary of the Effective Date, the number of Award [2018] LTIP Units (PB) resulting from the calculations provided in Section 4 hereof shall be multiplied by the Partial Service Factor (with the resulting number being rounded to the nearest whole LTIP Unit or, in the case of 0.5 of a unit, up to the next whole unit), and such adjusted number of Award [2018] LTIP Units (PB) shall become vested; and

(iii) if the Grantee's Qualified Termination, death, Disability or Retirement occurs after the first anniversary of the Effective Date, then there will be no reduction in the number of Award [2018] LTIP Units (PB) resulting from the calculations provided in Section 4 hereof.

(d) For the avoidance of doubt, if the Grantee becomes engaged in Competitive Activities following the effective date of Retirement and before the end of the Performance Period, then the provisions of Section 5(b) or 5(c) will not apply, and the provisions of Section 5(f) will apply.

(e) If the Grantee's employment with the Company or a Subsidiary or affiliate terminates as a result of retirement under circumstances other than as described in Section 5(c) above, 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 [2018] LTIP Units (PB) that have not previously been forfeited effective prior to the effective date of retirement.

(f) In the event of a termination of employment or other cessation of the Grantee's Continuous Service prior to the end of the Performance Period other than as provided in Section 5 (b) or 5(c), effective as of the date of such termination or cessation, all [2018] LTIP Units (PB) except for those that had previously been earned pursuant to Section 4 hereof and become vested pursuant to this Section 5 shall automatically and immediately be forfeited by the Grantee. Any forfeited Award [2018] LTIP Units (PB) shall, without payment of any consideration by the Partnership, automatically and without notice be and become null and void, and neither the Grantee nor any of his successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such forfeited Award [2018] LTIP Units (PB).

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 [2018] LTIP Units (PB) will be paid in accordance with the Partnership Agreement as modified hereby as follows:

(a) The LTIP Unit Distribution Participation Date (as defined in the Partnership Agreement) with respect to those [2018] LTIP Units (PB) that have become vested in accordance with Sections 4 or 5 hereof shall be the effective date of vesting of Award [2018] LTIP Units (PB) (*i.e.* the last day of the Performance Period [or such other date as provided in Section 5 hereof]). Vested [2018] LTIP Units (PB) shall be entitled to receive the full distribution payable on Units

outstanding as of the record date next following the date set forth in the preceding sentence, whether or not they will have been outstanding for the whole period.

(b) Prior to the LTIP Unit Distribution Participation Date provided in Section 7(a) above, Award [2018] LTIP Units (PB) shall be entitled to receive 10% of regular periodic distributions payable to holders of Units (the "Current Distributions") and 0% of special, extraordinary or other distributions made not in the ordinary course.

(c) An amount equal to (i) the difference between (x) all distributions (regular, special, extraordinary or otherwise) paid with respect to one Unit between the date of grant of the Award [2018] LTIP Units (PB) and the LTIP Unit Distribution Participation Date provided in Section 7(a) and (y) the Current Distributions paid with respect to one Award [2018] LTIP Unit up to the LTIP Unit Distribution Participation Date provided in Section 7(a) (such difference, the "Contingent Distributions") multiplied by (ii) the number of Award [2018] LTIP Units (PB) shall be credited to a notional (unfunded) account for the benefit of the Grantee on the books and records of the Partnership subject to vesting. As promptly as practicable after the LTIP Unit Distribution Participation Date, an amount equal to the Contingent Distributions that would have been paid with respect to those Award [2018] LTIP Units (PB) that have become vested pursuant to Sections 4 or 5 hereof shall be paid to the Grantee. Any portion of the notional account that is not payable to the Grantee shall be forfeited and revert to the Partnership free and clear of any claims by the Grantee.

(d) To the extent that the Partnership makes distributions to holders of Units partially in cash and partially in additional Units or other securities, unless the Committee in its sole discretion determines to allow the Grantee to make a different election, the Grantee shall be deemed to have elected with respect to all [2018] LTIP Units (PB) eligible to receive such distribution to receive 10% of such distribution in cash and 90% in Units, with the cash component constituting the Current Distribution prior to the LTIP Unit Distribution Participation Date.

8. **Restrictions on Transfer**. None of the [2018] LTIP Units (PB) shall be sold, assigned, transferred, pledged or otherwise disposed of or encumbered (whether voluntarily or involuntarily or by judgment, levy, attachment, garnishment or other legal or equitable proceeding) (each such action a "Transfer"), or redeemed in accordance with the Partnership Agreement (a) until after they have become vested pursuant to Sections 4 or 5 hereof other than in connection with a Change of Control, and (b) unless such Transfer is in compliance with all applicable securities laws (including, without limitation, the Securities Act of 1933, as amended (the "Securities Act")), and such Transfer is in accordance with the applicable terms and conditions of the Partnership Agreement; provided, however, that clause (a) above shall not apply with respect to (i) the conversion into Units of [2018] LTIP Units (PB) that have become vested in accordance with Sections 4 or 5 hereof ("Converted LTIP Units") or (ii) any Transfer either of [2018] LTIP Units (PB) that have become vested in accordance with Sections 4 or 5 hereof or of Converted LTIP Units, so long as such Transfer is (A) permitted under the Partnership Agreement and (B) in connection with donative, estate or tax planning by the Grantee; and provided, further, that the Transferee agrees in writing with the Company and the Partnership not to make any further Transfer of such vested [2018] LTIP Units (PB) or Converted LTIP Units other than as permitted by this Section 8. In connection with any Transfer of [2018] LTIP Units (PB), 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 [2018] LTIP Units (PB) not in accordance with the terms and conditions of this Section 8 shall be null and void, and the Partnership shall not reflect on its records any change in record ownership of any [2018] LTIP Units (PB) as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer of any [2018] LTIP Units (PB). The restrictions on Transfer in this Section 8 shall not be interpreted to prohibit the Grantee from designating one or more beneficiaries to receive the Grantee's LTIP Units or Converted LTIP Units that are payable in the event of the Grantee's death. Any such beneficiary designation shall be on a form provided or approved by the Company.

9. **Changes in Capital Structure**. Without duplication with the provisions of Section 6.2 of the Stock Plan, if (a) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or stock of the Company, spin-off of a Subsidiary, business unit or significant portion of assets or other fundamental transaction similar thereto, (b) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, significant repurchases of stock, or other similar change in the capital structure of the Company shall occur, (c) any extraordinary dividend or other distribution to holders of shares of Common Stock or Units other than regular cash dividends shall be made, or (d) any other event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of appropriate equitable adjustment in the terms of this Award, the LTIP or the [2018] LTIP Units (PB), then the Committee shall take such action as it deems necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Award, the LTIP and the terms of the [2018] LTIP Units (PB) prior to such event, including, without limitation: (i) adjustments in the Award [2018] LTIP Units (PB), Share Price, Total Return or other pertinent terms of this Award; and (ii) substitution of other awards under the Stock Plan or otherwise. The Grantee shall have the right to vote the [2018] LTIP Units (PB) if and when voting is allowed under the Partnership Agreement, regardless of whether vesting has occurred.

10. **Miscellaneous**.

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

(b) Incorporation of Stock Plan and Change in Control Severance Pay Plan; Committee Determinations. The provisions of the Stock Plan and Change in Control Severance Pay 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 [2018] LTIP Units (PB) become vested or are forfeited.

(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 [2018] LTIP Units (PB) issued to the Grantee as of such date pursuant to Section 3(a) hereof by: (A) signing and delivering to the Partnership a copy of this Agreement; and (B) signing, as a Limited Partner, and delivering to the Partnership a counterpart signature page to the Partnership Agreement (attached hereto as Exhibit A).

(d) Status of [2018] LTIP Units (PB) under the Stock Plan. Insofar as the LTIP has been established as an incentive program of the Company and the Partnership, the [2018] LTIP Units (PB) are both issued as equity securities of the Partnership and granted as awards under the Stock Plan. The Company will have the right at its option, as set forth in the Partnership Agreement, to issue shares of Common Stock in exchange for Units into which [2018] LTIP Units (PB) may have been converted pursuant to the Partnership Agreement, subject to certain limitations set forth in the Partnership Agreement, and such shares of Common Stock, if issued, will be issued under

the Stock Plan. The Grantee must be eligible to receive the [2018] LTIP Units (PB) in compliance with applicable federal and state securities laws and to that effect is required to complete, execute and deliver certain covenants, representations and warranties (attached as Exhibit B). The Grantee acknowledges that the Grantee will have no right to approve or disapprove such determination by the Committee.

