
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

FOR QUARTER ENDED JUNE 30, 2004

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

N/A

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

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

YES NO

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).

YES NO

Number of shares outstanding of the registrant's common stock, as of July 29, 2004

Common Stock, par value \$.01 per share: **59,142,049 shares**

Form 10-Q

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THE MACERICH COMPANY (The Company)**CONSOLIDATED BALANCE SHEETS**
(Dollars in thousands, except share data)

	June 30, 2004	December 31, 2003
ASSETS		
Property, net	\$ 3,236,521	\$ 3,186,725
Cash and cash equivalents	93,382	47,160
Tenant receivables, net	65,100	67,765
Deferred charges and other assets, net	240,710	231,392
Loans to unconsolidated joint ventures	25,709	29,237
Due from affiliates	6,648	5,406
Investments in unconsolidated joint ventures	609,038	577,908
Total assets	<u>\$ 4,277,108</u>	<u>\$ 4,145,593</u>
LIABILITIES, PREFERRED STOCK AND COMMON STOCKHOLDERS' EQUITY:		
Mortgage notes payable:		
Related parties	\$ 125,415	\$ 129,084
Others	1,974,131	1,787,714
Total	2,099,546	1,916,798
Bank notes payable	765,800	765,800
Accounts payable and accrued expenses	43,197	54,682
Other accrued liabilities	107,915	116,067
Preferred stock dividend payable	2,212	2,212
Total liabilities	<u>3,018,670</u>	<u>2,855,559</u>
Minority interest	226,313	237,615
Commitments and contingencies (Note 9)		
Series A cumulative convertible redeemable preferred stock, \$.01 par value, 3,627,131 shares authorized, issued and outstanding at June 30, 2004 and December 31, 2003	98,934	98,934
Common stockholders' equity:		
Common stock, \$.01 par value, 145,000,000 shares authorized, 58,617,522 and 57,902,524 shares issued and outstanding at June 30, 2004 and December 31, 2003, respectively	585	578
Additional paid-in capital	1,027,325	1,008,488
Accumulated deficit	(76,109)	(38,541)
Accumulated other comprehensive income (loss)	375	(2,335)
Unamortized restricted stock	(18,985)	(14,705)
Total common stockholders' equity	<u>933,191</u>	<u>953,485</u>
Total liabilities, preferred stock and common stockholders' equity	<u>\$ 4,277,108</u>	<u>\$ 4,145,593</u>

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

THE MACERICH COMPANY (The Company)**CONSOLIDATED STATEMENTS OF OPERATIONS**
(Dollars in thousands, except share and per share amounts)

	Six Months Ended June 30,	
	2004	2003
REVENUES:		
Minimum rents	\$ 155,903	\$ 143,050
Percentage rents	4,827	2,971
Tenant recoveries	82,840	76,352
Other	8,750	7,852
Total revenues	<u>252,320</u>	<u>230,225</u>
EXPENSES:		
Shopping center and operating expenses	90,369	81,566
REIT general and administrative expenses	5,294	5,055
	<u>95,663</u>	<u>86,621</u>
Interest expense:		
Related parties	2,269	2,831
Others	65,819	64,158
Total interest expense	<u>68,088</u>	<u>66,989</u>
Depreciation and amortization	69,568	48,116
Equity in income of unconsolidated joint ventures and the management company	28,160	29,607
Loss on early extinguishment of debt	(405)	—
Gain on sale of assets	781	11,722
Income from continuing operations	<u>47,537</u>	<u>69,828</u>
Discontinued operations:		
Gain (loss) on sale of assets	313	(169)
Income from discontinued operations	274	1,430
Total from discontinued operations	<u>587</u>	<u>1,261</u>
Income before minority interest	48,124	71,089
Less: Minority interest	8,470	12,699
Net income	<u>39,654</u>	<u>58,390</u>
Less: Preferred dividends	4,425	10,391
Net income available to common stockholders	<u>\$ 35,229</u>	<u>\$ 47,999</u>
Earnings per common share - basic:		
Income from continuing operations	\$ 0.59	\$ 0.92
Discontinued operations	0.01	0.01
Net income per share available to common stockholders	<u>\$ 0.60</u>	<u>\$ 0.93</u>
Weighted average number of common shares outstanding - basic	<u>58,354,000</u>	<u>51,733,000</u>
Earnings per common share - diluted:		
Income from continuing operations	\$ 0.59	\$ 0.90
Discontinued operations	0.01	0.02
Net income per share available to common stockholders	<u>\$ 0.60</u>	<u>\$ 0.92</u>
Weighted average number of common shares outstanding - diluted	<u>72,966,000</u>	<u>65,915,000</u>

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

THE MACERICH COMPANY (The Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except share and per share amounts)

	Three Months Ended June 30,	
	2004	2003
REVENUES:		
Minimum rents	\$ 80,100	\$ 71,994
Percentage rents	2,400	1,261
Tenant recoveries	41,519	39,453
Other	4,777	3,765
Total revenues	<u>128,796</u>	<u>116,473</u>
EXPENSES:		
Shopping center and operating expenses	47,533	42,590
REIT general and administrative expenses	2,271	2,719
	<u>49,804</u>	<u>45,309</u>
Interest expense:		
Related parties	1,252	1,416
Others	33,503	31,565
Total interest expense	<u>34,755</u>	<u>32,981</u>
Depreciation and amortization	35,311	24,396
Equity in income of unconsolidated joint ventures and the management company	13,310	15,141
Gain on sale of assets	780	11,610
Income from continuing operations	<u>23,016</u>	<u>40,538</u>

Discontinued operations:		
Loss on sale of assets	288	(19)
Income from discontinued operations	92	804
Total from discontinued operations	380	785
Income before minority interest	23,396	41,323
Less: Minority interest	4,070	7,554
Net income	19,326	33,769
Less: Preferred dividends	2,213	5,195
Net income available to common stockholders	\$ 17,113	\$ 28,574
Earnings per common share - basic:		
Income from continuing operations	\$ 0.28	\$ 0.54
Discontinued operations	0.01	0.01
Net income per share available to common stockholders	\$ 0.29	\$ 0.55
Weighted average number of common shares outstanding - basic	58,612,000	51,874,000
Earnings per common share - diluted:		
Income from continuing operations	\$ 0.28	\$ 0.54
Discontinued operations	0.01	0.01
Net income per share available to common stockholders	\$ 0.29	\$ 0.55
Weighted average number of common shares outstanding - diluted	73,202,000	66,088,000

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

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THE MACERICH COMPANY (The Company)

CONSOLIDATED STATEMENT OF COMMON STOCKHOLDERS' EQUITY (Dollars in thousands, except share data)

	Common Stock (# of shares)	Common Stock Par Value	Additional Paid In Capital	Accumulated Earnings (deficit)	Accumulated Other Comprehensive Income (Loss)	Unamortized Restricted Stock	Total Common Stockholders' Equity
Balance, December 31, 2003	57,902,524	\$ 578	\$ 1,008,488	\$ (38,541)	\$ (2,335)	\$ (14,705)	\$ 953,485
Comprehensive income:							
Net income				39,654			39,654
Reclassification of deferred losses					660		660
Interest rate swap agreement					2,050		2,050
Total comprehensive income				39,654	2,710		42,364
Issuance of restricted stock	150,728	2	8,124				8,126
Unvested restricted stock	(150,728)	(2)				(8,124)	(8,126)
Restricted stock vested in 2004	305,868	3				3,844	3,847
Exercise of stock options	409,130	4	7,147				7,151
Distributions paid (\$1.22 per share)				(72,797)			(72,797)
Preferred dividends				(4,425)			(4,425)
Adjustment to reflect minority interest on a pro rata basis according to period end ownership percentage of Operating Partnership			3,566				3,566
Balance, June 30, 2004	58,617,522	\$ 585	\$ 1,027,325	\$ (76,109)	\$ 375	\$ (18,985)	\$ 933,191

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

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THE MACERICH COMPANY (The Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS (Dollars in thousands)

	For the six months ended June 30,	
	2004	2003
Cash flows from operating activities:		
Net income available to common stockholders	\$ 35,229	\$ 47,999
Preferred dividends	4,425	10,391
Net income	39,654	58,390
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on early extinguishment of debt	405	—
Gain on sale of assets	(781)	(11,722)
Discontinued operations gain on sale of assets	(313)	169
Depreciation and amortization	69,612	48,489
Amortization of net premium on trust deed note payable	(963)	(1,121)
Minority interest	8,470	12,699
Equity in income of unconsolidated joint ventures and the management company	(28,160)	(29,607)
Changes in assets and liabilities, net of acquisitions / dispositions:		
Tenant receivables, net	2,665	(5,706)
Other assets	(2,958)	5,213

Accounts payable and accrued expenses	(3,284)	(3,011)
Due from affiliates	(1,242)	17,153
Other liabilities	(1,452)	3,873
Total adjustments	41,999	36,429
Net cash provided by operating activities	81,653	94,819
Cash flows from investing activities:		
Acquisitions of property and property improvements	(33,252)	(2,381)
Development, redevelopment and expansion of centers	(81,355)	(64,469)
Renovations of centers	(12,337)	(4,757)
Tenant allowances	(3,544)	(2,437)
Deferred leasing charges	(7,895)	(7,375)
Distributions from joint ventures	34,017	44,864
Contributions to joint ventures	(449)	(33,890)
Acquisitions of joint ventures	(36,538)	(68,320)
Payments received from (loans to) unconsolidated joint ventures	3,528	(5,010)
Proceeds from sale of assets	457	82,765
Net cash used in investing activities	(137,368)	(61,010)
Cash flows from financing activities:		
Proceeds from mortgages and notes payable	324,418	351,876
Payments on mortgages and notes payable	(140,707)	(279,594)
Deferred financing costs	(218)	(2,623)
Exercise of common stock options	7,151	5,056
Dividends and distributions	(84,282)	(71,979)
Dividends to preferred stockholders	(4,425)	(10,391)
Net cash provided by (used in) financing activities	101,937	(7,655)
Net increase in cash	46,222	26,154
Cash and cash equivalents, beginning of period	47,160	53,559
Cash and cash equivalents, end of period	\$ 93,382	\$ 79,713
Supplemental cash flow information:		
Cash payment for interest, net of amounts capitalized	\$ 64,763	\$ 69,330
Non-cash transactions:		
Acquisition of property by assumption of debt	—	\$ 180,000
Reclassification from investments in joint ventures to property	—	\$ 65,115
Reclassification from property to investments in joint ventures	—	\$ 113,603
Reclassification from debt to investments in joint ventures	—	\$ 69,557

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

THE MACERICH COMPANY (The Company)

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

1. Interim Financial Statements and Basis of Presentation:

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

The accompanying consolidated financial statements include the accounts of the Company and The Macerich Partnership, L.P., a Delaware limited partnership (the “Operating Partnership”). The interests in the Operating Partnership are known as OP units. OP units not held by the Company are redeemable, subject to certain restrictions, on a one-for-one basis for the Company’s common stock or cash at the Company’s option. Investments in entities in which the Operating Partnership owns in excess of 50% and has a controlling interest of the respective entity are consolidated; all other investments have been accounted for under the equity method and are reflected as “Investments in Unconsolidated Joint Ventures and the Management Company”. Effective July 1, 2003, the Company began consolidating the accounts of Macerich Management Company, in accordance with FIN 46 (See “Accounting Pronouncements”). Prior to July 1, 2003, the Company accounted for Macerich Management Company, under the equity method of accounting. The use of the term “management company” refers to Macerich Management Company prior to July 1, 2003.

The unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2003. In the opinion of management, all adjustments, (consisting of normal recurring adjustments) necessary for a fair presentation of the financial statements for the interim periods have been made. The results for interim periods are not necessarily indicative of the results to be expected for a full year. The accompanying consolidated balance sheet as of December 31, 2003 has been derived from the audited financial statements, but does not include all disclosures required by GAAP.

Certain reclassifications have been made in the 2003 consolidated financial statements to conform to the 2004 financial statement presentation.

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

In January 2003, the FASB issued FIN 46, "Consolidation of Variable Interest Entities – an interpretation of ARB No. 51." FIN 46 addresses consolidation by business enterprises of variable interest entities, which have one or both of the following characteristics: 1) the equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support from other parties, which is provided through other interests that will absorb some or all of the expected losses of the entity, and 2) the equity investors lack an essential characteristic of a controlling financial interest. FIN 46 was effective immediately for all variable interest entities acquired after January 31, 2003 and for the first fiscal year or interim period beginning after June 15, 2003 for variable interest entities in which an enterprise holds a variable interest that was acquired before February 1, 2003. In December 2003, the FASB deferred the effective date of FIN 46 for variable interests acquired before February 1, 2003 to the first reporting period ending after March 15, 2004. The Company has adopted the provisions of FIN 46 for all non-special purpose entities created after February 1, 2003, and the Company has determined that FIN 46 does not apply to its investments in such entities or that such entities are not variable interest entities. In considering investments in joint ventures made prior to February 1, 2003, the Company has concluded that the joint ventures are either not subject to the provisions of FIN 46 or, if subject to FIN 46, are not variable interest entities. As a result, the adoption of FIN 46 did not have a material effect on the Company's consolidated financial statements. Effective July 1, 2003, the Company has consolidated Macerich Management Company ("MMC"), in accordance with FIN 46. Consolidating MMC did not have a material impact on the consolidated financial statements. Prior to July 1, 2003, MMC was accounted for under the equity method in the Company's consolidated financial statements.

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Disposal of Long-Lived Assets:

The Company sold Paradise Village Gateway, which was acquired on July 26, 2002, on January 2, 2003 and recorded a loss on sale of \$0.2 million for the three months ending March 31, 2003. Additionally, the Company sold Bristol Center on August 4, 2003, and the results for the six months ended June 30, 2004 and 2003 have been reclassified to discontinued operations. The sale of Bristol Center resulted in a gain on sale of asset of \$22.2 million in August 2003. Total revenues associated with Bristol Center were \$77 and \$2,157 for the six months ended June 30, 2004 and 2003, respectively.

Earnings Per Share ("EPS")

The computation of basic earnings per share is based on net income and the weighted average number of common shares outstanding for the six and three months ending June 30, 2004 and 2003. The computation of diluted earnings per share does not include the effect of outstanding restricted stock issued under the employee and director stock incentive plans as they are antidilutive using the treasury method. The Operating Partnership units ("OP units") not held by the Company have been included in the diluted EPS calculation since they are redeemable on a one-for-one basis for shares of common stock. The following table reconciles the basic and diluted earnings per share calculation:

	For the six months ended June 30,					
	2004			2003		
	Net Income	Shares	Per Share	Net Income	Shares	Per Share
	(In thousands, except per share data)			(In thousands, except per share data)		
Net income	\$ 39,654			\$ 58,390		
Less: Preferred stock dividends	4,425			10,391		
Basic EPS:						
Net income available to common stockholders	\$ 35,229	58,354	\$ 0.60	\$ 47,999	51,733	\$ 0.93
Diluted EPS:						
Conversion of OP units	8,470	14,215		12,699	13,713	
Employee stock options	—	397		—	469	
Restricted stock	n/a - antidilutive for EPS			n/a - antidilutive for EPS		
Convertible preferred stock	n/a - antidilutive for EPS			n/a - antidilutive for EPS		
Net income available to common stockholders	\$ 43,699	72,966	\$ 0.60	\$ 60,698	65,915	\$ 0.92
	For the three months ended June 30,					
	2004			2003		
	Net Income	Shares	Per Share	Net Income	Shares	Per Share
	(In thousands, except per share data)			(In thousands, except per share data)		
Net income	\$ 19,326			\$ 33,769		
Less: Preferred stock dividends	2,213			5,195		
Basic EPS:						
Net income available to common stockholders	\$ 17,113	58,612	\$ 0.29	\$ 28,574	51,874	\$ 0.55
Diluted EPS:						
Conversion of OP units	4,070	14,215		7,554	13,712	
Employee stock options	—	375		—	502	
Restricted stock	n/a - antidilutive for EPS			n/a - antidilutive for EPS		
Convertible preferred stock	n/a - antidilutive for EPS			n/a - antidilutive for EPS		
Net income available to common stockholders	\$ 21,183	73,202	\$ 0.29	\$ 36,128	66,088	\$ 0.55

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The minority interest as reflected in the Company's consolidated statements of operations has been allocated for EPS calculations as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2004	2003	2004	2003
Income from continuing operations	\$ 3,996	\$ 7,389	\$ 8,355	\$ 12,434
Discontinued operations:				
Gain on sale of assets	56	(3)	61	(35)
Income from discontinued operations	18	168	54	300
Total	\$ 4,070	\$ 7,554	\$ 8,470	\$ 12,699

2. Organization:

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

The Company is the sole general partner of, and owns or has a majority of the ownership interests in the Operating Partnership. As of June 30, 2004, the Operating Partnership owned or had an ownership interest in 60 regional shopping centers, 18 community shopping centers and two development projects aggregating approximately 61 million square feet of gross leasable area ("GLA"). These 80 regional and community shopping centers and development projects are referred to hereinafter as the "Centers", unless the context otherwise requires. The Company is a self-administered and self-managed real estate investment trust ("REIT") and conducts all of its operations through the Operating Partnership and the Company's management companies, Macerich Property Management Company, LLC ("MPMC, LLC"), a single-member Delaware limited liability company. MMC, a California corporation, Westcor Partners, LLC, a single member Arizona limited liability company, Macerich Westcor Management, LLC, a single member Delaware limited liability company and Westcor Partners of Colorado, LLC, a Colorado limited liability company. The three Westcor management companies are collectively referred to as the "Westcor Management Companies".