(e) Legend. The records of the Partnership evidencing the [2018] LTIP Units (PB) shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such [2018] LTIP Units (PB) are subject to restrictions as set forth herein, in the Stock Plan and in the Partnership Agreement.

(f) Compliance With Securities Laws. The Partnership and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no [2018] LTIP Units (PB) will become vested or be issued at a time that such vesting or issuance would result in a violation of any such laws.

(g) Investment Representations; Registration. The Grantee hereby makes the covenants, representations and warranties set forth on Exhibit B attached hereto. All of such covenants, warranties and representations shall survive the execution and delivery of this Agreement by the Grantee. The Partnership will have no obligation to register under the Securities Act any [2018] LTIP Units (PB) or any other securities issued pursuant to this Agreement or upon conversion or exchange of [2018] LTIP Units (PB). The Grantee agrees that any resale of the shares of Common Stock received upon the exchange of Units into which [2018] LTIP Units (PB) may be converted shall not occur during the "blackout periods" forbidding sales of Company securities, as set forth in the then applicable Company employee manual or insider trading policy. In addition, any resale shall be made in compliance with the registration requirements of the Securities Act or an applicable exemption therefrom, including, without limitation, the exemption provided by Rule 144 promulgated thereunder (or any successor rule).

(h) Section 83(b) Election. In connection with the issuance of Award [2018] LTIP Units (PB) under this Award pursuant to Section 3 hereof the Grantee may (but is not required to) make an election to include in gross income in the year of transfer the applicable Award [2018] LTIP Units (PB) pursuant to Section 83(b) of the Code substantially in the form attached hereto as Exhibit C and, if such an election is made, the Grantee shall provide to the Company a copy thereof and supply to the Company such other information as the Company is required to maintain or file in accordance with the regulations promulgated thereunder.

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

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

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

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

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

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

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

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

(q) 409A. 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 [2018] LTIP Units (PB) 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 1st day of January, [2018].

THE MACERICH COMPANY

By: __

THE MACERICH PARTNERSHIP, L.P.

By: The Macerich Company,
its general partner

By: __

GRANTEE

EXHIBIT A

FORM OF LIMITED PARTNER SIGNATURE PAGE

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

1. The Limited Partner hereby confirms that it has reviewed the terms of the Partnership Agreement and affirms and agrees that it is bound by each of the terms and conditions of the Partnership Agreement, including, without limitation, the provisions thereof relating to limitations and restrictions on the transfer of Partnership Units. Without limitation of the foregoing, the Limited Partner is deemed to have made all of the acknowledgements, waivers and agreements set forth in 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, (a) any amendment to the provisions of Section 9.1 or the Redemption Rights Exhibit of the Partnership Agreement intended to increase the waiting period between the delivery of a notice of redemption and the redemption date to up to sixty (60) days or (b) any other amendment to the Partnership Agreement intended to make the redemption and transfer provisions, with respect to certain redemptions and transfers, more similar to the provisions described in Treasury Regulations Section 1.7704 1(f).

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

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

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

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

Signature Line for Limited Partner:

Date: January 1, [2018]

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 [2018] LTIP Units (PB) shall not constitute an offer of [2018] LTIP Units (PB) until such determination of suitability shall be made.

(b) The Grantee hereby represents and warrants that

(i) The Grantee either (A) is an "accredited investor" as defined in Rule 501(a) under the Securities Act, or (B) by reason of the business and financial experience of the Grantee, together with the business and financial experience of those persons, if any, retained by the Grantee to represent or advise him with respect to the grant to him of [2018] LTIP Units (PB), the potential conversion of [2018] LTIP Units (PB) into units of limited partnership of the Partnership ("Common Units") and the potential redemption of such Common Units for shares the Company's common stock ("REIT Shares"), has such knowledge, sophistication and experience in financial and business matters and in making

investment decisions of this type that the Grantee (I) is capable of evaluating the merits and risks of an investment in the Partnership and potential investment in the Company and of making an informed investment decision, (II) is capable of protecting his own interest or has engaged representatives or advisors to assist him in protecting his interests, and (III) is capable of bearing the economic risk of such investment.

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

(iii) The Grantee understands that (A) the Grantee is responsible for consulting his own tax advisors with respect to the application of the U.S. federal income tax laws, and the tax laws of any state, local or other taxing jurisdiction to which the Grantee is or by reason of the award of [2018] LTIP Units (PB) may become subject, to his particular situation; (B) the Grantee has not received or relied upon business or tax advice from the Company, the Partnership or any of their respective employees, agents, consultants or advisors, in their capacity as such; (C) the Grantee provides services to the Partnership on a regular basis and in such capacity has access to such information, and has such experience of and involvement in the business and operations of the Partnership, as the Grantee believes to be necessary and appropriate to make an informed decision to accept the award of [2018] LTIP Units (PB); and (D) an investment in the Partnership and/or the Company involves substantial risks. The Grantee has been given the opportunity to make a thorough investigation of matters relevant to the [2018] LTIP Units (PB) and has been furnished with, and has reviewed and understands, materials relating to the Partnership and the Company and their respective activities (including, but not limited to, the Background Documents). The Grantee has been afforded the opportunity to obtain any additional information (including any exhibits to the Background Documents) deemed necessary by the Grantee to verify the accuracy of information conveyed to the Grantee. The Grantee confirms that all documents, records, and books pertaining to his receipt of [2018] LTIP Units (PB) which were requested by the Grantee have been made available or delivered to the Grantee. The Grantee has had an opportunity to ask questions of and receive answers from the Partnership and the Company, or from a person or persons acting on their behalf, concerning the terms and conditions of the [2018] LTIP Units (PB). **The Grantee has relied upon, and is making its decision solely upon, the Background Documents and other written information provided to the Grantee by the Partnership or the Company.**

(iv) The [2018] LTIP Units (PB) to be issued, the Common Units issuable upon conversion of the [2018] LTIP Units (PB) and any REIT Shares issued in connection

with the redemption of any such Common Units will be acquired for the account of the Grantee for investment only and not with a current view to, or with any intention of, a distribution or resale thereof, in whole or in part, or the grant of any participation therein, without prejudice, however, to the Grantee's right (subject to the terms of the [2018] LTIP Units (PB), the Stock Plan, the agreement of limited partnership of the Partnership, the articles of organization of the Company, as amended, and the Award Agreement) at all times to sell or otherwise dispose of all or any part of his [2018] LTIP Units (PB), Common Units or REIT Shares in compliance with the Securities Act, and applicable state securities laws, and subject, nevertheless, to the disposition of his assets being at all times within his control.

(v) The Grantee acknowledges that (A) neither the [2018] LTIP Units (PB) to be issued, nor the Common Units issuable upon conversion of the [2018] LTIP Units (PB), have been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws and, if such [2018] LTIP Units (PB) or Common Units are represented by certificates, such certificates will bear a legend to such effect, (B) the reliance by the Partnership and the Company on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Grantee contained herein, (C) such [2018] LTIP Units (PB) or Common Units, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, (D) there is no public market for such [2018] LTIP Units (PB) and Common Units and (E) neither the Partnership nor the Company has any obligation or intention to register such [2018] LTIP Units (PB) or the Common Units issuable upon conversion of the [2018] LTIP Units (PB) under the Securities Act or any state securities laws or to take any action that would make available any exemption from the registration requirements of such laws, except, that, upon the redemption of the Common Units for REIT Shares, the Company may issue such REIT Shares under the Stock Plan and pursuant to a Registration Statement on Form S-8 under the Securities Act, to the extent that (I) the Grantee is eligible to receive such REIT Shares under the Stock Plan at the time of such issuance, (II) the Company has filed a Form S-8 Registration Statement with the Securities and Exchange Commission registering the issuance of such REIT Shares and (III) such Form S-8 is effective at the time of the issuance of such REIT Shares. The Grantee hereby acknowledges that because of the restrictions on transfer or assignment of such [2018] LTIP Units (PB) acquired hereby and the Common Units issuable upon conversion of the [2018] LTIP Units (PB) which are set forth in the Partnership Agreement or this Agreement, the Grantee may have to bear the economic risk of his ownership of the [2018] LTIP Units (PB) acquired hereby and the Common Units issuable upon conversion of the [2018] LTIP Units (PB) for an indefinite period of time.

(vi) The Grantee has determined that the [2018] LTIP Units (PB) are a suitable investment for the Grantee.

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

Partnership or the [2018] LTIP Units (PB) except the information specified in paragraph (b) above.

(c) So long as the Grantee holds any [2018] LTIP Units (PB), the Grantee shall disclose to the Partnership in writing such information as may be reasonably requested with respect to ownership of [2018] LTIP Units (PB) as the Partnership may deem reasonably necessary to ascertain and to establish compliance with provisions of the Code, applicable to the Partnership or to comply with requirements of any other appropriate taxing authority.

(d) The Grantee hereby agrees to make an election under Section 83(b) of the Code with respect to the [2018] LTIP Units (PB) awarded hereunder, and has delivered with this Agreement a completed, executed copy of the election form attached hereto as Exhibit C. The Grantee agrees to file the election (or to permit the Partnership to file such election on the Grantee's behalf) within thirty (30) days after the award of the [2018] LTIP Units (PB) hereunder with the IRS Service Center at which such Grantee files his personal income tax returns, and to file a copy of such election with the Grantee's U.S. federal income tax return for the taxable year in which [2018] LTIP Units (PB) are issued or awarded to the Grantee.

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

EXHIBIT C

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

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

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

   Name: ______________________ (the "Taxpayer")

   Address: __

   __

   Social Security No./Taxpayer Identification No.: _____________

   Taxable Year: Calendar Year [2018]

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

   The election is being made with respect to __________ [2018] LTIP Units (PB) in The Macerich Partnership, L.P. (the "Partnership").

3. The date on which the [2018] LTIP Units (PB) were transferred to the undersigned is ___________, [2018].

4. Nature of restrictions to which the [2018] LTIP Units (PB) are subject:

   (a) Until the [2018] LTIP Units (PB) vest, the Taxpayer may not transfer in any manner any portion of the [2018] LTIP Units (PB) without the consent of the Partnership.

   (b) The Taxpayer's [2018] LTIP Units (PB) vest in accordance with the vesting provisions described in the Schedule attached hereto. Unvested [2018] LTIP Units (PB) are forfeited in accordance with the vesting provisions described in the Schedule attached hereto.

5. The fair market value at time of transfer (determined without regard to any restrictions other than a nonlapse restriction as defined in Treasury Regulations Section 1.83-3(h)) of the [2018] LTIP Units (PB) with respect to which this election is being made was $0 per [2018] LTIP Unit (PB).

6. The amount paid by the Taxpayer for the [2018] LTIP Units (PB) was $0 per [2018] LTIP Unit (PB).

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

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

Dated: ______________________

____

SCHEDULE TO 83(b) ELECTION

Vesting Provisions of [2018] LTIP Units (PB)

The [2018] LTIP Units (PB) are subject to performance-based vesting. Performance-based vesting will be from 0-100% based on The Macerich Company's (the "Company") per-share total return to holders of common stock (the "Total Return") for the period from January 1, [2018] through December 31, [2020] (or earlier in certain circumstances). The [2018] LTIP Units (PB) may vest depending on the percentile rank of the Company in terms of Total Return relative to the Total Return of a group of peer REITs (the "Peer REITs"), as measured at the end of the performance period. Vesting of the [2018] LTIP Units (PB) will occur as follows:

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

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

The above vesting is conditioned upon the Taxpayer remaining an employee of the Company through the applicable vesting date, subject to acceleration under specified circumstances. Unvested [2018] LTIP Units (PB) are subject to forfeiture in the event of failure to vest.

SCHEDULE A TO [2018] LTIP UNIT AWARD AGREEMENT
(PERFORMANCE-BASED)

Date of Award Agreement:	January 1, [2018]
Name of Grantee:	
Number of [2018] LTIP Units (PB) Subject to Grant:	
Grant Date:	January 1, [2018]

Initials of Company representative: _________

Initials of Grantee: _________

Exhibit 10.22.9

THE MACERICH COMPANY
[2018] LTIP UNIT AWARD AGREEMENT
(SERVICE-BASED)

[2018] LTIP UNIT AWARD AGREEMENT (Service-Based) made as of the date set forth on Schedule A hereto between The Macerich Company, a Maryland corporation (the "Company"), its subsidiary The Macerich Partnership, L.P., a Delaware limited partnership and the entity through which the Company conducts substantially all of its operations (the "Partnership"), and the party listed on Schedule A (the "Grantee").

RECITALS

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

B. Pursuant to its Long-Term Incentive Plan ("LTIP") the Company can award units of limited partnership interest of the Partnership designated as "LTIP Units" in the Partnership Agreement (as defined herein) under The Macerich Company 2003 Equity Incentive Plan, as amended (the "2003 Plan"), to provide certain key employees of the Company or its Subsidiaries and affiliates, including the Grantee, in connection with their employment with the long-term incentive compensation described in this Award Agreement (this "Agreement" or "Award Agreement"), and thereby provide additional incentive for them to promote the progress and success of the business of the Company and its Subsidiaries and affiliates, including the Partnership, while increasing the total return to the Company's stockholders. [2018] LTIP Units (SB) (as defined herein) have been awarded by the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") pursuant to authority delegated to it by the Board as set forth in the Committee's charter, including authority to make grants of equity interests in the Partnership which may, under certain circumstances, become exchangeable for shares of the Company's Common Stock reserved for issuance under the 2003 Plan, or any successor equity plan (as any such plan may be amended, modified or supplemented from time to time, collectively the "Stock Plan"). This Agreement evidences an award to the Grantee under the LTIP (this "Award"), which is subject to the terms and conditions set forth herein.

C. The Grantee was selected by the Committee to receive this Award as one of a select group of highly compensated or management employees who, through the effective execution of their assigned duties and responsibilities, are in a position to have a direct and measurable impact on the Company's long-term financial results. Effective as of the grant date specified in Schedule A hereto, the Committee awarded to the Grantee the number of [2018] LTIP Units (SB) (as defined herein) set forth in Schedule A.

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

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

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

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

"Award [2018] LTIP Units (SB)" has the meaning set forth in Section 3(a).

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

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

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

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

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

"Change in Control Severance Pay Plan" means The Macerich Company Change in Control Severance Pay Plan For Senior Executives, as may be amended or modified from time to time.

"Change of Control" means any of the following:

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

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

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets directly or through one or more subsidiaries ("Parent")) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any entity resulting from such Business Combination or a Parent or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination or Parent)

beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that the ownership in excess of 20% existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors or trustees of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

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

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

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

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

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

"Disability" means (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.

"Effective Date" means January 1, [2018].

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

"Good Reason" means an action taken by the Company, without the Grantee's written consent thereto, resulting in a material negative change in the employment relationship. 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.

"[2018] LTIP Units (SB)" 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.

"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) upon the Grantee's Retirement.

"Retirement" means: (A) if the Grantee is a party to a Service Agreement immediately prior to such event, and "Retirement" is defined therein, then "Retirement" shall have the meaning set forth in such Service Agreement, or (B) if the Grantee is not party to a Service Agreement immediately prior to such event and/or the Grantee's Service Agreement does not define "Retirement," then "Retirement" shall mean the Grantee's termination of employment with the Company and its Subsidiaries after attainment of age 55 and completion of five (5) years of employment with the Company and/or a Subsidiary, provided that following Retirement the Grantee does not engage in Competitive Activities during the balance of the Performance Period; provided, however, that if the Grantee would be eligible for Retirement pursuant to clause (B) as of the date of this Agreement, the Grantee will not be entitled to the benefits provided in this Agreement in the event of Retirement until the first anniversary of the date of this Agreement.