The Company was organized to qualify as a REIT under the Internal Revenue Code of 1986, as amended. As of June 30, 2004, the 19% limited partnership interest of the Operating Partnership not owned by the Company is reflected in these financial statements as minority interest.

3. Investments in Unconsolidated Joint Ventures and the Macerich Management Company:

The following are the Company's investments in various joint ventures. The Operating Partnership's interest in each joint venture as of June 30, 2004 is as follows:

Joint Venture	The Operating Partnership's Ownership%
Biltmore Shopping Center Partners, LLC	50%
Corte Madera Village, LLC	50.1%
Macerich Northwestern Associates	50%
Northpark Partners, L.P.	50%
Northpark Land Partners, L.P.	50%
Pacific Premier Retail Trust	51%
SDG Macerich Properties, L.P.	50%
WM Inland, LLC	50%
West Acres Development	19%
Westcor Joint Ventures	
Regional Malls:	
New River Associates - Arrowhead Towne Center	33.3%
Westpen Associates - Desert Sky Mall	50%
Scottsdale Fashion Square Partnership	50%
East Mesa Mall, LLC - Superstition Springs Center	33.3%
Other Properties / Affiliated Companies:	
Arrowhead Festival, LLC	5%
Camelback Colonnade Associates Limited Partnership	75%
Santan Festival, LLC	50%
Chandler Gateway Partners, LLC	50%
Chandler Village Center, LLC	50%
East Mesa Land, LLC	50%
Westlinc Associates - Hilton Village	50%
Jaren Associates #4	12.5%
Lee West, LLC	50%
Lee West II, LLC	50%
Promenade Associates, LLC	50%
Propcor Associates	25%
Propcor II Associates, LLC - Boulevard Shops	50%
Russ Lyon Realty / Westcor Venture I	50%
Scottsdale / 101 Associates, LLC	46%
Westcor / Gilbert, LLC	50%

The Company accounts for the joint ventures using the equity method of accounting. In accordance with FIN 46, effective July 1, 2003, the Company began consolidating the accounts for MMC. Prior to July 1, 2003, the Company accounted for MMC under the equity method of accounting.

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Although the Company has a greater than 50% interest in Pacific Premier Retail Trust, Camelback Colonnade and Corte Madera Village, LLC, the Company shares management control with these joint venture partners and accounts for these joint ventures using the equity method of accounting.

On January 31, 2003, the Company purchased its joint venture partner's 50% interest in FlatIron Crossing. Accordingly, the Company now owns 100% of FlatIron Crossing. The purchase price consisted of approximately \$68,320 in cash plus the assumption of the joint venture partners share of debt of \$90,000. The results of FlatIron Crossing prior to January 31, 2003 were accounted for using the equity method of accounting.

On May 15, 2003, the Company sold 49.9% of its partnership interest in the Village at Corte Madera for \$65,868, which included the assumption of a proportionate amount of the partnership debt in the amount of \$34,709. The Company is retaining a 50.1% partnership interest and will continue leasing and managing the asset. Effective May 16, 2003, the Company began accounting for this property under the equity method of accounting.

On June 6, 2003, the Shops at Gainey Village, a 138,000 square foot Phoenix area specialty center, was sold for \$55,724. The Company, which owned 50% of this property, received total proceeds of \$15,816 and recorded a gain on sale of \$2,788.

On December 18, 2003, the Company acquired Biltmore Fashion Park, a 610,477 square foot regional mall in Phoenix, Arizona. The total purchase price was \$158,543, which included the assumption of \$77,381 of debt. The Company also issued 705,636 partnership units of the Operating Partnership at a price of \$42.80 per unit. The balance of the Company's 50% share of the purchase price of \$10,500 was funded by cash and borrowings under the Company's line of credit. Biltmore Fashion Park is owned in a 50/50 partnership with an institutional partner. The results of Biltmore Fashion Park are included for the period subsequent to its date of acquisition.

On January 30, 2004, the Company, in a 50/50 joint venture with a private investment company, acquired Inland Center, a 1 million square foot super-regional mall in San Bernardino, California. The total purchase price was \$63,300 and concurrently with the acquisition, the joint venture placed a \$54,000 fixed rate loan on the property. The balance of the Company's pro rata share of the purchase price was funded by cash and borrowings under the Company's line of credit. The results of Inland Center are included for the period subsequent to its date of acquisition.

On May 11, 2004, the Company, in a 50/50 joint venture with a private mall owner, acquired NorthPark Center, a 1.4 million square foot regional mall in Dallas, Texas. The Company's initial investment in the property was \$30,005 which was funded by borrowings under the Company's line of credit. In addition, the Company assumed a pro rata share of debt of \$86,499 and has committed to fund an additional \$45,000. The results of NorthPark Center are included for the period subsequent to its date of acquisition.

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

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COMBINED AND CONDENSED BALANCE SHEETS OF UNCONSOLIDATED JOINT VENTURES

	June 30, 2004	December 31, 2003
Assets:		
Properties, net	\$ 3,078,084	\$ 2,961,855
Other assets	264,879	148,246
Total assets	<u>\$ 3,342,963</u>	<u>\$ 3,110,101</u>
Liabilities and partners' capital:		
Mortgage notes payable(1)	\$ 2,364,889	\$ 2,141,853
Other liabilities	93,030	102,516
Company's capital (2)	446,360	412,988
Outside partners' capital	438,684	452,744
Total liabilities and partners' capital	<u>\$ 3,342,963</u>	<u>\$ 3,110,101</u>

(1) Certain joint ventures have debt that could become recourse debt to the Company, in excess of its pro rata share, should the joint venture be unable to discharge the obligations of the related debt. As of June 30, 2004 and December 31, 2003, a total of \$49,715 and \$37,410 could become recourse debt to the Company, respectively.

(2) The Company's investment in joint ventures is \$162,678 and \$164,920 more than the underlying equity as reflected in the joint ventures' financial statements as of June 30, 2004 and December 31, 2003, respectively. This represents the difference between the cost of an investment and the book value of the underlying equity of the joint venture. The Company is amortizing this difference into income on a straight-line basis, consistent with the depreciable lives on property (See "Management's Discussion and Analysis – Statement on Critical Accounting Policies").

COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES

Six Months Ended June 30, 2004				
SDG	Pacific	Westcor	Other	Total

	Macerich Properties, L.P.	Premier Retail Trust	Joint Ventures	Joint Ventures	
Revenues:					
Minimum rents	\$ 44,931	\$ 54,211	\$ 44,091	\$ 25,447	\$ 168,680
Percentage rents	1,891	2,018	566	1,128	5,603
Tenant recoveries	23,077	21,418	19,147	11,275	74,917
Other	1,305	1,330	4,539	874	8,048
Total revenues	71,204	78,977	68,343	38,724	257,248
Expenses:					
Shopping center and operating expenses	28,399	23,177	22,952	16,509	91,037
Interest expense	13,915	23,373	14,716	9,596	61,600
Depreciation and amortization	14,420	13,093	16,833	7,308	51,654
Total operating expenses	56,734	59,643	54,501	33,413	204,291
Gain on sale of assets	—	—	6,464	—	6,464
Net income	\$ 14,470	\$ 19,334	\$ 20,306	\$ 5,311	\$ 59,421
Company's equity in income of unconsolidated joint ventures	\$ 7,235	\$ 9,833	\$ 8,364	\$ 2,728	\$ 28,160

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COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MACERICH MANAGEMENT COMPANY

	Six Months Ended June 30, 2003					
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Westcor Joint Ventures	Other Joint Ventures	Macerich Management Company	Total
Revenues:						
Minimum rents	\$ 45,644	\$ 52,764	\$ 51,843	\$ 11,064	—	\$ 161,315
Percentage rents	1,949	1,806	395	568	—	4,718
Tenant recoveries	22,862	20,624	20,248	4,139	—	67,873
Management fee	—	—	—	—	\$ 5,526	5,526
Other	1,435	1,032	1,552	436	370	4,825
Total revenues	71,890	76,226	74,038	16,207	5,896	244,257
Expenses:						
Management Company expense	—	—	—	—	2,966	2,966
Shopping center and operating expenses	27,818	22,217	24,072	4,543	—	78,650
Interest expense	14,062	23,724	15,323	4,638	—	57,747
Depreciation and amortization	13,309	12,249	17,038	1,939	1,300	45,835
Total operating expenses	55,189	58,190	56,433	11,120	4,266	185,198
(Loss) gain on sale of assets	(463)	73	3,470	—	—	3,080
Net income	\$ 16,238	\$ 18,109	\$ 21,075	\$ 5,087	\$ 1,630	\$ 62,139
Company's equity in income of unconsolidated joint ventures and the management company	\$ 8,119	\$ 9,236	\$ 8,895	\$ 1,809	\$ 1,548	\$ 29,607

COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES

	Three Months Ended June 30, 2004				
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Westcor Joint Ventures	Other Joint Ventures	Total
Revenues:					
Minimum rents	\$ 22,377	\$ 27,325	\$ 22,267	\$ 14,517	\$ 86,486
Percentage rents	498	823	445	745	2,511
Tenant recoveries	11,406	11,134	9,212	6,330	38,082
Other	551	698	991	567	2,807
Total revenues	34,832	39,980	32,915	22,159	129,886
Expenses:					
Shopping center and operating expenses	13,962	12,217	11,441	10,652	48,272
Interest expense	6,993	11,631	7,369	4,922	30,915
Depreciation and amortization	7,402	6,709	8,459	3,683	26,253
Total operating expenses	28,357	30,557	27,269	19,257	105,440
Gain on sale of assets	—	—	1,348	—	1,348
Net income	\$ 6,475	\$ 9,423	\$ 6,994	\$ 2,902	\$ 25,794
Company's equity in income of unconsolidated joint ventures	\$ 3,237	\$ 4,793	\$ 3,465	\$ 1,815	\$ 13,310

**COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND
THE MACERICH MANAGEMENT COMPANY**

	Three Months Ended June 30, 2003					Macerich Management Company	Total
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Westcor Joint Ventures	Other Joint Ventures			
Revenues:							
Minimum rents	\$ 23,091	\$ 26,314	\$ 24,155	\$ 6,189	—	\$ 79,749	
Percentage rents	584	752	153	372	—	1,861	
Tenant recoveries	11,735	10,993	9,535	2,266	—	34,529	
Management fee	—	—	—	—	\$ 2,806	2,806	
Other	744	565	1,264	247	(7)	2,813	
Total revenues	36,154	38,624	35,107	9,074	2,799	121,758	
Expenses:							
Management Company expense	—	—	—	—	872	872	
Shopping center and operating expenses	13,638	11,467	11,646	2,506	—	39,257	
Interest expense	6,707	11,838	7,400	2,666	—	28,611	
Depreciation and amortization	6,668	6,192	7,872	1,094	658	22,484	
Total operating expenses	27,013	29,497	26,918	6,266	1,530	91,224	
(Loss) gain on sale of assets	(564)	73	2,677	—	—	2,186	
Net income	\$ 8,577	\$ 9,200	\$ 10,866	\$ 2,808	\$ 1,269	\$ 32,720	
Company's equity in income of unconsolidated joint ventures and the management company	\$ 4,288	\$ 4,704	\$ 3,905	\$ 1,040	\$ 1,204	\$ 15,141	

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

Included in mortgage notes payable are amounts due to affiliates of Northwestern Mutual Life ("NML") of \$145,935 and \$148,419 as of June 30, 2004 and December 31, 2003, respectively. NML is considered a related party because it is a joint venture partner with the Company in Macerich Northwestern Associates. Interest expense incurred on these borrowings amounted to \$4,923 and \$5,059 for the six months ended June 30, 2004 and 2003, respectively; and \$2,452 and \$2,529 for the three months ended June 30, 2004 and 2003, respectively.

4. Property:

Property is summarized as follows:

	June 30, 2004	December 31, 2003
Land	\$ 576,036	\$ 561,352
Building improvements	2,856,705	2,687,274
Tenant improvements	110,739	101,089
Equipment and furnishings	59,288	43,833
Construction in progress	158,179	268,811
	3,760,947	3,662,359
Less, accumulated depreciation	(524,426)	(475,634)
	\$ 3,236,521	\$ 3,186,725

On January 2, 2003, the Company sold its 67% interest in Paradise Village Gateway for approximately \$29,400 and recorded a loss on sale of \$0.2 million. On May 15, 2003, the Company sold 49.9% of its partnership interest in the Village at Corte Madera for \$65,868 which included the assumption of a proportionate share of debt in the amount of \$34,709. This sale resulted in the Company recording a gain on sale of \$8,537. On August 4, 2003, the Company sold Bristol Center for approximately \$30,000 and recorded a gain on sale of \$22,206. On September 15, 2003, the Company acquired Northridge Mall in Salinas, California. The total purchase price was \$128,500 and was funded by the sale proceeds from Bristol Center and borrowings under the Company's line of credit. Total revenues for the period ending June 30, 2003 were \$5,950. Additionally, the Company has recorded a gain of \$0.3 million on the sale of peripheral land for the six months ending June 30, 2004 and recorded a gain of \$0.2 million for the six months ended June 30, 2003.

On January 31, 2003, the Company purchased its joint venture partner's 50% interest in FlatIron Crossing. Accordingly, the Company now owns 100% of FlatIron Crossing. The purchase price consisted of approximately \$68,320 in cash plus the assumption of the joint venture partner's share of debt of \$90,000.

At January 31, 2003, prior to the acquisition of the remaining 50% interest, the Company's investment in FlatIron Crossing was \$64,938.

Total revenues for FlatIron Crossing for the period ending January 31, 2003 were \$2,779.