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

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

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

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

3. **Award of [2018] LTIP Units (SB).**

(a) On the terms and conditions set forth in this Agreement, as well as the terms and conditions of the Stock Plan, the Grantee is hereby granted this Award consisting of the number of [2018] LTIP Units (SB) set forth on Schedule A hereto, which is incorporated herein by reference (the "Award [2018] LTIP Units (SB)").

(b) Award [2018] LTIP Units (SB) shall constitute and be treated as the property of the Grantee as of the applicable grant date, subject to the terms of this Agreement and the Partnership Agreement. Every grant of Award [2018] LTIP Units (SB) to the Grantee pursuant to this Award shall be set forth in minutes of the meetings of the Committee. Award [2018] LTIP Units (SB) will be: (A) subject to vesting and/or forfeiture to the extent provided in Section 4 and Section 5 hereof; and (B) subject to restrictions on transfer as provided in Section 8 hereof.

4. **Vesting of Award [2018] LTIP Units (SB).**

(a) Except as otherwise provided in Section 5 hereof and/or the Stock Plan, the Award [2018] LTIP Units (SB) shall become vested in the amounts provided in Schedule A hereto, provided that the Continuous Service of the Grantee continues through and on the relevant Vesting Date.

(b) The Grantee agrees to provide Continuous Service to the Company in consideration for the conditional rights to the unvested Award [2018] LTIP Units (SB). Except as otherwise provided in Section 5 or pursuant to the Stock Plan, the Vesting Schedule provided in Schedule A hereto requires Continuous Service through each applicable Vesting Date as a condition to the vesting of the applicable installment and rights and benefits under this Agreement. Partial service, even if substantial, during any vesting period will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service as provided in Section 5 below or under the Stock Plan.

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

(a) If the Grantee is a party to a Service Agreement, the provisions of this Section 5 shall govern the vesting of the Grantee's Award [2018] LTIP Units (SB) exclusively in the event of a Change of Control or termination of the Grantee's service relationship with the Company or any Subsidiary or affiliate, unless the Service Agreement contains provisions that expressly refer to this Section 5 and provides that those provisions of the Service Agreement shall instead govern the vesting of the Grantee's Award [2018] LTIP Units (SB). The foregoing sentence will be deemed an amendment to any applicable Service Agreement to the extent required to apply its terms consistently with this Section 5. 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 remaining unvested Award [2018] LTIP Units (SB) that have not previously been forfeited effective immediately prior to such event.

(b) In the event of a Change of Control prior to December 31, 2020, then:

(i) if the Award [2018] LTIP Units (SB) remain outstanding after a Change of Control or equivalent replacement awards (as defined in Section 5(b)(iii) hereof) are substituted for the Award [2018] LTIP Units (SB) at the time of the Change of Control, then unvested Award [2018] LTIP Units (SB) shall remain subject to vesting tied to the Grantee's Continuous Service until December 31, 2020 as if no Change of Control had occurred, except that the Grantee shall become fully vested in such Award [2018] LTIP Units (SB) immediately (A) upon the Grantee's Qualified Termination in connection with or within twenty-four (24) months after the Change of Control, or (B) upon the Grantee's death, Disability or Retirement;

(ii) if neither the Award [2018] LTIP Units (SB) remain outstanding after a Change of Control nor equivalent replacement awards (as defined in Section 5(b)(iii) hereof) are substituted for the Award [2018] LTIP Units (SB) at the time of the Change of Control, then the Grantee shall become fully vested in all unvested Award [2018] LTIP Units (SB) as of the date of the Change of Control; and

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

(A) the replacement award is of the same type as the Award [2018] LTIP Units (SB) being replaced, including, without limitation, income tax attributes relating to the extent and timing of recognition of taxable income, gain or loss by the Grantee;

(B) the replacement award has a value equal to the Fair Market Value of the Award [2018] LTIP Units (SB) being replaced as of the effective date of the Change of Control;

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

(D) the replacement award contains terms relating to vesting (including with respect to the Grantee's Qualified Termination, death, Disability or Retirement) that are substantially identical to those of the Award [2018] LTIP Units (SB); and

(E) the other terms and conditions of the replacement award are not less favorable to the Grantee than the terms and conditions of the Award [2018] LTIP Units (SB).

(c) In the event of a termination of Grantee's employment as a result of the Grantee's death or Disability, the unvested Award [2018] LTIP Units (SB) subject to this Agreement that have not been previously forfeited shall automatically and immediately vest as of the date of the Grantee's death or Disability (or effective immediately prior to such event to the extent necessary in order to enable the realization of the benefits of such acceleration), subject to the provisions of Sections 6.4 and 6.5 of the Stock Plan.

(d) In the event of a Qualified Termination, then any portion of the Award [2018] LTIP Units (SB) that has not then vested shall continue to vest in accordance with the Vesting Schedule, subject to the provisions of Sections 6.4 and 6.5 of the Stock Plan.

(e) Notwithstanding the foregoing, in the event vesting pursuant to this Section 5 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.

(f) In the event of a termination of employment or other cessation of the Grantee's Continuous Service other than following a Change of Control as provided in Section 5(b) hereof, a Qualified Termination, or as a result of Grantee's death or Disability, effective as of the date of such termination or cessation, all Award [2018] LTIP Units (SB) except for those that had previously become vested pursuant to Section 4 hereof, Section 5(a) through (d) above and Schedule A hereto shall automatically and immediately be forfeited by the Grantee. Any forfeited Award [2018] LTIP Units (SB) shall, without payment of any consideration by the Partnership, automatically and without notice be and become null and void, and neither the Grantee nor any of his successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such forfeited Award [2018] LTIP Units (SB).

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 Award [2018] LTIP Units (SB) will be paid in accordance with the Partnership Agreement as modified hereby as follows:

(a) The LTIP Unit Distribution Participation Date (as defined in the Partnership Agreement) with respect to the Award [2018] LTIP Units (SB) shall be the Effective Date and the Award [2018] LTIP Units (SB) shall be entitled to the full distribution payable on Units outstanding as of the record date for the quarterly distribution in which the Effective Date falls even though the Award [2018] LTIP Units (SB) will not have been outstanding for the whole quarterly period. All distributions paid with respect to Award [2018] LTIP Units (SB) shall be fully vested and non-forfeitable when paid whether the underlying Award [2018] LTIP Units (SB) are vested or unvested.

(b) To the extent that the Partnership makes distributions to holders of Units partially in cash and partially in additional Units or other securities, unless the Committee in its sole discretion determines to allow the Grantee to make a different election, the Grantee shall be

deemed to have elected with respect to all Award [2018] LTIP Units (SB) eligible to receive such distribution to receive 10% of such distribution in cash and 90% in Units.

8. **Restrictions on Transfer**. None of the Award [2018] LTIP Units (SB) shall be sold, assigned, transferred, pledged or otherwise disposed of or encumbered (whether voluntarily or involuntarily or by judgment, levy, attachment, garnishment or other legal or equitable proceeding) (each such action a "Transfer"), or redeemed in accordance with the Partnership Agreement (a) prior to vesting, and (b) unless such Transfer is in compliance with all applicable securities laws (including, without limitation, the Securities Act of 1933, as amended (the "Securities Act")), and the applicable terms and conditions of the Partnership Agreement; and provided, further, that the Transferee agrees in writing with the Company and the Partnership not to make any further Transfer of such vested Award [2018] LTIP Units (SB) or Award [2018] LTIP Units (SB) that have been converted into Units ("Converted LTIP Units") other than as permitted by this Section 8. In connection with any Transfer of Award [2018] LTIP Units (SB) or Converted LTIP Units, the Partnership may require the Grantee to provide an opinion of counsel, satisfactory to the Partnership, that such Transfer is in compliance with all federal and state securities laws (including, without limitation, the Securities Act). Any attempted Transfer of Award [2018] LTIP Units (SB) not in accordance with the terms and conditions of this Section 8 shall be null and void, and the Partnership shall not reflect on its records any change in record ownership of any Award [2018] LTIP Units (SB) as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer of any Award [2018] LTIP Units (SB). The restrictions on Transfer in this Section 8 shall not be interpreted to prohibit the Grantee from designating one or more beneficiaries to receive the Grantee's LTIP Units or Converted LTIP Units that are payable in the event of the Grantee's death. Any such beneficiary designation shall be on a form provided or approved by the Company.

9. **Changes in Capital Structure**. Without duplication with the provisions of Section 6.2 of the Stock Plan, if (a) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or stock of the Company, spin-off of a Subsidiary, business unit or significant portion of assets or other fundamental transaction similar thereto, (b) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, significant repurchases of stock, or other similar change in the capital structure of the Company shall occur, (c) any extraordinary dividend or other distribution to holders of shares of Common Stock or Units other than regular cash dividends shall be made, or (d) any other event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of appropriate equitable adjustment in the terms of this Award, the LTIP or the Award [2018] LTIP Units (SB), then the Committee shall take such action as it deems necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Award, the LTIP and the terms of the Award [2018] LTIP Units (SB) prior to such event, including, without limitation: (i) adjustments in the Award [2018] LTIP Units (SB) or other pertinent terms of this Award; and (ii) substitution of other awards under the Stock Plan or otherwise. The Grantee shall have the right to vote the Award [2018] LTIP Units (SB) if and when voting is allowed under the Partnership Agreement, regardless of whether vesting has occurred.

10. **Miscellaneous.**

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

(b) Incorporation of Stock Plan and Change in Control Severance Pay Plan; Committee Determinations. The provisions of the Stock Plan and the Change in Control Severance Pay 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.

(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 [2018] LTIP Units (SB) issued to the Grantee as of such date pursuant to Section 3(a) hereof by: (A) signing and delivering to the Partnership a copy of this Agreement; and (B) signing, as a Limited Partner, and delivering to the Partnership a counterpart signature page to the Partnership Agreement (attached hereto as Exhibit A).

(d) Status of Award [2018] LTIP Units (SB) under the Stock Plan. Insofar as the LTIP has been established as an incentive program of the Company and the Partnership, the Award [2018] LTIP Units (SB) are both issued as equity securities of the Partnership and granted as awards under the Stock Plan. The Company will have the right at its option, as set forth in the Partnership Agreement, to issue shares of Common Stock in exchange for Units into which Award [2018] LTIP Units (SB) may have been converted pursuant to the Partnership Agreement, subject to certain limitations set forth in the Partnership Agreement, and such shares of Common Stock, if issued, will be issued under the Stock Plan. The Grantee must be eligible to receive the Award [2018] LTIP Units (SB) in compliance with applicable federal and state securities laws and to that effect is required to complete, execute and deliver certain covenants, representations and warranties (attached

as Exhibit B). The Grantee acknowledges that the Grantee will have no right to approve or disapprove such determination by the Committee.

(e) Legend. The records of the Partnership evidencing the Award [2018] LTIP Units (SB) shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such Award [2018] LTIP Units (SB) are subject to restrictions as set forth herein, in the Stock Plan and in the Partnership Agreement.

(f) Compliance With Securities Laws. The Partnership and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no Award [2018] LTIP Units (SB) will become vested or be issued at a time that such vesting or issuance would result in a violation of any such laws.

(g) Investment Representations; Registration. The Grantee hereby makes the covenants, representations and warranties set forth on Exhibit B attached hereto. All of such covenants, warranties and representations shall survive the execution and delivery of this Agreement by the Grantee. The Partnership will have no obligation to register under the Securities Act any Award [2018] LTIP Units (SB) or any other securities issued pursuant to this Agreement or upon conversion or exchange of Award [2018] LTIP Units (SB). The Grantee agrees that any resale of the shares of Common Stock received upon the exchange of Units into which Award [2018] LTIP Units (SB) may be converted shall not occur during the "blackout periods" forbidding sales of Company securities, as set forth in the then applicable Company employee manual or insider trading policy. In addition, any resale shall be made in compliance with the registration requirements of the Securities Act or an applicable exemption therefrom, including, without limitation, the exemption provided by Rule 144 promulgated thereunder (or any successor rule).

(h) Section 83(b) Election. In connection with the issuance of Award [2018] LTIP Units (SB) under this Award pursuant to Section 3 hereof the Grantee may (but is not required to) make an election to include in gross income in the year of transfer the applicable Award [2018] LTIP Units (SB) pursuant to Section 83(b) of the Code substantially in the form attached hereto as Exhibit C and, if such an election is made, the Grantee shall provide to the Company a copy thereof and supply to the Company such other information as the Company is required to maintain or file in accordance with the regulations promulgated thereunder.

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

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

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

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

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

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

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

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

(q) 409A. 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 Award [2018] LTIP Units (SB) 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 1st day of January, [2018].

THE MACERICH COMPANY

By: __

THE MACERICH PARTNERSHIP, L.P.

By: The Macerich Company,
its general partner

By: __

GRANTEE

EXHIBIT A

FORM OF LIMITED PARTNER SIGNATURE PAGE

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

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

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

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

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

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

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

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

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

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

Signature Line for Limited Partner:

Date: January 1, [2018]

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 Award [2018] LTIP Units (SB) shall not constitute an offer of Award [2018] LTIP Units (SB) until such determination of suitability shall be made.

(b) The Grantee hereby represents and warrants that

(i) The Grantee either (A) is an "accredited investor" as defined in Rule 501(a) under the Securities Act, or (B) by reason of the business and financial experience of the Grantee, together with the business and financial experience of those persons, if any, retained by the Grantee to represent or advise him with respect to the grant to him of Award [2018] LTIP Units (SB), the potential conversion of Award [2018] LTIP Units (SB) into units of limited partnership of the Partnership ("Common Units") and the potential redemption of such Common Units for shares the Company's common stock ("REIT

Shares”), has such knowledge, sophistication and experience in financial and business matters and in making investment decisions of this type that the Grantee (I) is capable of evaluating the merits and risks of an investment in the Partnership and potential investment in the Company and of making an informed investment decision, (II) is capable of protecting his own interest or has engaged representatives or advisors to assist him in protecting his interests, and (III) is capable of bearing the economic risk of such investment.

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

(iii) The Grantee understands that (A) the Grantee is responsible for consulting his own tax advisors with respect to the application of the U.S. federal income tax laws, and the tax laws of any state, local or other taxing jurisdiction to which the Grantee is or by reason of the award of Award [2018] LTIP Units (SB) may become subject, to his particular situation; (B) the Grantee has not received or relied upon business or tax advice from the Company, the Partnership or any of their respective employees, agents, consultants or advisors, in their capacity as such; (C) the Grantee provides services to the Partnership on a regular basis and in such capacity has access to such information, and has such experience of and involvement in the business and operations of the Partnership, as the Grantee believes to be necessary and appropriate to make an informed decision to accept the award of Award [2018] LTIP Units (SB); and (D) an investment in the Partnership and/or the Company involves substantial risks. The Grantee has been given the opportunity to make a thorough investigation of matters relevant to the Award [2018] LTIP Units (SB) and has been furnished with, and has reviewed and understands, materials relating to the Partnership and the Company and their respective activities (including, but not limited to, the Background Documents). The Grantee has been afforded the opportunity to obtain any additional information (including any exhibits to the Background Documents) deemed necessary by the Grantee to verify the accuracy of information conveyed to the Grantee. The Grantee confirms that all documents, records, and books pertaining to his receipt of Award [2018] LTIP Units (SB) which were requested by the Grantee have been made available or delivered to the Grantee. The Grantee has had an opportunity to ask questions of and receive answers from the Partnership and the Company, or from a person or persons acting on their behalf, concerning the terms and conditions of the Award [2018] LTIP Units (SB). **The Grantee has relied upon, and is making its decision solely upon, the Background Documents and other written information provided to the Grantee by the Partnership or the Company.**

(iv) The Award [2018] LTIP Units (SB) to be issued, the Common Units issuable upon conversion of the Award [2018] LTIP Units (SB) and any REIT Shares issued in connection with the redemption of any such Common Units will be acquired for the account of the Grantee for investment only and not with a current view to, or with any intention of, a distribution or resale thereof, in whole or in part, or the grant of any participation therein, without prejudice, however, to the Grantee's right (subject to the terms of the Award [2018] LTIP Units (SB), the Stock Plan, the agreement of limited partnership of the Partnership, the articles of organization of the Company, as amended, and the Award Agreement) at all times to sell or otherwise dispose of all or any part of his Award [2018] LTIP Units (SB), Common Units or REIT Shares in compliance with the Securities Act, and applicable state securities laws, and subject, nevertheless, to the disposition of his assets being at all times within his control.