5. Deferred Charges And Other Assets:

Deferred charges and other assets are summarized as follows:

	June 30, 2004	December, 31 2003
Leasing	\$ 80,137	\$ 70,685
Financing	23,289	23,167
Intangibles resulting from SFAS 141 allocations		
In-place lease values	106,588	106,139
Leasing commissions and legal costs	10,494	12,203
	<u>220,508</u>	<u>212,194</u>
Less, accumulated amortization	(72,235)	(53,281)
	148,273	158,913
Other assets	92,437	72,479
	<u>\$ 240,710</u>	<u>\$ 231,392</u>

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6. Mortgage Notes Payable:

Mortgage notes payable at June 30, 2004 and December 31, 2003 consist of the following:

Property Pledged as Collateral	Carrying Amount of Notes (1)				Interest Rate	Payment Terms	Maturity Date
	2004		2003				
	Other	Related Party	Other	Related Party			
Consolidated Centers:							
Arizona Lifestyle Galleries (50%) (b)	—	—	\$ 446	—	3.81%	\$ 10(a)	(c)
Borgata	\$ 16,191	—	16,439	—	5.39%	115(a)	2007
Capitola Mall	—	\$ 44,732	—	\$ 45,402	7.13%	380(a)	2011
Carmel Plaza	27,595	—	27,762	—	8.18%	202(a)	2009
Chandler Fashion Center	179,987	—	181,077	—	5.48%	1,043(a)	2012
Chesterfield Towne Center	60,263	—	60,804	—	9.07%	548(d)	2024
Citadel	66,784	—	67,626	—	7.20%	554(a)	2008
Crossroads Mall - Boulder	—	—	—	33,016	7.08%	244(a)	(e)
Flagstaff Mall	14,014	—	14,319	—	5.39%	121(a)	2006
FlatIron Crossing	198,527	—	199,770	—	5.23%	1,102(a)	2013
Fresno Fashion Fair	66,829	—	67,228	—	6.52%	437(a)	2008
Greeley Mall (f)	29,634	—	29,878	—	6.18%	197(a)	2013
La Encantada (g)	38,803	—	28,460	—	3.26%	interest only	2005
Northridge Mall (h)	85,000	—	—	—	3.49%	interest only	2009
Northwest Arkansas Mall	56,648	—	57,336	—	7.33%	434(a)	2009
Pacific View	93,267	—	93,723	—	7.16%	648(a)	2011
Panorama Mall	32,250	—	32,250	—	3.15%	87(a)	2005
Paradise Valley Mall	79,705	—	80,515	—	5.39%	506(a)	2007
Paradise Valley Mall	24,273	—	24,628	—	5.89%	183(a)	2009
Prescott Gateway	40,919	—	40,753	—	3.46%	interest only	(i)
PVOP II (50%) (b)	981	—	1,536	—	5.85%	11(a)	2009
Paradise Village Ground Leases (50%) (b)	3,798	—	3,864	—	5.39%	28(a)	2006
Queens Center	95,415	—	96,020	—	6.88%	633(a)	2009
Queens Center (j)	80,684	80,683	50,667	50,666	3.61%	interest only	2013
Rimrock Mall	44,825	—	45,071	—	7.45%	320(a)	2011
Salisbury, Center at (k)	79,875	—	—	—	2.75%	interest only	2006
Santa Monica Place	82,377	—	82,779	—	7.70%	606(a)	2010
South Plains Mall	61,755	—	62,120	—	8.22%	454(a)	2009
South Towne Center	64,000	—	64,000	—	6.61%	interest only	2008
The Oaks (l)	108,000	—	108,000	—	2.30%	interest only	2005
Valley View Center	51,000	—	51,000	—	7.89%	interest only	2006
Village Center (50%) (b)	3,714	—	3,801	—	5.39%	31(a)	2006
Village Crossroads (50%) (b)	2,403	—	2,453	—	4.81%	19(a)	2005
Village Fair North (50%) (b)	5,985	—	6,055	—	5.89%	41(a)	2008
Village Plaza	5,457	—	5,586	—	5.39%	47(a)	2006
Village Square I & II	4,777	—	4,892	—	5.39%	41(a)	2006
Vintage Faire Mall	67,494	—	67,873	—	7.89%	508(a)	2010
Westbar	4,102	—	4,216	—	4.22%	35(a)	2005
Westbar	—	—	7,380	—	4.22%	66(a)	(m)
Westside Pavilion	96,800	—	97,387	—	6.67%	628(a)	2008
Total - Consolidated Centers	<u>\$ 1,974,131</u>	<u>\$ 125,415</u>	<u>\$ 1,787,714</u>	<u>\$ 129,084</u>			

(1) The mortgage notes payable balances include the unamortized debt premiums. These debt premiums represent the excess of the fair value of debt over the principal value of debt assumed in various acquisitions subsequent to March, 1994 (with interest rates ranging from 3.81% to 7.68%). The debt premiums are being amortized into interest expense over the term of the related debt, in a manner which approximates the effective interest method.

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The debt premiums as of June 30, 2004 and December 31, 2003 consist of the following:

	2004	2003
Borgata	\$ 977	\$ 1,124
Flagstaff Mall	451	593

Paradise Valley Mall	1,969	2,363
Paradise Valley Mall	1,417	1,564
Paradise Village Ground Leases(50%)(b)	107	138
PVOP II(50%)(b)	90	99
Village Plaza	361	438
Village Square I and II	147	194
Village Center(50%)(b)	122	157
Village Crossroads(50%)(b)	77	110
Village Fair North(50%)(b)	195	219
Westbar	—	33
Westbar	76	151
Total Consolidated Centers	\$ 5,989	\$ 7,183

- (a) This represents the monthly payment of principal and interest.
- (b) As of June 30, 2004 and December 31, 2003, these properties are being held by the owners as tenants in common and the Company has a direct undivided 50% interest in these properties.
- (c) This loan was paid off in full on March 24, 2004.
- (d) This amount represents the monthly payment of principal and interest. In addition, contingent interest, as defined in the loan agreement, may be due to the extent that 35% of the amount by which the property's gross receipts (as defined in the loan agreement) exceeds a base amount specified therein. Contingent interest expense recognized by the Company was \$256 and \$205 for the six months ended June 30, 2004 and 2003, respectively. Contingent interest expense recognized by the Company was \$123 and \$65 for the three months ended June 30, 2004 and 2003, respectively.
- (e) This note was issued at a discount. The discount was being amortized over the life of the loan using the effective interest method. At December 31, 2003, the unamortized discount was \$231. This loan was paid off in full on February 3, 2004. The Company recognized a \$405 loss on early extinguishment of debt.
- (f) On August 7, 2003, the Company paid off the old loan and placed a new \$30,000 ten-year fixed rate loan at an interest rate of 6.18%. The Company recognized a \$126 loss on early extinguishment of the old debt in 2003.
- (g) This represents a construction loan which shall not exceed \$51,000 bearing interest at LIBOR plus 2.0%. At June 30, 2004 and December 31, 2003, the total interest rate was 3.26% and 3.18%, respectively.
- (h) On June 30, 2004, the Company placed a new \$85,000 loan maturing in 2009. The loan floats at LIBOR plus 2.0% for six months and then converts to a fixed rate loan at 4.94%. At June 30, 2004, the interest rate was 3.49%.
- (i) This represented a construction loan which was not to exceed \$46,300 and bore interest at LIBOR plus 2.25%. At June 30, 2004 and December 31, 2003, the total interest rate was 3.46% and 3.52%, respectively. Effective February 18, 2004, the loan commitment was reduced to \$44,320. In July 2004, this construction loan matured and was replaced with a three-year loan plus two one-year extension options at LIBOR plus 1.65%.

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- (j) This represents a \$225,000 construction loan bearing interest at LIBOR plus 2.50%. The loan converts to a permanent fixed rate loan at 7%, subject to certain conditions including completion and stabilization of the expansion and redevelopment project. As of June 30, 2004 and December 31, 2003, the total interest rate was 3.61% and 3.62%, respectively. NML is the lender for 50% of the construction loan. The funds advanced by NML is considered related party debt as they are a joint venture partner with the Company in Macerich Northwestern Associates.
- (k) This floating rate loan was issued on February 18, 2004. The loan bears interest at LIBOR plus 1.375% and matures February 20, 2006 with a one-year extension option. At June 30, 2004, the total interest rate was 2.75%.
- (l) Concurrent with the acquisition of the mall, the Company placed a \$108,000 loan bearing interest at LIBOR plus 1.15% and maturing July 1, 2004 with three consecutive one year options. \$92,000 of the loan is at LIBOR plus 0.7% and \$16,000 is at LIBOR plus 3.75%. In July 2004, the Company extended the loan maturity to July 2005. This variable rate debt is covered by an interest rate cap agreement over the loan term which effectively prevents the LIBOR interest rate from exceeding 7.10%. At June 30, 2004 and December 31, 2003, the total weighted average interest rate was 2.30% and 2.32%, respectively.
- (m) This entire loan was paid off in full on February 10, 2004.

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

Total interest expense capitalized during the six and three months ended June 30, 2004 was \$6,950 and \$2,915, respectively. Total interest expense capitalized during the six and three months ended June 30, 2003, was \$5,583 and \$2,922, respectively.

The fair value of mortgage notes payable is estimated to be approximately \$2,221,295 and \$2,020,687, at June 30, 2004 and December 31, 2003, respectively, based on current interest rates for comparable loans.

7. Bank and Other Notes Payable:

The Company has a \$425,000 revolving line of credit. This revolving line of credit has a three-year term through July 26, 2005 with a one-year extension option. The interest rate fluctuates from LIBOR plus 1.75% to LIBOR plus 3.00% depending on the Company's overall leverage level with the rate at June 30, 2004 being LIBOR plus 2.50%. As of June 30, 2004 and December 31, 2003, \$319,000 of borrowings were outstanding under this credit facility at an average interest rate of 3.85% and 3.69%, respectively. On July 30, 2004, the Company amended and expanded the revolving line of credit to \$1,000,000 and extended the maturity to July 30, 2007 plus a one-year extension. The interest rate has been reduced to 1.50% over LIBOR based on the Company's current leverage level.

On July 26, 2002, the Company placed a \$250,000 term loan with a maturity of up to three years with two one-year extension options and an interest rate ranging from LIBOR plus 2.75% to LIBOR plus 3.00% depending on the Company's overall leverage level. At June 30, 2004 and December 31, 2003, \$196,800 of the term loan was outstanding at an interest rate of 3.92% and 3.95%, respectively. On July 30, 2004, the entire term loan was paid off in full from the Company's amended and expanded line of credit.

On May 13, 2003, the Company issued \$250,000 in unsecured notes maturing in May 2007 with a one-year extension option bearing interest at LIBOR plus 2.50%. The proceeds were used to pay down and create more availability under the Company's line of credit. At June 30, 2004 and December 31, 2003, \$250,000 was outstanding at an interest rate of 4.45%. In October 2003, the Company entered into an interest rate swap agreement which effectively fixed the interest rate at 4.45% from November 2003 to October 13, 2005.

The Company reclassified \$660 for the six months ending June 30, 2004 and 2003 related to treasury rate lock transactions settled in prior years from accumulated other comprehensive income to earnings for the six months ended June 30, 2004 and 2003. Additionally, the Company recorded other comprehensive income of \$2,050 and \$410 related to the mark to market of interest rate swap agreements for the six months ended June 30, 2004 and 2003, respectively.

Additionally, as of June 30, 2004, the Company has contingent obligations of \$6,934 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.

8. Related-Party Transactions:

The Company engaged MMC and certain of the Westcor Management Companies to manage the operations of certain properties and unconsolidated joint ventures. For the six months ending June 30, 2004 and 2003, management fees of \$4,614 and \$3,950 respectively, were paid to MMC by the joint ventures. For the three months ending June 30, 2004 and 2003, management fees of \$2,335 and \$2,038 respectively, were paid to MMC by the joint ventures. For the six months ending June 30, 2004 and 2003, management fees of \$2,449 and \$2,985, respectively, for the unconsolidated entities, were paid to the Westcor Management Companies by the joint ventures. For the three months ending June 30, 2004 and 2003, management fees of \$1,238 and \$1,700, respectively, for the unconsolidated entities, were paid to the Westcor Management Companies by the joint ventures.

Certain mortgage notes are held by one of the Company's joint venture partners. Interest expense in connection with these notes was \$2,535 and \$2,831 for the six months ended June 30, 2004 and 2003, respectively. Interest expense in connection with these notes was \$1,403 and \$1,416 for the three months ended June 30, 2004 and 2003, respectively. Included in accounts payable and accrued expenses is interest payable to these partners of \$131 and \$232 at June 30, 2004 and December 31, 2003, respectively.

As of June 30, 2004 and December 31, 2003, the Company has loans to unconsolidated joint ventures of \$25,709 and \$29,237, respectively. These loans represent initial funds advanced to development stage projects prior to construction loan fundings.

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

9. Commitments and Contingencies:

The Company has certain properties subject to noncancellable operating ground 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. Ground rent expenses, net of amounts capitalized, were \$303 and \$752 for the six months ended June 30, 2004 and 2003, respectively. Ground rent expenses, net of amounts capitalized, were \$184 and \$394 for the three months ended June 30, 2004 and 2003, respectively. No contingent rent was incurred in either period.

The Company is currently redeveloping Queens Center. Total costs are expected to be between \$250,000 and \$275,000, of which the Company has already incurred \$230,954 and \$174,915 as of June 30, 2004 and December 31, 2003, respectively.

Perchloroethylene ("PCE") has been detected in soil and groundwater in the vicinity of a dry cleaning establishment at North Valley Plaza, formerly owned by a joint venture of which the Company was a 50% member. The property was sold on December 18, 1997. The California Department of Toxic Substances Control ("DTSC") advised the Company in 1995 that very low levels of Dichloroethylene ("1,2 DCE"), a degradation byproduct of PCE, had been detected in a municipal water well located 1/4 mile west of the dry cleaners, and that the dry cleaning facility may have contributed to the introduction of 1,2 DCE into the water well. According to DTSC, the maximum contaminant level ("MCL") for 1,2 DCE which is permitted in drinking water is 6 parts per billion ("ppb"). The 1,2 DCE was detected in the water well at a concentration of 1.2 ppb, which is below the MCL. The Company has retained an environmental consultant and has initiated extensive testing of the site. The joint venture agreed (between itself and the buyer) that it would be responsible for continuing to pursue the investigation and remediation of impacted soil and groundwater resulting from releases of PCE from the former dry cleaner. Approximately \$21 and \$67 have already been incurred by the joint venture for remediation, professional and legal fees for the six months ending June 30, 2004 and 2003, respectively. The joint venture has been sharing costs with former owners of the property. An additional \$172 remains reserved at June 30, 2004.

The Company acquired Fresno Fashion Fair in December 1996. Asbestos was detected in structural fireproofing throughout much of the Center. Testing data conducted by professional environmental consulting firms indicates that the fireproofing is largely inaccessible to building occupants and is well adhered to the structural members. Additionally, airborne concentrations of asbestos were well within OSHA's permissible exposure limit ("PEL") of .1 fcc. The accounting at acquisition included a reserve of \$3,300 to cover future removal of this asbestos, as necessary. The Center was recently renovated and a substantial amount of the asbestos was removed. An additional \$707 remains reserved at June 30, 2004.

10. Cumulative Convertible Redeemable Preferred Stock:

On February 25, 1998, the Company issued 3,627,131 shares of Series A cumulative convertible redeemable preferred stock ("Series A Preferred Stock") for proceeds totaling \$100,000 in a private placement. The preferred stock can be converted on a one for one basis into common stock and will pay a quarterly dividend equal to the greater of \$0.46 per share, or the dividend then payable on a share of common stock.

On June 16, 1998, the Company issued 5,487,471 shares of Series B cumulative convertible redeemable preferred stock ("Series B Preferred Stock") for proceeds totaling \$150,000 in a private placement. The preferred stock could have been converted on a one for one basis into common stock and paid a quarterly dividend equal to the greater of \$0.46 per share, or the dividend then payable on a share of common stock. On September 9, 2003, all of the shares of Series B Preferred Stock were converted to common stock.

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

The holders of Series A Preferred Stock have redemption rights if a change in control of the Company occurs, as defined under the Articles Supplementary. Under such circumstances, the holders of the Series A Preferred Stock are entitled to require the Company to redeem their shares, to the extent the Company has funds legally available therefor, at a price equal to 105% of its liquidation preference plus accrued and unpaid dividends. The Series A Preferred Stock holder also has the right to require the Company to repurchase its shares if the Company fails to be taxed as a REIT for federal tax purposes at a price equal to 115% of its liquidation preference plus accrued and unpaid dividends, to the extent funds are legally available therefore.