(v) The Grantee acknowledges that (A) neither the Award [2018] LTIP Units (SB) to be issued, nor the Common Units issuable upon conversion of the Award [2018] LTIP Units (SB), have been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws and, if such Award [2018] LTIP Units (SB) or Common Units are represented by certificates, such certificates will bear a legend to such effect, (B) the reliance by the Partnership and the Company on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Grantee contained herein, (C) such Award [2018] LTIP Units (SB) or Common Units, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, (D) there is no public market for such Award [2018] LTIP Units (SB) and Common Units and (E) neither the Partnership nor the Company has any obligation or intention to register such Award [2018] LTIP Units (SB) or the Common Units issuable upon conversion of the Award [2018] LTIP Units (SB) under the Securities Act or any state securities laws or to take any action that would make available any exemption from the registration requirements of such laws, except, that, upon the redemption of the Common Units for REIT Shares, the Company may issue such REIT Shares under the Stock Plan and pursuant to a Registration Statement on Form S-8 under the Securities Act, to the extent that (I) the Grantee is eligible to receive such REIT Shares under the Stock Plan at the time of such issuance, (II) the Company has filed a Form S-8 Registration Statement with the Securities and Exchange Commission registering the issuance of such REIT Shares and (III) such Form S-8 is effective at the time of the issuance of such REIT Shares. The Grantee hereby acknowledges that because of the restrictions on transfer or assignment of such Award [2018] LTIP Units (SB) acquired hereby and the Common Units issuable upon conversion of the Award [2018] LTIP Units (SB) which are set forth in the Partnership Agreement or this Agreement, the Grantee may have to bear the economic risk of his ownership of the Award [2018] LTIP Units (SB) acquired hereby and the Common Units issuable upon conversion of the Award [2018] LTIP Units (SB) for an indefinite period of time.

(vi) The Grantee has determined that the Award [2018] LTIP Units (SB) are a suitable investment for the Grantee.

(vii) No representations or warranties have been made to the Grantee by the Partnership or the Company, or any officer, director, stockholder, agent, or affiliate of any of them, and the Grantee has received no information relating to an investment in the Partnership or the Award [2018] LTIP Units (SB) except the information specified in paragraph (b) above.

(c) So long as the Grantee holds any Award [2018] LTIP Units (SB), the Grantee shall disclose to the Partnership in writing such information as may be reasonably requested with respect to ownership of Award [2018] LTIP Units (SB) as the Partnership may deem reasonably necessary to ascertain and to establish compliance with provisions of the Code, applicable to the Partnership or to comply with requirements of any other appropriate taxing authority.

(d) The Grantee hereby agrees to make an election under Section 83(b) of the Code with respect to the Award [2018] LTIP Units (SB) awarded hereunder, and has delivered with this Agreement a completed, executed copy of the election form attached hereto as Exhibit C. The Grantee agrees to file the election (or to permit the Partnership to file such election on the Grantee's behalf) within thirty (30) days after the award of the Award [2018] LTIP Units (SB) hereunder with the IRS Service Center at which such Grantee files his personal income tax returns, and to file a copy of such election with the Grantee's U.S. federal income tax return for the taxable year in which Award [2018] LTIP Units (SB) are issued or awarded to the Grantee.

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

EXHIBIT C

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

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

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

   Name: ______________________ (the "Taxpayer")

   Address: __

   __

   Social Security No./Taxpayer Identification No.: ______________

   Taxable Year: Calendar Year [2018]

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

   The election is being made with respect to __________ [2018] LTIP Units (SB) in The Macerich Partnership, L.P. (the "Partnership").

3. The date on which the [2018] LTIP Units (SB) were transferred to the undersigned is ___________, [2018].

4. Nature of restrictions to which the [2018] LTIP Units (SB) are subject:

   (a) Until the [2018] LTIP Units (SB) vest, the Taxpayer may not transfer in any manner any portion of the [2018] LTIP Units (SB) without the consent of the Partnership.

   (b) The Taxpayer's [2018] LTIP Units (SB) vest in accordance with the vesting provisions described in the Schedule attached hereto. Unvested [2018] LTIP Units (SB) are forfeited in accordance with the vesting provisions described in the Schedule attached hereto.

5. The fair market value at time of transfer (determined without regard to any restrictions other than a nonlapse restriction as defined in Treasury Regulations Section 1.83-3(h)) of the [2018] LTIP Units (SB) with respect to which this election is being made was $0 per [2018] LTIP Unit (SB).

6. The amount paid by the Taxpayer for the [2018] LTIP Units (SB) was $0 per [2018] LTIP Unit (SB).

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

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

Dated: ______________________

____

SCHEDULE TO 83(b) ELECTION

Vesting Provisions of [2018] LTIP Units (SB)

LTIP Units are subject to service-based vesting with 33 1/3% of such units vesting on December 31, [2018], December 31, [2019] and December 31, [2020]. The above vesting is conditioned upon the Taxpayer remaining an employee of The Macerich Company (the "Company") through the applicable vesting dates, and subject to acceleration or continued vesting in the event of a change of control of the Company or termination of the Taxpayer's service relationship with the Company under specified circumstances. Unvested LTIP Units are subject to forfeiture in the event of failure to vest based on the passage of time and continued employment with the Company or its subsidiaries.

SCHEDULE A TO [2018] LTIP UNIT AWARD AGREEMENT
(SERVICE-BASED)

Date of Award Agreement:	January 1, [2018]
Name of Grantee:	
Number of [2018] LTIP Units (SB) Subject to Grant:	
Grant Date:	January 1, [2018]

Vesting Schedule:

Vesting Date	Number of Award LTIP Units Becoming Vested	Cumulative Percentage Vested
December 31, [2018]	(33 1/3%)	33 1/3%
December 31, [2019]	(33 1/3%)	66 2/3%
December 31, [2020]	(33 1/3%)	100%

Initials of Company representative: _________

Initials of Grantee: _________

Exhibit 21.1

LIST OF SUBSIDIARIES

BROAD RAFAEL ASSOCIATES (LIMITED PARTNERSHIP), a Pennsylvania limited partnership