11. Subsequent Events:

On July 30, 2004, a dividend/distribution of \$0.61 per share was declared for common stockholders and OP unit holders of record on August 20, 2004. In addition, the Company declared a dividend of \$0.61 on the Company's Series A Preferred Stock. All dividends/distributions will be payable on September 10, 2004.

On July 1, 2004, the Company acquired the Mall of Victor Valley in Victorville, California and on July 20, 2004, the Company acquired La Cumbre Plaza in Santa Barbara, California. The Mall of Victor Valley is a 507,000 square foot regional mall and La Cumbre Plaza is a 494,000 square foot regional mall. The combined total purchase price was \$151,300. The purchase price for the Mall of Victor Valley included the assumption of an existing fixed rate loan of \$54,000 at 5.25% maturing in March, 2008. Concurrent with the closing of La Cumbre Plaza, a \$30,000 floating rate loan was placed on the property with an initial interest rate of 2.29%. The balance of the purchase price was paid in cash and borrowings from the Company's revolving line of credit.

On July 30, 2004, the Company amended and expanded its \$425,000 revolving line of credit to \$1,000,000 and reduced the interest rate, based on the Company's current leverage level, from LIBOR plus 2.50% to LIBOR plus 1.50%. Concurrent with this transaction, the Company paid down in full a \$196,800 term loan.

Item 2

Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This quarterly report on Form 10-Q contains or incorporates statements that constitute forward-looking statements. Those statements appear in a number of places in this Form 10-Q and include statements regarding, among other matters, the Company's growth, acquisition, redevelopment and development opportunities, the Company's acquisition and other strategies, regulatory matters pertaining to compliance with governmental regulations and other factors affecting the Company's financial condition or results of operations. Words such as "expects," "anticipates," "intends," "projects," "predicts," "plans," "believes," "seeks," "estimates," and "should" and variations of these words and similar expressions, are used in many cases to identify these forward-looking statements. Stockholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company or industry to vary materially from the Company's future results, performance or achievements, or those of the industry, expressed or implied in such forward-looking statements. Such factors include the matters described herein and the following factors among others: general industry, economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of current and prospective tenants, Anchor or tenant bankruptcies, closures, mergers or consolidations, lease rates and terms, availability and cost of financing, interest rate fluctuations and operating expenses; adverse changes in the real estate markets including, among other things, competition from other companies, retail formats and technologies, risks of real estate redevelopment, development, acquisitions and dispositions; governmental actions and initiatives (including legislative and regulatory changes); environmental and safety requirements; and terrorist activities that could adversely affect all of the above factors. The Company will not update any forward-looking information to reflect actual results or changes in the factors affecting the forward-looking information.

Statement on Critical Accounting Policies

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

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

Some of these estimates and assumptions include judgments on revenue recognition, estimates for common area maintenance and real estate tax accruals, provisions for uncollectable accounts, impairment of long-lived assets, the allocation of purchase price between tangible and intangible assets, and estimates for environmental matters. The Company's significant accounting policies are described in more detail in Note 2 of the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003. However, the following policies could be deemed to be critical within the SEC definition.

Revenue Recognition:

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

Property:

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

Maintenance and repairs expenses are charged to operations as incurred. Costs for major replacements and betterments, which includes HVAC equipment, roofs, parking lots, etc. are capitalized and depreciated over their estimated useful lives. Gains and losses are recognized upon disposal or retirement of the related assets and are reflected in earnings, in accordance with SFAS No. 66—"Accounting for Sales of Real Estate."

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

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

The Company accounts for all acquisitions entered into subsequent to June 30, 2001 in accordance with Statement of Financial Accounting Standards ("SFAS") No. 141, Business Combinations ("SFAS 141"). The Company will first determine the value of the land and buildings utilizing an "as if vacant" methodology. The Company will then assign a fair value to any debt assumed at acquisition. The balance of the purchase price will be allocated to tenant improvements and identifiable intangible assets or liabilities. Tenant improvements represent the tangible assets associated with the existing leases valued on a historical basis prorated over the remaining lease terms. The tenant improvements are classified as an asset under real estate investments 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) origination value, which represents the value associated with "cost avoidance" of acquiring in-place leases, such as lease commissions paid under terms generally experienced in our 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. Origination value is recorded as an other asset and is amortized over the remaining lease terms. Value of in-place leases is recorded as an other asset and amortized over the remaining lease term plus an estimate of renewal of the acquired leases. Above or below market leases are classified as an other asset or liability, depending on whether the contractual terms are above or below market, and the asset or liability is amortized to rental revenue over the remaining terms of the leases.

When the Company acquires real estate properties, the Company allocates the components of these acquisitions using relative fair values computed using its estimates and assumptions. These estimates and assumptions impact the amount of costs allocated between various components as well as the amount of costs assigned to individual properties in multiple property acquisitions. These allocations also impact depreciation expense and gains or losses recorded on future sales of properties.

Depending on the materiality of the acquisition, the Company may engage a valuation firm to assist with the allocation.

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

Deferred Charges:

Costs relating to obtaining tenant leases are deferred and amortized over the initial term of the agreement using the straight-line method. Cost relating to financing of shopping center properties are deferred and amortized over the life of the related loan using the straight-line method, which approximates the effective interest method. In-place lease values are amortized over the remaining lease term plus an estimate of renewal. The present value of leasing commissions and legal costs are amortized on a straight-line basis over the individual remaining lease years. The range of the terms of the agreements are as follows:

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

In-place lease values	Remaining lease term plus an estimate for renewal (weighted) average 17 years
Leasing commissions and legal costs	5 years

Off-Balance Sheet Arrangements:

Debt guarantees:

The Company has an ownership interest in a number of joint ventures as detailed in Note 3 to the Company's consolidated financial statements included herein. The Company accounts for those investments 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." A pro rata share of the mortgage debt on these properties is shown in Note 6 to the Company's consolidated financial statements included herein. In addition, the following joint ventures also have debt that could become recourse debt to the Company or its subsidiaries, in excess of its pro rata share, should the partnership be unable to discharge the obligations of the related debt:

<u>Asset/Property</u>	<u>Maximum amount of debt principal that could be recourse to the Company (Dollars in Thousands)</u>	<u>Maturity Date</u>
Boulevard Shops	\$ 10,631	1/1/2005
Chandler Village Center	\$ 7,990	12/19/2006
Scottsdale 101	31,094	5/1/2006
Total	\$ 49,715	

The above amounts increased by \$12,305 from December 31, 2003.

Additionally, as of June 30, 2004, the Company has certain obligations of \$6,934 million in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company.

Long-term contractual obligations:

The following is a schedule of long-term contractual obligations (as of June 30, 2004) for the consolidated Centers over the periods in which they are expected to be paid:

<u>Contractual Obligations (Dollars in thousands)</u>	<u>Payment Due by Period</u>				
	<u>Total</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than five years</u>
Long-term debt obligations	\$ 2,865,346	\$ 56,795	\$ 914,860	\$ 672,554	\$ 1,221,137
Operating lease obligations	161,466	1,270	2,540	2,540	155,116
Purchase obligations	20,875	20,875	—	—	—
Other long-term liabilities	153,324	153,324	—	—	—
Total	\$ 3,201,011	\$ 232,264	\$ 917,400	\$ 675,094	\$ 1,376,253

During the six months ending June 30, 2004, there have been no material changes outside the ordinary course of business in the above specified obligations since the disclosure in the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

The following table reflects the Company's acquisitions in 2003 and for the six months ending June 30, 2004.

<u>Property/Entity</u>	<u>Date Acquired</u>	<u>Location</u>
2003 Acquisitions:		
FlatIron Crossing	January 31, 2003	Broomfield, Colorado
Northridge Mall	September 15, 2003	Salinas, California
Biltmore Fashion Park	December 18, 2003	Phoenix, Arizona
2004 Acquisitions:		
Inland Center	January 30, 2004	San Bernardino, California
NorthPark Center	May 11, 2004	Dallas, Texas

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

On January 2, 2003, the Company sold its 67% interest in Paradise Village Gateway, a 296,153 square foot Phoenix area urban village, for approximately \$29.4 million. The proceeds from the sale were used to repay a portion of the term loan. The sale resulted in a loss on sale of asset of \$0.2 million.

On January 31, 2003, the Company purchased its joint venture partner's 50% interest in FlatIron Crossing. The purchase price consisted of approximately \$68.3 million in cash plus the assumption of the joint venture partner's share of debt of \$90.0 million.

On May 15, 2003, the Company sold 49.9% of its partnership interest in the Village at Corte Madera for a total purchase price of approximately \$65.9 million, which included the assumption of a proportionate amount of the partnership debt in the amount of approximately \$34.7 million. The

Company is retaining a 50.1% partnership interest and will continue leasing and managing the asset. The sale resulted in a gain on sale of asset of \$8.8 million.

On June 6, 2003, the Shops at Gainey Village, a 138,000 square foot Phoenix area specialty center, was sold for \$55.7 million. The Company, which owned 50% of this property, received total proceeds of \$15.8 million and recorded a gain on sale of asset of \$2.8 million.

On August 4, 2003, the Company sold Bristol Center, a 161,000 square foot community center in Santa Ana, California. The sales price was approximately \$30.0 million and the Company recorded a gain on sale of asset of \$22.2 million which is reflected in discontinued operations.

On September 15, 2003, the Company acquired Northridge Mall, an 864,071 square foot super-regional mall in Salinas, California. The total purchase price was \$128.5 million and was funded by sale proceeds from Bristol Center and borrowings under the Company's line of credit. Northridge Mall is referred to herein as the "2003 Acquisition Center."

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On December 18, 2003, the Company acquired Biltmore Fashion Park, a 610,477 square foot regional mall in Phoenix, Arizona. The total purchase price was \$158.5 million, which included the assumption of \$77.4 million of debt. The Company also issued 705,636 partnership units of the Operating Partnership at a price of \$42.80 per unit. The balance of the Company's 50% share of the purchase price of \$10.5 million was funded by cash and borrowings under the Company's line of credit. The mall is owned in a 50/50 joint venture with an institutional partner.

On January 30, 2004, the Company, in a 50/50 joint venture with a private investment company, acquired Inland Center, a 1 million square foot super-regional mall in San Bernardino, California. The total purchase price was \$63,300 and concurrently with the acquisition, the joint venture placed a \$54,000 fixed rate loan on the property. The balance of the Company's pro rata share of the purchase price was funded by cash and borrowings under the Company's line of credit.

On May 11, 2004, the Company, in a 50/50 joint venture with a private mall owner, acquired NorthPark Center, a 1.4 million square foot regional mall in Dallas, Texas. The Company's initial investment in the property was \$30,005 which was funded by borrowings under the Company's line of credit. In addition, the Company assumed a prorata share of debt of \$86,499 and has committed to fund an additional \$45,000. The results of NorthPark Center are included for the period subsequent to its date of acquisition.

Biltmore Fashion Park, Inland Center and NorthPark Center are joint ventures and these properties are reflected using the equity method of accounting. The results of these acquisitions are reflected in the consolidated results of operations of the Company in the income statement line item entitled "Equity in income of unconsolidated joint ventures and the management company."

Many of the variations in the results of operations, discussed below, occurred due to the transactions described above including the acquisition of the 2003 Acquisition Center. Biltmore Fashion Park, Inland Center and NorthPark Center are referred to herein as the "Joint Venture Acquisition Centers." Crossroads Mall-Boulder, Parklane Mall and Queens Center are currently under redevelopment and are referred to herein as the "Redevelopment Centers." La Encantada and Scottsdale 101 are currently under development and are referred herein as the "Development Properties." Scottsdale 101 is a joint venture and the results are reflected using the equity method of accounting. All other Centers, excluding the Redevelopment Centers, the Development Properties, the Village at Corte Madera, FlatIron Crossing, the 2003 Acquisition Center and the Joint Venture Acquisition Centers, are referred to herein as the "Same Centers," unless the context otherwise requires.

Revenues include rents attributable to the accounting practice of straight-lining of rents which requires rent to be recognized each year in an amount equal to the average rent over the term of the lease, including fixed rent increases over that period. The amount of straight-lined rents, included in consolidated revenues, recognized in 2004 was \$0.7 million compared to \$1.3 million in 2003. Additionally, the Company recognized through equity in income of unconsolidated joint ventures, \$0.6 million as its pro rata share of straight-lined rents from joint ventures in 2004 compared to \$1.1 million in 2003. These variances resulted from the Company structuring the majority of its new leases using an annual multiple of CPI increases, which generally do not require straight-lining treatment. Currently, 29% of the mall and freestanding leases contain provisions for CPI rent increases periodically throughout the term of the lease. The Company believes that using an annual multiple of CPI increases, rather than fixed contractual rent increases, results in revenue recognition that more closely matches the cash revenue from each lease and will provide more consistent rent growth throughout the term of the leases.

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

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General Factors Affecting the Centers; Competition: Real property investments are subject to varying degrees of risk that may affect the ability of the Centers to generate sufficient revenues to meet operating and other expenses, including debt service, lease payments, capital expenditures and tenant improvements, and to make distributions to the Company and the Company's stockholders. Income from shopping center properties may be adversely affected by a number of factors, including: the national economic climate; the regional and local economy (which may be adversely impacted by plant closings, industry slowdowns, union activities, adverse weather conditions, natural disasters, terrorist activities, and other factors); local real estate conditions (such as an oversupply of, or a reduction in demand for, retail space or retail goods and the availability and creditworthiness of current and prospective tenants); perceptions by retailers or shoppers of the safety, convenience and attractiveness of the shopping center; and increased costs of maintenance, insurance and operations (including real estate taxes). A significant percentage of the Centers are located in California and Arizona. To the extent that economic or other factors affect California or Arizona (or their respective regions generally) more severely than other areas of the country, the negative impact on the Company's economic performance could be significant. There are numerous shopping facilities that compete with the Centers in attracting

tenants to lease space, and an increasing number of new retail formats and technologies other than retail shopping centers that compete with the Centers for retail sales. Increased competition could adversely affect the Company's revenues. Income from shopping center properties and shopping center values are also affected by such factors as applicable laws and regulations, including tax, environmental, safety and zoning laws, interest rate levels and the availability and cost of financing.

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

Real Estate Development Risks: The Company's business strategy has expanded to include the selective development and construction of retail properties. Any development, redevelopment and construction activities that the Company undertakes will be subject to the risks of real estate development, including lack of financing, construction delays, environmental 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, occupancy and other required governmental permits and authorizations. If any of the above events occur, the ability to pay distributions and service the Company's indebtedness could be adversely affected.

Joint Venture Centers: The Company indirectly owns partial interests in 42 Joint Venture Centers as well as fee title to a site that is ground leased to the entity that owns a Joint Venture Center and several development sites. The Company may also 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. The Company may have fiduciary responsibilities to its partners that could affect decisions concerning the Joint Venture Centers. In certain cases, third parties share with the Company or have (with respect to one Joint Venture Center) control of major decisions relating to the Joint Venture Centers, including decisions with respect to sales, financings and the timing and amount of additional capital contributions, as well as decisions that could have an adverse impact on the Company's REIT status. In addition, some of the Company's outside partners control the day-to-day operations of eight Joint Venture Centers. The Company therefore does not control cash distributions from these Centers and the lack of cash distributions from these Centers could jeopardize the Company's ability to maintain its qualification as a REIT.

Uninsured Losses: Each of the Centers has comprehensive liability, fire, terrorism 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, carries 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 \$200 million on these Centers. Furthermore, the Company carries title insurance on substantially all of the Centers for less than their full value. If an uninsured loss or a loss in excess of insured limits occurs, the Operating Partnership or the entity, as the case may be, that owns the affected Center could lose its capital invested in the Center, as well as the anticipated future revenue from the Center, while remaining obligated for any mortgage indebtedness or other financial obligations related to the Center. There is also no assurance that the Company will be able to maintain its current insurance coverage. An uninsured loss or loss in excess of insured limits may negatively impact the Company's financial condition.

REIT Qualification: 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 such as the Company that holds its assets in partnership form. The determination of various factual matters and circumstances not entirely within our control, including by the Company's partners in the Joint Venture Centers, may affect its ability to qualify as a REIT. In addition, legislation, new regulations, administrative interpretations or court decisions could significantly change the tax laws with respect to the Company's qualification as a REIT or the federal income tax consequences of that qualification.

If in any taxable year the Company fails to qualify as a REIT, the Company will suffer the following negative results:

- the Company will not be allowed a deduction for distributions to stockholders in computing its taxable income; and
- the Company will be subject to federal income tax on its taxable income at regular corporate rates.

In addition, the Company will be disqualified from treatment as a REIT for the four taxable years following the year during which the qualification was lost, unless the Company was entitled to relief under statutory provisions. As a result, net income and the funds available for distribution to the Company's stockholders will be reduced for five years. It is also possible that future economic, market, legal, tax or other considerations might cause the Board of Directors to revoke the Company's REIT election.

Comparison of Six Months Ended June 30, 2004 and 2003

Revenues

Minimum and percentage rents increased by 10% to \$160.7 million in 2004 from \$146.0 million in 2003. Approximately \$4.4 million of the increase relates to the Same Centers, \$2.6 million of the increase relates to the Company acquiring 50% of its joint venture partner's interest in FlatIron Crossing, \$4.5 million relates to the 2003 Acquisition Center and \$4.8 million relates to Queens Center and La Encantada where phases of the developments have been completed. Additionally, these increases in minimum and percentage rents are offset by decreasing revenues of \$3.5 million related to the Company's sale of 49.9% of its partnership interest in the Village at Corte Madera.

During 2001, the Company adopted SFAS 141. (See "Statement on Critical Accounting Policies"). The amortization of below market leases, which is recorded in minimum rents, increased to \$3.8 million in 2004 from \$1.6 million in 2003. The increase is primarily due to the 2003 Acquisition Center and the Company acquiring 50% of its joint venture partner's interest in FlatIron Crossing.

Tenant recoveries increased to \$82.8 million in 2004 from \$76.3 in 2003. Approximately \$2.0 million relates to the Same Centers, \$2.0 million relates to the Company acquiring 50% of its joint venture partner's interest in FlatIron Crossing, \$1.0 million relates to Queens Center and La Encantada and \$3.0 million relates to the 2003 Acquisition Center. This is offset by a \$1.5 million decrease relating to the Company's sale of 49.9% partnership interest in the Village at Corte Madera.

Comparison of Six Months Ended June 30, 2004 and 2003

Expenses

Shopping center and operating expenses increased to \$90.4 million in 2004 compared to \$81.6 million in 2003. The increase is a result of \$2.9 million related to the 2003 Acquisition Center, \$1.7 million represents increased property taxes, insurance and other recoverable and non-recoverable expenses at the Same Centers, \$2.5 million related to Queens Center and La Encantada, \$1.5 million related to the Company acquiring 50% of its joint venture partner's interest in FlatIron Crossing and \$1.5 million related to consolidating Macerich Management Company effective July 1, 2003, in accordance with FIN 46. (See "New Pronouncements Issued"). Prior to July 1, 2003, the Macerich Management Company was accounted for using the equity method of accounting. This is offset by a \$1.3 million decrease related to the Company's sale of 49.9% of its partnership interest in the Village at Corte Madera

REIT General and Administrative Expenses

REIT general and administrative expenses increased to \$5.3 million in 2004 from \$5.1 million in 2003, primarily due to increases in professional services, travel expenses and stock-based compensation expense.

Depreciation and Amortization

Depreciation and amortization increased to \$69.6 million in 2004 from \$48.1 million in 2003. Approximately \$1.8 million relates to the 2003 Acquisition Center, \$1.9 million relates to consolidating Macerich Management Company effective July 1, 2003 and \$2.9 million relates to Queens Center and La Encantada. As a result of SFAS 141, an additional \$12.8 million of depreciation and amortization was recorded for the six months ending June 30, 2004 compared to the same period in 2003 due to the reclassification of the purchase price of 2002 and 2003 acquisitions between buildings and into the value of in-place leases, tenant improvements and lease commissions. This is offset by a \$1.1 million decrease relating to the sale of 49.9% of the partnership interest in the Village at Corte Madera.

Interest Expense

Interest expense increased to \$68.1 million in 2004 from \$67.0 million in 2003. Approximately \$1.3 million relating to the Company acquiring 50% of its joint venture partner's interest in FlatIron Crossing and \$3.8 million is related to the \$250.0 million of unsecured notes issued on May 13, 2003. These increases are offset by \$2.0 million, which relates to the Company's sale of 49.9% of its partnership interest in the Village at Corte Madera. Capitalized interest was \$6.9 million in 2004, up from \$5.6 million in 2003.

Minority Interest

The minority interest represents the 19.56% weighted average interest of the Operating Partnership by the Company during 2004. This compares to 20.95% not owned by the Company during 2003.

Equity in Income from Unconsolidated Joint Ventures and Macerich Management Company

The income from unconsolidated joint ventures and the Macerich Management Company was \$28.2 million for 2004, compared to income of \$29.6 million in 2003. This decrease is primarily due to consolidating Macerich Management Company effective July 1, 2003 in accordance with FIN 46. Prior to July 1, 2003, the Macerich Management Company was accounted for using the equity method of accounting.

Loss on Early Extinguishment of Debt

In 2004, the Company recorded a loss from early extinguishment of debt of \$0.4 million related to the payoff of a loan at one of the Redevelopment Centers.

Gain on Sale of Assets

A gain of \$11.7 million in 2003 represents primarily the Company's sale of 49.9% of its partnership interest in the Village at Corte Madera on May 15, 2003. In 2004, a gain of \$0.8 million was recorded relating to land sales.

Net Income Available to Common Stockholders

Primarily as a result of the purchase of the 2003 Acquisition Center, the sale of 49.9% of the partnership interest in the Village at Corte Madera, the Company acquiring 50% of its joint venture partner's interest in FlatIron Crossing, the change in depreciation expense due to SFAS 141, Queens Center and La Encantada and the foregoing results, net income available to common stockholders decreased to \$35.2 million in 2004 from \$48.0 million in 2003.

Operating Activities

Cash flow from operations was \$81.6 million in 2004 compared to \$94.8 million in 2003. The decrease is primarily due to a decrease of \$18.4 million relating to amounts due from affiliates, which is a result of consolidating Macerich Management Company effective July 1, 2003 and the foregoing results at the

Centers as mentioned above.

Investing Activities

Cash used in investing activities was \$137.4 million in 2004 compared to cash used in investing activities of \$61.0 million in 2003. The change resulted primarily from the \$55.3 million increase in development, redevelopment and expansion of Centers primarily due to the Queens Center expansion which is offset by the Company's purchase of its joint venture partner's 50% interest in FlatIron Crossing on January 31, 2003.

Financing Activities

Cash flow provided by financing activities was \$101.9 million in 2004 compared to cash flow used in financing activities of \$7.7 million in 2003. The 2004 increase compared to 2003 resulted primarily from \$108.5 million of additional funding relating to Queens construction loan and the \$85,000 Northridge loan which is offset by the Company acquiring 50% of its joint venture partner's interest in FlatIron Crossing in January 2003, the \$32.3 million funding of the Panorama loan in the first quarter of 2003 and increased dividends being paid in 2004 compared to 2003.

Funds From Operations

Primarily as a result of the factors mentioned above, Funds from Operations—Diluted increased 7.6% to \$136.7 million in 2004 from \$127.0 million in 2003. For the reconciliation of FFO and FFO-diluted to net income available to common stockholders, see "Funds from Operations."

Comparison of Three Months Ended June 30, 2004 and 2003

Revenues

Minimum and percentage rents increased by 12.7% to \$82.5 million in 2004 from \$73.2 million in 2003. Approximately \$2.8 million of the increase relates to the Same Centers, \$2.2 million relates to the 2003 Acquisition Center and \$4.3 million relates to Queens Center and La Encantada where phases of the developments have been completed. Additionally, these increases in minimum and percentage rents are offset by decreasing revenues of \$1.2 million related to the Company's sale of 49.9% of its partnership interest in the Village at Corte Madera.

During 2001, the Company adopted SFAS 141. (See "Statement on Critical Accounting Policies"). The amortization of below market leases, which is recorded in minimum rents, increased to \$1.7 million in 2004 from \$1.0 million in 2003. The increase is primarily due to the 2003 Acquisition Center and the Company acquiring 50% of its joint venture partner's interest in FlatIron Crossing.

Tenant recoveries increased to \$41.5 million in 2004 from \$39.4 in 2003. Approximately \$0.6 million relates to the Same Centers, \$0.5 million relates to Queens Center and La Encantada and \$1.5 million relates to the 2003 Acquisition Center. This is offset by a \$0.5 million decrease relating to the Company's sale of 49.9% partnership interest in the Village at Corte Madera.

Expenses

Shopping center and operating expenses increased to \$47.5 million in 2004 compared to \$42.6 million in 2003. The increase is a result of \$1.4 million related to the 2003 Acquisition Center, \$1.5 million represents increased property taxes, insurance and other recoverable and non-recoverable expenses at the Same Centers and \$2.0 million relates to Queens Center and La Encantada. This is offset by a \$0.5 million decrease related to the Company's sale of 49.9% of its partnership interest in the Village at Corte Madera

REIT General and Administrative Expenses

REIT general and administrative expenses decreased to \$2.3 million in 2004 from \$2.7 million in 2003, primarily due to decreases in stock-based compensation expense.

Depreciation and Amortization

Depreciation and amortization increased to \$35.3 million in 2004 from \$24.4 million in 2003. Approximately \$0.9 million relates to the 2003 Acquisition Center, \$1.1 million relates to consolidating Macerich Management Company effective July 1, 2003 and \$2.3 million relates to Queens Center and La Encantada. As a result of SFAS 141, an additional \$5.5 million of depreciation and amortization was recorded for the three months ending June 30, 2004 compared to the same period in 2003 due to the reclassification of the purchase price of 2002 and 2003 acquisitions between buildings and into the value of in-place leases, tenant improvements and lease commissions. This is offset by a \$0.3 million decrease relating to the sale of 49.9% of the partnership interest in the Village at Corte Madera.

Interest Expense

Interest expense increased to \$34.8 million in 2004 from \$33.0 million in 2003. Approximately \$1.2 million is related to the \$250.0 million of unsecured notes issued on May 13, 2003. Capitalized interest was \$2.9 million in 2004 and in 2003.

Minority Interest

The minority interest represents the 19.54% weighted average interest of the Operating Partnership by the Company during 2004. This compares to 20.94% not owned by the Company during 2003.

Equity in Income from Unconsolidated Joint Ventures and Macerich Management Company

The income from unconsolidated joint ventures and the Macerich Management Company was \$13.3 million for 2004, compared to income of \$15.1 million in 2003. This decrease is primarily due to consolidating Macerich Management Company effective July 1, 2003 in accordance with FIN 46. Prior to July 1,

2003, the Macerich Management Company was accounted for using the equity method of accounting.

Gain on Sale of Assets

A gain of \$11.6 million in 2003 represents primarily the Company's sale of 49.9% of its partnership interest in the Village at Corte Madera on May 15, 2003. In 2004, a gain of \$0.8 million was recorded relating to land sales.

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Net Income Available to Common Stockholders

Primarily as a result of the purchase of the 2003 Acquisition Center, the sale of 49.9% of the partnership interest in the Village at Corte Madera, the change in depreciation expense due to SFAS 141, Queens Center and La Encantada and the foregoing results, net income available to common stockholders decreased to \$17.1 million in 2004 from \$28.6 million in 2003.

Funds From Operations

Primarily as a result of the factors mentioned above, Funds from Operations—Diluted increased 6.6% to \$68.0 million in 2004 from \$63.8 million in 2003. For the reconciliation of FFO and FFO-diluted to net income available to common stockholders, see "Funds from Operations."

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Liquidity and Capital Resources

The Company intends to meet its short term liquidity requirements through cash generated from operations, working capital reserves, property secured borrowings and borrowing under the new revolving line of credit. The Company anticipates that revenues will continue to provide necessary funds for its operating expenses and debt service requirements, and to pay dividends to stockholders in accordance with REIT requirements. The Company anticipates that cash generated from operations, together with cash on hand, will be adequate to fund capital expenditures which will not be reimbursed by tenants, other than non-recurring capital expenditures. The following table summarizes capital expenditures incurred at the Centers, including the pro rata share of joint ventures, for the six months ending June 30,:

(Dollars in Millions)	2004	2003
Acquisitions of property and equipment	\$ 40.9	\$ 9.3
Development, redevelopment and expansion of Centers	84.7	73.1
Renovations of Centers	16.7	5.5
Tenant allowances	5.8	3.9
Deferred leasing charges	9.6	9.0
Total	\$ 157.7	\$ 100.8

Management expects similar levels to be incurred in future years for tenant allowances and deferred leasing charges and to incur between \$125 million to \$180 million in 2004 for development, redevelopment, expansion and renovations, excluding the Queens Center expansion and the developments of La Encantada and Scottsdale 101 which will be separately financed as described below. Capital for major expenditures or major developments and redevelopments has been, and is expected to continue to be, obtained from equity or debt financings which include borrowings under the Company's line of credit and construction loans. However, many factors impact the Company's ability to access capital, such as its overall debt level, interest rates, interest coverage ratios and prevailing market conditions.

On February 28, 2002, the Company issued 1,968,957 common shares with total net proceeds of \$52.3 million. The proceeds from the sale of the common shares were used principally to finance a portion of the Queens Center expansion and redevelopment project and for general corporate purposes. The Queens Center expansion and redevelopment is anticipated to cost between \$250 million and \$275 million. The Company has a \$225.0 million construction loan which converts to a permanent loan at completion and stabilization, which is collateralized by the Queens Center property, to finance the remaining project costs. Construction began in the second quarter of 2002 with completion estimated to be, in phases, through late 2004 and stabilization expected in 2005.

The Company has obtained construction loans for \$51.0 million and \$54.0 million for the developments of La Encantada and Scottsdale 101, respectively. These loans will be funded as construction costs are incurred.

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

The Company's total outstanding loan indebtedness at June 30, 2004 was \$4.0 billion (including its pro rata share of joint venture debt). This equated to a debt to Total Market Capitalization (defined as total debt of the Company, including its pro rata share of joint venture debt, plus aggregate market value of outstanding shares of common stock, assuming full conversion of OP Units and preferred stock into common stock) ratio of approximately 52.36% at June 30, 2004. The majority of the Company's debt consists of fixed-rate conventional mortgages payable collateralized by individual properties.

The Company has filed a shelf registration statement, effective June 6, 2002, to sell securities. The shelf registration is for a total of \$1.0 billion of common stock, common stock warrant or common stock rights. The Company sold a total of 15.2 million shares of common stock under this shelf registration on November 27, 2002. The aggregate offering price of this transaction was approximately \$440.2 million, leaving approximately \$559.8 million available under the shelf registration statement. In addition, the Company filed another shelf registration statement, effective October 27, 2003, to sell up to \$300 million of preferred stock.

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Liquidity and Capital Resources, Continued:

The Company has a \$425,000 revolving line of credit. This revolving line of credit has a three-year term through July 26, 2005 with a one-year extension option. The interest rate fluctuates from LIBOR plus 1.75% to LIBOR plus 3.00% depending on the Company's overall leverage level with the rate at June 30, 2004 being LIBOR plus 2.50%. As of June 30, 2004 and December 31, 2003, \$319,000 of borrowings were outstanding under this credit facility at an average interest rate of 3.85% and 3.69%, respectively. On July 30, 2004, the Company amended and expanded the revolving line of credit to \$1,000,000 and extended the maturity to July 30, 2007 plus a one-year extension. The interest rate has been reduced to 1.50% over LIBOR based on the Company's current leverage level.