BROAD RAFAEL PROPERTIES CORP., a Delaware corporation

BROOKLYN KINGS PLAZA LLC, a Delaware limited liability company

CAM CANDLESTICK LLC, a Delaware limited liability company

CAM-CARSON LLC, a Delaware limited liability company

CAM NY 2013 LLC, a Delaware limited liability company

CANDLESTICK CENTER LLC, a Delaware limited liability company

CHANDLER SOLAR LLC, a Delaware limited liability company

CHICAGO 500 NORTH MICHIGAN LLC, a Delaware limited liability company

DANBURY MALL, LLC, a Delaware limited liability company

DB HOLDINGS LLC, a Delaware limited liability company

DESERT SKY MALL LLC, a Delaware limited liability company

EAST MESA ADJACENT LLC, a Delaware limited liability company

EAST MESA MALL, L.L.C., a Delaware limited liability company

FASHION OUTLETS II LLC, a Delaware limited liability company

FASHION OUTLETS OF CHICAGO LLC, a Delaware limited liability company

FIFTH WALL VENTURES SPV V, L.P., a Delaware limited partnership

FOC ADJACENT LLC, a Delaware limited liability company

FON ADJACENT LLC, a Delaware limited liability company

FREE RACE MALL REST., L.P., a New Jersey limited partnership

FREEHOLD I, LLC, a Delaware limited liability company

FREEHOLD I SPC, INC., a Delaware corporation

FREEHOLD CHANDLER HOLDINGS LP, a Delaware limited partnership

FREEHOLD CHANDLER TRUST LLC, a Delaware limited liability company

FREEMALL ASSOCIATES, LLC, a Delaware limited liability company

FREEMALL ASSOCIATES, L.P., a New Jersey limited partnership

FRMR B LLC, a Delaware limited liability company

FRMR, INC., a New Jersey corporation

GOODYEAR PERIPHERAL LLC, an Arizona limited liability company

GPM GP LLC, a Delaware limited liability company

GREAT NORTHERN HOLDINGS, LLC, a Delaware limited liability company

GREAT NORTHERN SPE, LLC, a Delaware limited liability company

GREEN ACRES ADJACENT LLC, a Delaware limited liability company

GREEN TREE MALL LLC, a Delaware limited liability company

HUDWIL IV, LLC, a Delaware limited liability company

HUDWIL IV SPC, INC., a Delaware corporation

INLAND SOLAR LLC, a Delaware limited liability company

KINGS PLAZA ENERGY LLC, a Delaware limited liability company

KINGS PLAZA GROUND LEASE LLC, a Delaware limited liability company

KITSAPARTY, a Washington non-profit corporation

LA SANDIA SANTA MONICA LLC, a Delaware limited liability company

LA CUMBRE ADJACENT PARCEL GP LLC, a Delaware limited liability company

LA CUMBRE ADJACENT PARCEL LP, a Delaware limited partnership

LA CUMBRE ADJACENT PARCEL SPE LP, a Delaware limited partnership

MAC CASCADE LLC, a Delaware limited liability company

MAC CROSS COURT LLC, a Delaware limited liability company

MACD LLC, a Delaware limited liability company

MACDAN CORP., a Delaware corporation

MACDB CORP., a Delaware corporation

MACERICH 443 WABASH SPE LLC, a Delaware limited liability company

MACERICH ARIZONA MANAGEMENT LLC, a Delaware limited liability company

MACERICH ARIZONA PARTNERS LLC, an Arizona limited liability company

MACERICH ATLAS LLC, a Delaware limited liability company

MACERICH BILTMORE CI, LLC, a Delaware limited liability company

MACERICH BILTMORE MM, LLC, a Delaware limited liability company

MACERICH BILTMORE OPI, LLC, a Delaware limited liability company

MACERICH BUENAVENTURA GP CORP., a Delaware corporation

MACERICH BUENAVENTURA LIMITED PARTNERSHIP, a California limited partnership

MACERICH CASA GRANDE MEMBER LLC, a Delaware limited liability company

MACERICH CCP LLC, a Delaware limited liability company

MACERICH CCP VALENCIA LLC, a Delaware limited liability company

MACERICH CERRITOS MALL CORP., a Delaware corporation

MACERICH CM VILLAGE GP CORP., a Delaware corporation

MACERICH CM VILLAGE LIMITED PARTNERSHIP, a California limited partnership

MACERICH COTTONWOOD HOLDINGS LLC, a Delaware limited liability company

MACERICH CROSS COUNTY SECURITY LLC, a Delaware limited liability company

MACERICH CROSSROADS PLAZA HOLDINGS GP CORP., a Delaware corporation

MACERICH CROSSROADS PLAZA HOLDINGS LP, a Delaware limited partnership

MACERICH DB LLC, a Delaware limited liability company

MACERICH DEPTFORD GP CORP., a Delaware corporation

MACERICH DESERT SKY MALL HOLDINGS LLC, a Delaware limited liability company

MACERICH DIGITAL SERVICES LLC, a Delaware limited liability company

MACERICH FARGO ASSOCIATES, a California general partnership

MACERICH FREEHOLD CHANDLER GP LLC, a Delaware limited liability company

MACERICH FRESNO ADJACENT GP CORP., a Delaware corporation

MACERICH FRESNO ADJACENT LP, a Delaware limited partnership

MACERICH FRESNO GP CORP., a Delaware corporation

MACERICH FRESNO LIMITED PARTNERSHIP, a California limited partnership

MACERICH FWV LLC, a Delaware limited liability company

MACERICH G3 LLC, a Delaware limited liability company

MACERICH GALLERY MARKET EAST GP LLC, a Delaware limited liability company

MACERICH GALLERY MARKET EAST LP LLC, a Delaware limited liability company

MACERICH GALLERY MARKET EAST TRS SUB LLC, a Delaware limited liability company

MACERICH GOODYEAR PERIPHERAL LLC, an Arizona limited liability company

MACERICH GREAT FALLS GP CORP., a Delaware corporation

MACERICH HOLDINGS LLC, a Delaware limited liability company

MACERICH INLAND GP LLC, a Delaware limited liability company

MACERICH INLAND LP, a Delaware limited partnership

MACERICH INVESTMENTS LLC, a Delaware limited liability company

MACERICH JANSS MARKETPLACE HOLDINGS LLC, a Delaware limited liability company

MACERICH LA CUMBRE 9.45 AC LLC, a Delaware limited liability company

MACERICH LA CUMBRE GP LLC, a Delaware limited liability company

MACERICH LA CUMBRE LP, a Delaware limited partnership

MACERICH LA CUMBRE SPE LP, a Delaware limited partnership

MACERICH LAKE SQUARE MALL LLC, a Delaware limited liability company

MACERICH LUBBOCK GP CORP., a Delaware corporation

MACERICH LUBBOCK LIMITED PARTNERSHIP, a California limited partnership

MACERICH MANAGEMENT COMPANY, a California corporation

MACERICH MANAGEMENT COMPANY II LLC, a Delaware limited liability company

MACERICH NIAGARA LLC, a Delaware limited liability company

MACERICH NORTH BRIDGE LLC, a Delaware limited liability company

MACERICH NORTHGATE GP I LLC, a Delaware limited liability company

MACERICH NORTHGATE GP II LLC, a Delaware limited liability company

MACERICH NORTHGATE HOLDINGS LLC, a Delaware limited liability company

MACERICH NORTH PARK MALL LLC, a Delaware limited liability company

MACERICH NORTHRIDGE LP, a California limited partnership

MACERICH OAKS ADJACENT LLC, a Delaware limited liability company

MACERICH OAKS GP CORP., a Delaware corporation

MACERICH OAKS LP, a Delaware limited partnership

MACERICH ONE SCOTTSDALE LLC, a Delaware limited liability company

MACERICH PARTNERS OF COLORADO LLC, a Colorado limited liability company

MACERICH PPR CORP., a Maryland corporation

MACERICH PROPERTY MANAGEMENT COMPANY, LLC, a Delaware limited liability company

MACERICH QUEENS ADJACENT GUARANTOR GP CORP., a Delaware corporation

MACERICH QUEENS JV GP LLC, a Delaware limited liability company

MACERICH QUEENS JV LP, a Delaware limited partnership

MACERICH SCG GP CORP., a Delaware corporation

MACERICH SCG GP LLC, a Delaware limited liability company

MACERICH SCG LIMITED PARTNERSHIP, a California limited partnership

MACERICH SJV LLC, a Delaware limited liability company

MACERICH SMP GP LLC, a Delaware limited liability company

MACERICH SMP LP, a Delaware limited partnership

MACERICH SOLAR LLC, a Delaware limited liability company

MACERICH SOUTH PARK MALL LLC, a Delaware limited liability company

MACERICH SOUTHRIDGE MALL LLC, a Delaware limited liability company

MACERICH STONEWOOD, LLC, a Delaware limited liability company

MACERICH STONEWOOD CORP., a Delaware corporation

MACERICH STONEWOOD HOLDINGS LLC, a Delaware limited liability company

MACERICH SUPERSTITION ADJACENT HOLDINGS LLC, a Delaware limited liability company

MACERICH SUPERSTITION MALL HOLDINGS LLC, a Delaware limited liability company

MACERICH TRUST LLC, a Delaware limited liability company

MACERICH TWC II CORP., a Delaware corporation

MACERICH TWC II LLC, a Delaware limited liability company

MACERICH TYSONS LLC, a Delaware limited liability company

MACERICH TYSONS CORNER HOTEL TRS LLC, a Delaware limited liability company

MACERICH VALLE VISTA HOLDINGS LLC, a Delaware limited liability company

MACERICH VALLEY RIVER CENTER LLC, a Delaware limited liability company

MACERICH VICTOR VALLEY GP LLC, a Delaware limited liability company

MACERICH VICTOR VALLEY LP, a Delaware limited partnership

MACERICH VINTAGE FAIRE GP CORP., a Delaware corporation

MACERICH VINTAGE FAIRE LIMITED PARTNERSHIP, a Delaware limited partnership

MACERICH VV GP LLC, a Delaware limited liability company

MACERICH VV SPE LP, a Delaware limited partnership

MACERICH WALLEYE LLC, a Delaware limited liability company

MACERICH WASHINGTON SQUARE PETALUMA HOLDINGS LLC, a Delaware limited liability company