On May 13, 2003, the Company issued \$250.0 million in unsecured notes maturing in May 2007 with a one-year extension option bearing interest at LIBOR plus 2.50%. The proceeds were used to pay down and create more availability under the Company's line of credit. At June 30, 2004 and December 31, 2003, the entire \$250.0 million of notes were outstanding at an interest rate of 4.45%. In October 2003, the Company entered into an interest rate swap agreement which effectively fixed the interest rate at 4.45% from November 2003 to October 13, 2005.

At June 30, 2004, the Company had cash and cash equivalents available of \$93.4 million.

Funds From Operations

The Company uses Funds from Operations ("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 and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis. FFO and FFO on a fully 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. FFO on a fully diluted basis is one of the measures investors find most useful in measuring the dilutive impact of outstanding convertible securities. FFO does not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income as defined by GAAP and is not indicative of cash available to fund all cash flow needs. FFO, as presented, may not be comparable to similarly titled measures reported by other real estate investment trusts. The reconciliation of FFO and FFO-diluted to net income available to common stockholders is provided below.

In compliance with the Securities and Exchange Commission's new regulations, the Company has revised its FFO definition as of January 1, 2003 and for all prior periods presented. FFO now includes gains or losses on sales of peripheral land, impairment of assets, losses on debt-related transactions and the effect of SFAS No. 141. The Company's revised definition is in accordance with the definition provided by NAREIT.

The inclusion of gains (losses) on sales of peripheral land included in FFO for the six and three months ended June 30, 2004 were \$2.4 million (including \$2.1 million from joint ventures at pro rata) and \$1.0 million (including \$0.7 million from joint ventures at pro rata), respectively. The inclusion of gains (losses) on sales of peripheral land included in FFO for the six and three months ended June 30, 2003 were \$0.6 million (including \$0.4 million from joint ventures at pro rata) and \$0.1 million (including \$0.04 million from joint ventures at pro rata), respectively.

The Company's losses on debt-related transactions for the six and three months ended June 30, 2004 was \$0.4 million. There were no losses from debt-related transactions in 2003.

Funds From Operations, Continued:

The following reconciles net income available to common stockholders to FFO and FFO-diluted for the six months ending June 30, (amounts in thousands)

	2004		2003	
	Shares	Amount	Shares	Amount
Net income-available to common stockholders		\$ 35,229		\$ 47,999
Adjustments to reconcile net income to FFO-basic:				
Minority interest		8,470		12,699
(Gain) loss on sale or write-down of wholly-owned assets		(1,094)		(11,553)
Add: Gain on land sales-consolidated assets		334		155
(Gain) loss on sale or write-down of assets from unconsolidated entities (pro rata)		(2,083)		(202)
Add: Gain (loss) on land sales-pro rata unconsolidated entities		2,083		433
Depreciation and amortization on wholly-owned centers		69,612		48,489
Depreciation and amortization on joint ventures and from the management company (pro rata)		25,133		22,940
Less: depreciation on personal property and amortization of loan costs and interest rate caps		(5,378)		(4,303)
FFO—basic(1)	72,569	132,306	65,446	116,657
Additional adjustments to arrive at FFO-diluted:				
Impact of convertible preferred stock	3,629	4,425	9,115	10,391

Impact of stock options using the treasury method	397	—	469	—
Impact of restricted stock using the treasury method	(n/a antidilutive)		(n/a antidilutive)	
FFO—diluted(2)	76,595	\$ 136,731	75,030	\$ 127,048

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The following reconciles net income available to common stockholders to FFO and FFO-diluted for the three months ending June 30, (amounts in thousands)

	2004		2003	
	Shares	Amount	Shares	Amount
Net income-available to common stockholders		\$ 17,113		\$ 28,574
Adjustments to reconcile net income to FFO-basic:				
Minority interest		4,070		7,554
(Gain) loss on sale or write-down of wholly-owned assets		(1,068)		(11,591)
Add: Gain on land sales-consolidated assets		334		27
(Gain) loss on sale or write-down of assets from unconsolidated entities (pro rata)		(668)		244
Add: Gain (loss) on land sales-pro rata unconsolidated entities		668		38
Depreciation and amortization on wholly-owned centers		35,311		24,575
Depreciation and amortization on joint ventures and from the management company (pro rata)		12,775		11,282
Less: depreciation on personal property and amortization of loan costs and interest rate caps		(2,699)		(2,137)
FFO-basic(1)	72,827	65,836	65,586	58,566
Additional adjustments to arrive at FFO-diluted:				
Impact of convertible preferred stock	3,628	2,213	9,115	5,195
Impact of stock options using the treasury method	375	—	502	—
Impact of restricted stock using the treasury method	(n/a antidilutive)		(n/a antidilutive)	
FFO-diluted(2)	76,830	\$ 68,049	75,203	\$ 63,761

- (1) Calculated based upon basic net income as adjusted to reach basic FFO. As of June 30, 2004 and 2003, 14.2 million and 13.7 million of OP Units and Westcor partnership units were outstanding, respectively.
- (2) The computation of FFO—diluted shares outstanding includes the effect of outstanding common stock options and restricted stock using the treasury method. On February 25, 1998, the Company sold \$100 million of its Series A Preferred Stock. On June 16, 1998, the Company sold \$150 million of its Series B Preferred Stock. On September 9, 2003, 5.5 million shares of Series B Preferred Stock were converted into common shares. The preferred stock can be converted on a one-for-one basis for common stock. The preferred shares are assumed converted for purposes of 2004 and 2003 FFO-diluted as they are dilutive to that calculation.

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Included in minimum rents were rents attributable to the accounting practice of straight-lining of rents. The amount of straight-lining of rents, including the Company's pro rata share from joint ventures, that impacted minimum rents was \$1.3 million and \$0.7 million for the six and three months ending June 30, 2004, respectively; and \$2.3 million and \$1.2 million for the six and three months ending June 30, 2003, respectively. The decrease in straight-lining of rents in 2004 compared to 2003 is related to the Company structuring its new leases using rent increases tied to the change in CPI rather than using contractually fixed rent increases.

Inflation

In the last three years, inflation has not had a significant impact on the Company because of a relatively low inflation rate. Most of the leases at the Centers have rent adjustments periodically through the lease term. These rent increases are either in fixed increments or based on using an annual multiple of increases in the CPI. In addition, about 7%-12% of the leases expire each year, which enables the Company to replace existing leases with new leases at higher base rents if the rents of the existing leases are below the then existing market rate. Additionally, the majority of the leases require the tenants to pay their pro rata share of operating expenses.

Seasonality

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

and the majority of percentage rent is recognized in the fourth quarter. As a result of the above and the implementation of Staff Accounting Bulletin 101, earnings are generally higher in the fourth quarter of each year.

Item 3.

Quantitative and Qualitative Disclosures about Market Risk

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

The following table sets forth information as of June 30, 2004 concerning the Company's long term debt obligations, including principal cash flows by scheduled maturity, weighted average interest rates and estimated fair value ("FV"):

(dollars in thousands)

	For the Years Ended December 31,					Thereafter	Total	FV
	2004	2005	2006	2007	2008			
Consolidated Centers:								
Long term debt:								
Fixed rate	\$ 15,877	\$ 32,985	\$ 107,147	\$ 115,852	\$ 306,702	\$ 1,059,768	\$ 1,638,331	\$ 1,760,081
Average interest rate	6.56%	6.57%	6.55%	6.63%	6.61%	6.60%	6.56%	—
Variable rate	40,918	694,853	79,875	250,000	—	161,369	1,227,015	1,227,015
Average interest rate	3.52%	3.50%	2.75%	4.45%	—	3.61%	3.70%	—
Total debt-Consolidated Centers	\$ 56,795	\$ 727,838	\$ 187,022	\$ 365,852	\$ 306,702	\$ 1,221,137	\$ 2,865,346	\$ 2,987,096
Joint Venture Centers:								
(at Company's pro rata share):								
Fixed rate	\$ 9,760	\$ 94,271	\$ 273,271	\$ 127,902	\$ 64,642	\$ 397,643	\$ 967,489	\$ 1,046,900
Average interest rate	6.44%	6.40%	6.37%	6.63%	6.75%	6.90%	6.53%	—
Variable rate	9,204	14,249	166,560	—	—	—	190,013	190,013
Average interest rate	2.30%	3.04%	1.85%	—	—	—	1.98%	—
Total debt - Joint Ventures	\$ 18,964	\$ 108,520	\$ 439,831	\$ 127,902	\$ 64,642	\$ 397,643	\$ 1,157,502	\$ 1,236,913

The consolidated Centers' total fixed rate debt increased from \$1,606,003 at December 31, 2003 to \$1,638,331 at June 30, 2004. The average interest rate at December 31, 2003 was 6.65% compared to 6.56% at June 30, 2004.

The consolidated Centers' total variable rate debt increased from \$1,076,596 at December 31, 2003 to \$1,227,015 at June 30, 2004. The average interest rate at December 31, 2003 and June 30, 2004 was 3.55% and 3.70%, respectively.

The Company's pro rata share of the Joint Venture Centers' fixed rate debt at December 31, 2003 and June 30, 2004 was \$861,883 and \$967,489, respectively. The average interest rate increased from 6.40% in 2003 to 6.53% in 2004. The Company's pro rata share of the Joint Venture Centers' variable rate debt at December 31, 2003 and June 30, 2004 was \$184,159 and \$190,013, respectively. The average interest rate increased from 1.88% in 2003 to 1.98% in 2004.

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. The Company requires that hedging derivative instruments are effective in reducing the risk exposure that they are designated to hedge. For derivative instruments associated with the hedge of an anticipated transaction, hedge effectiveness criteria also require that it be probable that the underlying transaction occurs. Any instrument that meets these hedging criteria is formally designated as a hedge at the inception of the derivative contract. When the terms of an underlying transaction are modified resulting in some ineffectiveness, the portion of the change in the derivative fair value related to ineffectiveness from period to period will be included in net income. If any derivative instrument used for risk management does not meet the hedging criteria then it is marked-to-market each period, however, the Company intends for all derivative transactions to meet all the hedge criteria and qualify as hedges.

On an ongoing quarterly basis, the Company adjusts its balance sheet to reflect the current fair value of its derivatives. Changes in the fair value of derivatives are recorded each period in income or comprehensive income, depending on whether the derivative is designated and effective as part of a hedged transaction, and on the type of hedge transaction. To the extent that the change in value of a derivative does not perfectly offset the change in value of the instrument being hedged, the ineffective portion of the hedge is immediately recognized in income. Over time, the unrealized gains and losses held in accumulated other comprehensive income will be reclassified to income. This reclassification occurs when the hedged items are also recognized in income. The Company has a policy of only entering into contracts with major financial institutions based upon their credit ratings and other factors.

To determine the fair value of derivative instruments, the Company uses standard market conventions and techniques such as discounted cash flow analysis, option pricing models, and termination cost at each balance sheet date. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realized.

The \$250.0 million variable rate debt maturing in 2007 has an interest rate swap agreement which effectively fixed the interest rate at 4.45% from November 2003 to October 13, 2005. This swap has been designated as a hedge in accordance with SFAS No. 133. The fair value of this swap agreement at June 30, 2004 was \$1.9 million.

The Company has an interest rate cap with a notional amount of \$92,000 on their \$108,000 loan on The Oaks. This interest rate cap prevents the LIBOR interest rate from exceeding 7.10%. The fair value of this cap agreement at June 30, 2004 was zero.

The Company's East Mesa Land and Superstition Springs joint venture have an interest rate swap which converts \$12,845 of variable rate debt with a weighted average interest rate of 3.97% to a fixed rate of 5.39%. This swap has been designated as a hedge in accordance with SFAS No. 133. Additionally, interest rate caps were simultaneously sold to offset the effect of the interest rate cap agreements. These interest rate caps do not qualify for hedge accounting in accordance with SFAS 133.

In addition, the Company has assessed the market risk for its variable rate debt and believes that a 1% increase in interest rates would decrease future earnings and cash flows by approximately \$11.7 million per year based on \$1.2 billion outstanding of variable rate debt, excluding the \$250.0 million of debt maturing in 2007, at June 30, 2004.

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

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Item 4

Controls and Procedures

The principal executive officer and principal financial officer of the Company (collectively, the "certifying officers") have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) as of the end of the quarterly period covered by this report. The certifying officers concluded, based on their evaluation, that the Company's disclosure controls and procedures were effective as of the end of the quarterly period covered by this report. There has been no change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II

Other Information

Item 1 Legal Proceedings

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

Item 2 Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities

None

Item 3 Defaults Upon Senior Securities

None

Item 4 Submission of Matters to a Vote of Security Holders

The following matters were voted upon at the Annual Meeting held on May 28, 2004:

- A. The following three persons were elected as directors of the Company to serve until the annual meeting of stockholders in 2007 and until their respective successors are duly elected and qualify:

	<u>For</u>	<u>Authority Withheld</u>
Edward C. Coppola	32,923,372	20,883,124
Fred S. Hubbell	49,318,226	4,488,270
Dr. William P. Sexton	46,893,320	6,913,176

The following person was elected as director of the Company to serve until the annual meeting of stockholders in 2005 and until her successor is duly elected and qualifies:

	<u>For</u>	<u>Authority Withheld</u>
Diana M. Laing	46,960,072	6,846,424

- B. The ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent public accountants for the fiscal year ending December 31, 2004.

<u>Votes</u>	
For:	47,053,492
Against:	6,727,657
Abstain:	25,347

Item 5 Other Information

PART II
Other Information, Continued:

Item 6 Exhibits and Reports on Form 8-K

a. Exhibits

- 10.1 \$1,000,000,000 Amended and Restated Revolving Loan Facility Credit Agreement among The Macerich Partnership, L.P., The Macerich Company and Deutsche Bank Trust Company Americas, JP Morgan Chase Bank and various lenders dated as of July 30, 2004
- 10.2 Amended and Restated \$250,000,000 Term Loan Facility Credit Agreement by and among The Macerich Partnership, L.P., The Macerich Company and Deutsche Bank Trust Company Americas, JP Morgan Chase Bank and various lenders dated as of July 30, 2004
- 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 Certification of Arthur Coppola, Chief Executive Officer and Thomas O'Hern, Chief Financial Officer

b. Current Reports on Form 8-K

Current Report on Form 8-K event date May 7, 2004 (reporting announcement of results of operations for the Company for the quarter ended March 31, 2004) (Furnished).

Current Report on Form 8-K event date May 13, 2004 (reporting the Company's fees paid to its independent accountants) (Furnished).

Signatures

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

The Macerich Company

By: /s/ Thomas E. O'Hern

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

Date: August 6, 2004

Exhibit Index
Exhibit No.

(a) Exhibits

<u>Number</u>	<u>Description</u>
10.1	\$1,000,000,000 Amended and Restated Revolving Loan Facility Credit Agreement among The Macerich Partnership, L.P., The Macerich Company and Deutsche Bank Trust Company Americas, JP Morgan Chase Bank and various lenders dated as of July 30, 2004
10.2	Amended and Restated \$250,000,000 Term Loan Facility Credit Agreement by and among The Macerich Partnership, L.P., The Macerich Company and Deutsche Bank Trust Company Americas, JP Morgan Chase Bank and various lenders dated as of July 30, 2004
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 Certification of Arthur Coppola, Chief Executive Officer and Thomas O'Hern, Chief Financial Officer

\$1,000,000,000 AMENDED AND RESTATED REVOLVING LOAN FACILITY
CREDIT AGREEMENT

by and among

THE MACERICH PARTNERSHIP, L.P.,
as the Borrower

THE MACERICH COMPANY
as Guarantor

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

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

DEUTSCHE BANK SECURITIES INC.
and
J.P. MORGAN SECURITIES INC.,
as the Joint Lead Arrangers and Joint Bookrunning Managers

JPMORGAN CHASE BANK
as the Syndication Agent

COMMERZBANK AG, NEW YORK,
EUROHYPO AG, NEW YORK BRANCH
and
WELLS FARGO BANK, NATIONAL ASSOCIATION
as the Co-Documentation Agents

KEY BANK, NATIONAL ASSOCIATION
and
U.S. BANK NATIONAL ASSOCIATION
as the Senior Managing Agents

Dated as of July 30, 2004

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CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT (the "Agreement") is made and dated as of the 30th day of July, 2004, by and among THE MACERICH PARTNERSHIP, L.P., a limited partnership organized under the laws of the state of Delaware ("Macerich Partnership" as the "Borrower"); THE MACERICH COMPANY, a Maryland corporation ("MAC") AS GUARANTOR (the "Guarantor"); THE LENDERS FROM TIME TO TIME PARTY HERETO (collectively and severally, the "Lenders"); and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

RECITALS

- A. Pursuant to the Existing Credit Agreement (as that term and capitalized terms are defined in, or the location of the definitions thereof referenced in, the Glossary attached hereto as Annex I and by this reference incorporated herein), the Existing Lenders have made \$425,000,000 of revolving credit facilities available to the Borrower and certain subsidiaries and affiliates of the Borrower.
- B. The Borrower has requested that the Lenders continue the outstanding amount of such credit facilities as revolving credit facilities hereunder and make an additional amount of revolving credit facilities available to the Borrower in an aggregate amount of up to \$1,000,000,000 at any one time outstanding and DBTCA agrees to act as administrative agent for the benefit of the Lenders with respect to such credit extension.
- C. The Lenders party hereto and the Borrower have agreed to amend and restate such Existing Credit Agreement and DBTCA has agreed to act as administrative agent on behalf of the Lenders on the terms and subject to the conditions set forth herein and in the other Loan Documents.