MACERICH WESTSIDE GP CORP., a Delaware corporation

MACERICH WESTSIDE LIMITED PARTNERSHIP, a California limited partnership

MACERICH WESTSIDE PAVILION PROPERTY LLC, a Delaware limited liability company

MACERICH WHITTWOOD HOLDINGS GP CORP., a Delaware corporation

MACERICH WHITTWOOD HOLDINGS LP, a Delaware limited partnership

MACERICH WRLP CORP., a Delaware corporation

MACERICH WRLP LLC, a Delaware limited liability company

MACERICH WRLP II CORP., a Delaware corporation

MACERICH WRLP II L.P., a Delaware limited partnership

MACERICH ZETA HOLDINGS LLC, a Delaware limited liability company

MACJ, LLC, a Delaware limited liability company

MAC NORTHRIDGE GP LLC, a Delaware limited liability company

MACPT LLC, a Delaware limited liability company

MACW FREEHOLD, LLC, a Delaware limited liability company

MACWH, LP, a Delaware limited partnership

MACW MALL MANAGEMENT, INC., a New York corporation

MACWPII LLC, a Delaware limited liability company

MACW PROPERTY MANAGEMENT, LLC, a New York limited liability company

MACW TYSONS, LLC, a Delaware limited liability company

MVRC HOLDING LLC, a Delaware limited liability company

MW INVESTMENT GP CORP., a Delaware corporation

MW INVESTMENT LP, a Delaware limited partnership

NORTHGATE MALL ASSOCIATES, a California general partnership

PARADISE VALLEY MALL SPE LLC, a Delaware limited liability company

QUEENS CENTER PLEDGOR LLC, a Delaware limited liability company

QUEENS CENTER REIT LLC, a Delaware limited liability company

QUEENS CENTER SPE LLC, a Delaware limited liability company

QUEENS JV GP LLC, a Delaware limited liability company

QUEENS JV LP, a Delaware limited partnership

RACEWAY ONE, LLC, a New Jersey limited liability company

RACEWAY TWO, LLC, a New Jersey limited liability company

RAILHEAD ASSOCIATES, L.L.C., an Arizona limited liability company

ROTTERDAM SQUARE, LLC, a Delaware limited liability company

SAN TAN SOLAR LLC, a Delaware limited liability company

SARWIL ASSOCIATES, L.P., a New York limited partnership

SARWIL ASSOCIATES II, L.P., a New York limited partnership

SM EASTLAND MALL, LLC, a Delaware limited liability company

SM VALLEY MALL, LLC, a Delaware limited liability company

SOUTHRIDGE ADJACENT, LLC, a Delaware limited liability company

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

THE WESTCOR COMPANY LIMITED PARTNERSHIP, an Arizona limited partnership

THE WESTCOR COMPANY II LIMITED PARTNERSHIP, an Arizona limited partnership

TOWNE MALL, L.L.C., a Delaware limited liability company

TWC CHANDLER LLC, a Delaware limited liability company

TWC LIMITED PARTNER LLC, a Delaware limited liability company

TWC SCOTTSDALE CORP., an Arizona corporation

TWC SCOTTSDALE MEZZANINE, L.L.C., an Arizona limited liability company

TWC TUCSON, LLC, an Arizona limited liability company

VALLEY STREAM GA MEZZANINE LLC, a Delaware limited liability company

VALLEY STREAM GREEN ACRES LLC, a Delaware limited liability company

WALLEYE LLC, a Delaware limited liability company

WALLEYE RETAIL INVESTMENTS LLC, a Delaware limited liability company

WALLEYE TRS HOLDCO, INC., a Delaware corporation

WESTCOR 303 CPC LLC, an Arizona limited liability company

WESTCOR 303 RSC LLC, an Arizona limited liability company

WESTCOR 303 WCW LLC, an Arizona limited liability company

WESTCOR/303 LLC, an Arizona limited liability company

WESTCOR/BLACK CANYON MOTORPLEX LLC, an Arizona limited liability company

WESTCOR/BLACK CANYON RETAIL LLC, an Arizona limited liability company

WESTCOR/CASA GRANDE LLC, an Arizona limited liability company

WESTCOR/COOLIDGE LLC, an Arizona limited liability company

WESTCOR/GILBERT PHASE 2 LLC, an Arizona limited liability company

WESTCOR/GOODYEAR, L.L.C., an Arizona limited liability company

WESTCOR GOODYEAR PC LLC, an Arizona limited liability company

WESTCOR GOODYEAR RSC LLC, an Arizona limited liability company

WESTCOR MARANA LLC, an Arizona limited liability company

WESTCOR/MERIDIAN LLC, an Arizona limited liability company

WESTCOR ONE SCOTTSDALE LLC, an Arizona limited liability company

WESTCOR REALTY LIMITED PARTNERSHIP, a Delaware limited partnership

WESTCOR SANTAN ADJACENT LLC, a Delaware limited liability company

WESTCOR SANTAN HOLDINGS LLC, a Delaware limited liability company

WESTCOR SANTAN VILLAGE LLC, a Delaware limited liability company

WESTCOR SURPRISE CPC LLC, an Arizona limited liability company

WESTCOR SURPRISE RSC LLC, an Arizona limited liability company

WESTCOR SURPRISE WCW LLC, an Arizona limited liability company

WESTCOR/SURPRISE LLC, an Arizona limited liability company

WESTCOR TRS LLC, a Delaware limited liability company

WESTDAY ASSOCIATES LLC, a Delaware limited liability company

WESTPEN ASSOCIATES LLC, a Delaware limited liability company

WILSAR, LLC, a Delaware limited liability company

WILSAR SPC, INC., a Delaware corporation

WILTON MALL, LLC, a Delaware limited liability company

WILTON SPC, INC., a Delaware corporation

WMGTH, INC., a Delaware corporation

WM INLAND ADJACENT LLC, a Delaware limited liability company

WM INLAND LP, a Delaware limited partnership

WM INLAND INVESTORS IV GP LLC, a Delaware limited liability company

WM INLAND INVESTORS IV LP, a Delaware limited partnership

WM INLAND (MAY) IV, L.L.C., a Delaware limited liability company

WP CASA GRANDE RETAIL LLC, an Arizona limited liability company

ZENGO RESTAURANT SANTA MONICA, a Delaware limited liability company

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
The Macerich Company:

We consent to the incorporation by reference in the registration statements (Nos. 333-219872, 333-107063 and 333-121630) on Form S-3 and (Nos. 333-00584, 333-42309, 333-42303, 333-69995, 333-108193, 333-120585, 333-161371, 333-186915, 333-186916 and 333-211816) on Form S-8 of The Macerich Company of our reports dated February 23, 2018 with respect to the consolidated balance sheets of The Macerich Company as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, equity and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes and financial statement schedule III - Real Estate and Accumulated Depreciation (collectively, the "consolidated financial statements"), and the effectiveness of internal control over financial reporting as of December 31, 2017, which reports appear in the December 31, 2017 annual report on Form 10-K of The Macerich Company.

/s/ KPMG LLP

Los Angeles, California
February 23, 2018

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Arthur M. Coppola, certify that:

1. I have reviewed this report on Form 10-K for the year ended December 31, 2017 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

Chairman and Chief Executive Officer

Date: February 23, 2018

Exhibit 31.2

SECTION 302 CERTIFICATION

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

1. I have reviewed this report on Form 10-K for the year ended December 31, 2017 of The Macerich Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

/s/ THOMAS E. O'HERN

Senior Executive Vice President and Chief Financial Officer

Date: February 23, 2018

Exhibit 32.1

THE MACERICH COMPANY (The 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 certify that, to the best of his knowledge:

(i) the Annual Report on Form 10-K for the year ended December 31, 2017 of the Company (the "Report") fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934; 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: February 23, 2018

/s/ ARTHUR M. COPPOLA

Chairman and Chief Executive Officer

/s/ THOMAS E. O'HERN

Senior Executive Vice President and Chief Financial Officer