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

AGREEMENT

ARTICLE 1. The Credits.

1.1. The Commitments. Subject to the terms and conditions set forth herein, each Lender severally agrees to make one or more Loans to the Borrower during the Availability Period in an aggregate principal amount that will not result in, after giving effect thereto, (a) such Lender's Revolving Credit Exposure exceeding such Lender's Commitment or (b) the sum of the total Revolving Credit Exposures exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and re-borrow Loans.

1.2. Loans and Borrowings.

(1) Obligations of Lenders. Each Loan shall be made as part of a Borrowing consisting of Loans of the same Type made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(2) Types of Loans. Subject to Section 2.4, each Borrowing shall be constituted entirely of Base Rate Loans or LIBO Rate Loans as the Borrower may request in accordance herewith.

(3) Minimum Amounts; Limitation on Number of Borrowings. At the commencement of each Interest Period for any LIBO Rate Borrowing, such Borrowing shall be in an aggregate amount of \$1,000,000 or a larger multiple of \$1,000,000. At the time that each Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount equal to \$1,000,000 or a larger multiple of \$1,000,000; provided that a Base Rate Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments or in an amount that is required to finance the

reimbursement of an LC Disbursement as contemplated by Section 1.4(6). Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be LIBO Rate Loans outstanding having more than twelve (12) different Interest Periods.

(4) Limitations on Lengths of Interest Periods. Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert to or continue as a LIBO Rate Borrowing, any Borrowing if the Interest Period requested therefore would end after the Commitment Termination Date.

1.3. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent in writing (which notice may be by facsimile) (a) in the case of a LIBO Rate Borrowing, not later than 1:00 p.m. (New York time), three Business Days before the date of the proposed Borrowing or (b) in the case of a Base Rate Borrowing, not later than 1:00 p.m. (New York time) one Business Day before the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable, shall be signed by a Responsible Officer and shall be in the form of Exhibit A hereto. Each such Borrowing Request shall specify the following information in compliance with Section 1.2:

- (i) the aggregate amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be a Base Rate Borrowing or a LIBO Rate Borrowing;
- (iv) in the case of a LIBO Rate Borrowing, the Interest Period therefor, which shall be a period contemplated by the definition of the term "Interest Period" as it relates to LIBO Rate Loans; and

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(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 1.5.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Base Rate Borrowing. If no Interest Period is specified with respect to any requested LIBO Rate Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

1.4. Letters of Credit.

(1) General. Subject to the terms and conditions set forth herein, in addition to the Loans provided for in Section 1.1, the Borrower may request the Issuing Lender to issue Letters of Credit for its own account or the account of any Macerich Entity in such form as is acceptable to the Issuing Lender in its reasonable determination at any time prior to the earlier of (i) the date that is thirty (30) days prior to the Commitment Termination Date and (ii) the date of termination of the Commitments. Letters of Credit issued hereunder shall constitute utilization of the Commitments. All Letters of Credit issued pursuant to this Agreement must be denominated in U.S. Dollars and must be standby letters of credit. The only drawings permitted on the Letters of Credit issued pursuant to this Agreement shall be sight drawings.

(2) Notice of Issuance, Amendment, Renewal or Extension. Whenever it requires that a Letter of Credit be issued, the Borrower shall give the Administrative Agent and the Issuing Lender written notice thereof at least three (3) Business Days (or such shorter period acceptable to the Issuing Lender) in advance of the proposed date of issuance (which shall be a Business Day), which notice shall be in the form of Exhibit B (each such notice being a "Letter of Credit Request"). Whenever the Borrower requires an amendment, renewal or extension of any outstanding Letter of Credit, the Borrower shall, on its letter head, give the Administrative Agent and the Issuing Lender written notice thereof at least three (3) Business Days (or such shorter period acceptable to the Issuing Lender) in advance of the proposed date of the amendment (which shall be a Business Day). Letter of Credit Requests and amendment requests may be delivered by facsimile. Promptly after the issuance or amendment (including a renewal or extension) of a Letter of Credit, the Issuing Lender shall notify the Borrower and the Administrative Agent, in writing, of such issuance or amendment and such notice will be accompanied by a copy of such issuance or amendment. Upon receipt of such notice, the Administrative Agent shall promptly notify each Lender of such issuance or amendment and if requested to do so by any Lender, the Administrative Agent shall provide such Lender with a copy of such issuance or amendment.

(3) Limitations on Amounts. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the aggregate LC Exposure of the Issuing Lender (determined for these purposes without giving effect to the participations therein of the Lenders pursuant to Section 1.4(5) below) shall not exceed \$75,000,000 and (ii) the sum

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of the total Revolving Credit Exposures shall not exceed the total Commitments. Each Letter of Credit shall be in an amount of \$200,000 or larger.

(4) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date twelve months after the date of the issuance of such Letter of Credit or, in the case of any renewal or extension thereof (which renewals or extensions, subject to clause (ii) hereof, may be automatic pursuant to the terms of such Letter of Credit), twelve months after the then-current expiration date of such Letter of Credit and (ii) the date that is thirty days prior to the Commitment Termination Date.

(5) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) by the Issuing Lender, and without any further action on the part of the Issuing Lender or the Lenders, the Issuing Lender hereby grants to each Lender, and each Lender hereby acquires from the Issuing Lender, an undivided interest and participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this section in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Potential Default or Event of

Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for account of the Issuing Lender, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Lender promptly upon the request of the Issuing Lender at any time from the time of such LC Disbursement until such LC Disbursement is reimbursed by the Borrower or at any time after any reimbursement payment is required to be refunded to the Borrower for any reason. Each such payment shall be made in the same manner as provided in Section 1.5 with respect to Loans made by such Lender (and Section 1.5 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Lender the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to the next following paragraph, the Administrative Agent shall distribute such payment to the Issuing Lender or, to the extent that the Lenders have made payments pursuant to this paragraph to reimburse the Issuing Lender, then to such Lenders and the Issuing Lender as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Lender for any LC Disbursement shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(6) Reimbursement. If the Issuing Lender shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse the Issuing Lender in respect of such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 1:00 p.m. (New York time) on (i) the Business Day that the Borrower receives notice of such LC Disbursement, if such notice is received prior to 11:00 a.m. (New York time) or (ii) the Business Day immediately following the day that the

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Borrower receives such notice, if such notice is not received prior to such time; provided that, anything contained in this Agreement to the contrary notwithstanding, (A) unless the Borrower shall have notified Administrative Agent and such Issuing Lender prior to 1:00 P.M. (New York City time) on the date on which the Borrower is obligated to reimburse such Issuing Lender in respect of such LC Disbursement (the "Reimbursement Date") that the Borrower intends to reimburse such Issuing Lender for the amount of such payment with funds other than the proceeds of a Base Rate Borrowing, the Borrower shall be deemed to have delivered an irrevocable Borrowing Request to Administrative Agent containing all of the representations set forth in Exhibit A requesting Lenders to make Base Rate Loans on the Business Day following the Reimbursement Date in an amount equal to the amount of the payment and (B) subject to satisfaction or written waiver of the conditions specified in Section 1.1 and 5.3 in accordance with the terms thereof, Lenders shall, on the Reimbursement Date, make Base Rate Loans in the amount of such payment, the proceeds of which shall be applied directly by Administrative Agent to reimburse such Issuing Lender for the amount of such payment; provided, further, that no Potential Default or Event of Default shall be deemed to exist by reason of a failure of the Borrower to reimburse such Issuing Lender pending the making of such Loans in accordance with the terms hereof, including the prior satisfaction or written waiver of the conditions specified in Section 1.1 and 5.3 in accordance with the terms thereof; and provided, further that, if for any reason proceeds of Loans are not received by such Issuing Lender on the Reimbursement Date in an amount equal to the amount of such payment, the Borrower shall immediately reimburse such Issuing Lender, on demand, in an amount in same day funds equal to the excess of the amount of such payment over the aggregate amount of such Loans, if any, which are so received. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof. The Issuing Lender shall promptly notify the Administrative Agent upon the making of each LC Disbursement.

(7) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in Section 1.4(6) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Lender under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, and (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of the Borrower's obligations hereunder.

Neither the Administrative Agent, the Lenders nor the Issuing Lender, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or amendment of any Letter of Credit by the Issuing Lender or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of

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technical terms or any consequence arising from causes beyond the control of the Issuing Lender; provided that the foregoing shall not be construed to excuse the Issuing Lender from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Lender's gross negligence or willful misconduct (as determined by a final and non-appealable judgment of a court of competent jurisdiction) when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that: (i) the Issuing Lender may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit; (ii) the Issuing Lender shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and (iii) this sentence shall establish the standard of care to be exercised by the Issuing Lender when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable law, any standard of care inconsistent with the foregoing).

(8) Disbursement Procedures. The Issuing Lender shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Lender shall promptly after such examination notify the Administrative Agent and the Borrower by telephone (confirmed by facsimile) of such demand for payment and whether the Issuing Lender has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Lender and the Lenders with respect to any such LC Disbursement.

(9) Interim Interest. If the Issuing Lender shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date Borrower receives notice that such LC Disbursement was made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Base Rate Loans; provided that, if the Borrower fails to reimburse such LC Disbursement within three (3) days when due pursuant to Section 1.4(6), then Section 9.1 shall apply. Interest accrued pursuant to this section shall be for account of the Issuing Lender, except that a pro rata portion of the interest accrued on and after the date of payment by any Lender pursuant to Section 1.4(5) of this Section to reimburse the Issuing Lender shall be for account of such Lender to the extent of such payment.

(10) Replacement of the Issuing Lender. The Issuing Lender may be replaced at any time by written agreement between the Borrower, the Administrative Agent, the replaced Issuing Lender and the successor Issuing Lender. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Lender. From and after the effective date of any such replacement, (i) the successor Issuing Lender shall have all the rights and obligations of the replaced Issuing Lender under this Agreement with respect to Letters of Credit

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to be issued thereafter and (ii) references herein to the term "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the replacement of an Issuing Lender hereunder, the replaced Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(11) Cash Collateralization.

(A) If an Event of Default shall occur and be continuing and the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing more than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall immediately deposit into an account (the "LC Collateral Account") established by the Administrative Agent an amount in cash equal to the LC Exposure with respect to the Borrower as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower or any Consolidated Entities described in Section 9.7. Such deposit shall be held by the Administrative Agent in the LC Collateral Account as collateral in the first instance for the LC Exposure with respect to the Borrower under this Agreement and thereafter for the payment of the other Obligations of the Borrower.

(B) The LC Collateral Account shall be maintained in the name of the Administrative Agent (on behalf of the Lenders) and under its sole dominion and control at such place as shall be designated by the Administrative Agent. Interest shall accrue on the LC Collateral Account at a rate equal to the Federal Funds Rate minus .15%.

(C) The Borrower hereby pledges, assigns and grants to the Administrative Agent, as administrative agent for its benefit and the ratable benefit of the Lenders a lien on and a security interest in, the following collateral (the "Letter of Credit Collateral"):

(i) the LC Collateral Account, all cash deposited therein and all certificates and instruments, if any, from time to time representing or evidencing the LC Collateral Account;

(ii) all notes, certificates of deposit and other cash-equivalent instruments from time to time hereafter delivered to or otherwise possessed by the Administrative Agent for or on behalf of the Borrower in substitution for or in respect of any or all of the then existing Letter of Credit Collateral;

(iii) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the then existing Letter of Credit Collateral; and

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(iv) to the extent not covered by the above clauses, all proceeds of any or all of the foregoing Letter of Credit Collateral.

The lien and security interest granted hereby secures the payment of all obligations of the Borrower now or hereafter existing hereunder and under any other Loan Document.

(D) Neither the Borrower nor any Person claiming or acting on behalf of or through the Borrower shall have any right to withdraw any of the funds held in the LC Collateral Account, except as provided in Section 1.4(11)(G).

(E) The Borrower agrees that it will not (i) sell or otherwise dispose of any interest in the Letter of Credit Collateral or (ii) create or permit to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Letter of Credit Collateral, except for the security interest created by this Section 1.4(11).

(F) At any time an Event of Default shall be continuing:

(i) The Administrative Agent may, in its sole discretion, without notice to the Borrower except as required by law and at any time from time to time, charge, set off or otherwise apply all or any part of the LC Collateral Account to first, the aggregate amount of LC Disbursements that have not been reimbursed by the Borrower and second, any other unpaid Obligations then due and payable, in such order as the Administrative Agent shall elect. The rights of the Administrative Agent under this Section 1.4(11) are in addition to any rights and remedies which any Lender may have.

(ii) The Administrative Agent may also exercise, in its sole discretion, in respect of the LC Collateral Account, in addition to the other rights and remedies provided herein or otherwise available to it, all the rights and remedies of a secured party upon default under the UCC in effect in the State of New York at that time.

(G) At such time as all Events of Default have been cured or waived in writing and there are no unreimbursed LC Disbursements outstanding, all amounts remaining in the Letter of Credit Collateral Account shall be promptly returned to the Borrower. Any surplus of the funds held in the Letter of Credit Collateral Account remaining after payment in full of all of the Obligations, the termination of the Commitments and the return of all outstanding Letters of Credit shall be paid to the Borrower or to whomsoever may be lawfully entitled to receive such surplus.

1.5. Funding of Borrowings.

(1) Funding by Lenders. Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Administrative Agent at the Contact Office, ABA 021-001-033 for the Administrative Agent's Account No. 99-401-268, Ref: Macerich Partnership, no later than 12:00 p.m. (New York time). The Administrative Agent will make such Loans available to the Borrower pursuant to the terms and conditions hereof by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent

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in New York City and designated by the Borrower in the applicable Borrowing Request; provided that Base Rate Borrowings made to finance the reimbursement of an LC Disbursement as provided in Section 1.4(6) shall be remitted by the Administrative Agent to the Issuing Lender.

(2) Presumption by the Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 1.5(1) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the Federal Funds Rate or (ii) in the case of the Borrower, the interest rate applicable to Base Rate Loans (it being intended that such interest payment shall be the only interest payment payable by the Borrower with respect to any amount repaid by the Borrower to the Administrative Agent in accordance with this paragraph, except that Section 2.12 shall apply if the Borrower fails to make such repayment within three (3) days after the date of such payment as required hereunder). If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

(3) Defaulting Lenders. Notwithstanding anything to the contrary contained in this Agreement, including Section 11.2, until a Defaulting Lender cures its failure to fund its Defaulted Advance: (A) with respect to any payments to be allocated among the Lenders, the Applicable Percentage of the Lenders shall be reallocated by deducting from Defaulting Lender's Commitment (and the aggregate Commitments) an amount equal to the Defaulted Advance; (B) all payments received by the Administrative Agent from the Borrower in respect of sums owed to any Defaulting Lender, shall be subordinated to the payment in full of all sums then due all other Lenders and Agent; (C) for purposes of voting or consenting to matters with respect to the Loan Documents and determining Applicable Percentages, such Defaulting Lender shall be deemed not to be a "Lender" and there shall be excluded from the determination of Required Lenders the Revolving Credit Exposure and the Unused Commitment of such Defaulting Lender at such time; (D) such Defaulting Lender shall not be entitled to any portion of the Unused Line Fee; (E) the Unused Line Fee shall accrue in favor of the Lenders which have funded their respective Applicable Percentages of such requested Borrowing (including, to the extent it has funded a Loan in respect of the Defaulting Lender as provided in Section 1.5(2) above, the Administrative Agent) and shall be allocated among such performing Lenders (or, as applicable, the Administrative Agent) ratably based upon their respective Commitments (including, as applicable, any Loan made by the Administrative Agent as provided in Section 1.5(2) above); and (F) any Defaulted Advance shall not be deducted from such Defaulting Lender's Commitment for purpose of determining the Applicable Percentage of the Lenders for purposes of determining the ratable indemnification obligations of the Lenders pursuant to Section 10.7. The terms of this Section shall not be construed to increase or

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otherwise affect the Commitment of any Lender, or relieve or excuse the performance by the Borrower of its duties and obligations hereunder.

(4) Removal of Defaulting Lender. At the Borrower's request, the Administrative Agent or an Eligible Assignee reasonably acceptable to the Administrative Agent shall have the right (but not the obligation) to purchase from any Defaulting Lender, and each Defaulting Lender shall, upon such request, sell and assign to the Administrative Agent or such Eligible Assignee, all of the Defaulting Lender's outstanding Commitments and Loans hereunder. Such sale shall be consummated promptly after the Administrative Agent has arranged for a purchase by the Administrative Agent or an Eligible Assignee pursuant to an Assignment and Acceptance, and at a price equal to the outstanding principal balance of the Defaulting Lender's Loans, plus accrued interest (to the extent not subordinated pursuant to Section 1.5(3) above), without premium or discount.

1.6. Interest Elections.

(1) Elections by the Borrower for Borrowings. Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a LIBO Rate Borrowing, shall have an initial Interest Period as specified in such Borrowing Request (which shall be a period contemplated by the definition of the term "Interest Period"). Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a LIBO Rate Borrowing, may elect Interest Periods therefor, all as provided in this Section; provided, however, any conversion or continuation of LIBO Rate Loans shall be subject to the provisions of Sections 1.2(3) and (4). The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing in accordance with such Lender's Applicable Percentage and the Loans comprising each such portion shall be considered a separate Borrowing.

(2) Notice of Elections. To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent in writing of such election (which notice may be by facsimile) by the time that a Borrowing Request would be required under Section 1.3 if the Borrower was requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Rate Request shall be irrevocable, shall be signed by a Responsible Officer and shall be in the form of Exhibit C hereto.

(3) Information in Interest Election Requests. Each Rate Request shall specify the following information in compliance with Section 1.2:

(i) the Borrowing to which such Rate Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) of this section shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Rate Request, which shall be a Business Day;

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(iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a LIBO Rate Borrowing; and

(iv) if the resulting Borrowing is a LIBO Rate Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Rate Request requests a LIBO Rate Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(4) Notice by the Administrative Agent to Lenders. Promptly following receipt of a Rate Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(5) Failure to Elect; Potential Default and Events of Default. If the Borrower fails to deliver a timely Rate Request with respect to a LIBO Rate Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Base Rate Borrowing. Notwithstanding any contrary provision hereof, if a Potential Default or an Event of Default has occurred and is continuing on the day occurring three Eurodollar Business Days prior to the date of, or on the date of, the requested funding, continuation or conversion, then, so long as a Potential Default or an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a LIBO Rate Borrowing and (ii) unless repaid, each LIBO Rate Borrowing shall be converted to a Base Rate Borrowing at the end of the Interest Period applicable thereto.

1.7. Termination; Reduction and Extension of the Commitments.

(1) Scheduled Termination. Unless previously terminated, or extended pursuant to Section 1.7(5) below, the Commitments shall terminate at 5:00 p.m., New York City time, on the Commitment Termination Date.

(2) Voluntary Termination or Reduction. The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is \$5,000,000 or a larger multiple of \$1,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 1.9, the total Revolving Credit Exposures would exceed the total Commitments.

(3) Notice of Voluntary Termination or Reduction. The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under Section 1.7(2) above at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which

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case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(4) Effect of Termination or Reduction. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

(5) Extension of Commitment Termination Date.

(A) Provided that no Potential Default or Event of Default shall have occurred and be continuing, the Borrower shall have the option, to be exercised by giving written notice to the Administrative Agent at least thirty (30) days (but no more than ninety (90) days) prior to the Original Commitment Termination Date, subject to the terms and conditions set forth in this Agreement, to extend the Original Commitment Termination Date by twelve (12) months to July 30, 2008 (the "Extended Commitment Termination Date"). The request by the Borrower for the extension of the Original Commitment Termination Date shall constitute a representation and warranty by the Borrower Parties that no Potential Default or Event of Default then exists and that all of the conditions set forth in Section 1.7(5)(B) below shall have been satisfied on the Original Commitment Termination Date.

(B) The obligations of the Administrative Agent and the Lenders to extend the Original Commitment Termination Date as provided in Section 1.7(5)(A) shall be subject to the prior satisfaction of each of the following conditions precedent as determined by the Administrative Agent in its good faith judgment: (A) on the Original Commitment Termination Date there shall exist no Potential Default or Event of Default; (B) the Borrower shall have paid to the Administrative Agent for the ratable benefit of the Lenders an extension fee (the "Extension Fee") equal to

one-quarter of one percent (0.25%) of the total Commitments then outstanding (which fee the Borrower hereby agrees shall be fully earned and nonrefundable under any circumstances when paid); (C) the representations and warranties made by the Borrower Parties in the Loan Documents shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the Original Commitment Termination Date (provided, however, that any factual matters disclosed in the Schedules referenced in Article 6 shall be subject to update in accordance with clause (D) below); (D) the Borrower Parties shall have delivered updates to the Administrative Agent of all the Schedules set forth in Article 6 hereof and such updated Schedules shall be acceptable to Administrative Agent in its reasonable judgment; (E) the Borrower shall have delivered to the Administrative Agent a Compliance Certificate demonstrating that MAC and the Borrower are in compliance with the covenants set forth in Article 8; (F) the Borrower shall have paid all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent and all reasonable fees and expenses paid to third party consultants (including reasonable attorneys' fees and expenses) by Administrative Agent in connection with such extension; and (G) the Guarantors shall have acknowledged and ratified that their obligations under the Guaranties remain in full force and effect, and continue to guaranty the Obligations under the Loan Documents, as extended.

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(C) The Administrative Agent shall notify each of the Lenders in the event that the Borrower requests that the Original Commitment Termination Date be extended as provided in this Section 1.7(5) and upon any such extension.

1.8. Manner of Payment of Loans; Evidence of Debt.

(1) Repayment. Subject to any earlier acceleration of the Loans following an Event of Default, the Borrower hereby unconditionally promises to pay to the Administrative Agent for account of the Lenders the outstanding principal amount of the Loans on the Commitment Termination Date.

(2) Manner of Payment. The Borrower shall notify the Administrative Agent in writing (which notice may be by facsimile) of any repayment or prepayment hereunder (i) in the case of repayment or prepayment of a LIBO Rate Borrowing with an Interest Period not expiring on the date of payment, not later than 1:00 p.m. (New York time) three Business Days before the date of repayment or prepayment, or (ii) in the case of repayment or prepayment of a LIBO Rate Borrowing with Interest Periods expiring on the date of repayment or prepayment or a Base Rate Borrowing, not later than 1:00 p.m. (New York time) one Business Day before the date of repayment or prepayment. Each such notice shall be irrevocable and shall specify the repayment or prepayment date and the principal amount of each Borrowing or portion thereof to be repaid or prepaid; provided that, if a notice of repayment or prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 1.7, then such notice of repayment or prepayment may be revoked if such notice of termination is revoked in accordance with Section 1.7. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each repayment or prepayment of a Borrowing shall be applied ratably to the Loans included in the repaid or prepaid Borrowing. Repayments and prepayments shall be accompanied by (A) accrued interest to the extent required by Section 1.10 and (B) any payments due pursuant to Section 2.9. If the Borrower fails to make a timely selection of the Borrowing or Borrowings to be repaid or prepaid, such payment shall be applied, first, to pay any outstanding Base Rate Borrowings and, second, to other Borrowings in the order of the remaining duration of their respective Interest Periods (the Borrowing with the shortest remaining Interest Period to be repaid first).

(3) Maintenance of Loan Accounts by Lenders. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(4) Maintenance of Loan Accounts by the Administrative Agent. The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

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(5) Effect of Entries. The entries made in the accounts maintained pursuant to Sections 1.8(3) and (4) above shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(6) Promissory Notes. Upon the request of a Lender, the Borrower shall promptly execute and deliver to such Lender a Note evidencing such Lender's Commitment.

1.9. Optional Prepayment of Loans. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to the requirements of this Section; provided, however, that voluntary prepayments (other than a prepayment in whole) shall be in the minimum amount of \$1,000,000 and integral multiples of \$100,000 in excess thereof.

1.10. Interest.

(1) Base Rate Loans. The Loans comprising each Base Rate Borrowing shall bear interest at a rate per annum equal to the Applicable Base Rate.

(2) LIBO Rate Loans. The Loans constituting each LIBO Rate Borrowing shall bear interest at a rate per annum equal to the Applicable LIBO Rate for the Interest Period for such Borrowing.

(3) Payment of Interest.

(A) The Borrower shall pay interest on Base Rate Borrowings monthly, in arrears, on the last Business Day of each calendar month, as set forth on an interest billing delivered by the Administrative Agent to the Borrower (which delivery may be by facsimile transmission)

no later than 1:00 p.m. (New York time) on a date at least one Business Day prior to the date such interest is due.

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

1.11. Presumptions of Payment. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such

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assumption, distribute to the Lenders or the Issuing Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the Issuing Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Federal Funds Rate.

ARTICLE 2. General Provisions Regarding Payments.

2.1. Payments by the Borrower. The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees or reimbursement of LC Disbursements, or under Section 2.7, 2.9 or 2.10, or otherwise) or under any other Loan Document (except to the extent otherwise provided therein) prior to 1:00 p.m. (New York time) (unless otherwise specified in this Agreement), on the date when due, in immediately available funds, without set-off or counterclaim; provided that if a new Loan is to be made by any Lender on a date the Borrower is to repay any principal of an outstanding Loan of such Lender, such Lender shall apply the proceeds of such new Loan to the payment of the principal to be repaid and only an amount equal to the difference between the principal to be borrowed and the principal to be repaid shall be made available by such Lender to the Administrative Agent as provided in Section 1.5 or paid by the Borrower to the Administrative Agent pursuant to this paragraph, as the case may be. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be wired to the Administrative Agent at the Contact Office, ABA 021-001-033 for the Administrative Agent's Account No. 99-401-268, Ref: Macerich Partnership, except as otherwise expressly provided in the relevant Loan Document, and except payments to be made directly to the Issuing Lender as expressly provided herein and except that payments pursuant to Sections 2.7, 2.9, 2.10 and 11.14 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder or under any other Loan Document (except to the extent otherwise provided therein) shall be made in Dollars.

2.2. Pro Rata Treatment. Except to the extent otherwise provided herein: (i) each Borrowing shall be made from the Lenders, each payment of the Unused Line Fee under Section 2.11 shall be made for account of the Lenders, and each termination or reduction of the amount of the Commitments under Section 1.7 shall be applied to the respective Commitments of the Lenders, pro rata according to the amounts of their respective Commitments; (ii) each Borrowing shall be allocated pro rata among the Lenders according to the amounts of their respective Commitments (in the case of the making of Loans) or their respective Loans (in the case of conversions and continuations of Loans); (iii) each payment or prepayment of principal of Loans by the Borrower shall be made for account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans held by them; and (iv) each payment of interest on Loans by the Borrower shall be made for account of the Lenders pro rata in

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accordance with the amounts of interest on such Loans then due and payable to the respective Lenders.

2.3. RESERVED

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

2.5. Illegality. Notwithstanding any other provisions herein, if any law, regulation, treaty or directive issued by any Governmental Authority or any change therein or in the interpretation or application thereof, shall make it unlawful for any Lender to maintain LIBO Rate Loans as contemplated by this Agreement: (1) the commitment of such Lender hereunder to continue LIBO Rate Loans or to convert Base Rate Loans to LIBO Rate Loans shall forthwith be cancelled, and (2) LIBO Rate Loans held by such Lender then outstanding, if any, shall be converted automatically to Base Rate Loans at the end of their respective Interest Periods or within such earlier period as may be required by law. In the event of a conversion of any LIBO Rate Loan prior to the end of its applicable Interest Period, the Borrower hereby agrees promptly to pay any Lender affected thereby, upon demand, the amounts

required pursuant to Section 2.9 below, it being agreed and understood that such conversion shall constitute a prepayment for all purposes of this Section 2.5. The provisions hereof shall survive the termination of this Agreement and payment of all other Obligations.

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

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2.7. Increased Costs.

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

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

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

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

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

(2) If a Lender or the Issuing Lender become entitled to claim any additional amounts pursuant to this Section 2.7, it shall promptly notify the Borrower of the event by reason of which it has become so entitled. A certificate as to any additional amounts so claimed payable containing the calculation thereof in reasonable detail submitted by a Lender or the Issuing Lender to the Borrower, accompanied by a certification that such Lender or Issuing Lender has required substantially all obligors under other commitments of this type made available by such Lender or Issuing Lender to similarly so compensate such Lender or Issuing Lender, shall constitute prima facie evidence thereof; provided that the Borrower shall not be

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required to compensate a Lender or the Issuing Lender pursuant to this Section 2.7 for any increased cost or reduction in respect of a period occurring more than six months prior to the date that such Lender or Issuing Lender notifies the Borrower of such Lender's intention to claim compensation therefor unless the circumstances giving rise to such increased cost or reduction became applicable retroactively, in which case no such time limitation shall apply so long as such Lender requests compensation within six months from the date such circumstances become applicable.

(3) Other than as set forth in this Section 2.7, the failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section 2.7 shall not constitute a waiver of such Lender's or Issuing Lender's right to demand such compensation. The provisions of this Section 2.7 shall survive the termination of this Agreement and payment of the Loans and all other Obligations.

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

(1) As promptly as reasonably practicable after the officer of such Lender responsible for administering such Lender's Commitment becomes aware of any event or condition that would entitle such Lender to receive payments under Section 2.7 above or Section 2.10 below or to cease maintaining LIBO Rate Loans under Section 2.5 above, such Lender will use reasonable efforts: (i) to maintain its Commitment and Revolving Credit Exposure through another lending office of such Lender or (ii) take such other measures as such Lender may deem reasonable, if as a result thereof the additional amounts which would otherwise be required to be paid to such Lender pursuant to Section 2.7 above or pursuant to Section 2.10 below would be materially reduced or eliminated or the conditions rendering such Lender incapable of maintaining LIBO Rate Loans under Section 2.5 above no longer would be applicable, and if, as determined by such Lender in its sole discretion, the maintaining of such LIBO Rate Loans through such other lending office or in accordance with such other measures, as the case may be, would not otherwise materially adversely affect such LIBO Rate Loans or the interests of such Lender.

(2) If the Borrower receives a notice pursuant to Section 2.7 above or pursuant to Section 2.10 below or a notice pursuant to Section 2.5 above stating that a Lender is unable to maintain LIBO Rate Loans (for reasons not generally applicable to the Required Lenders), so long as (i) no Potential Default or Event of Default shall have occurred and be continuing, (ii) the Borrower has obtained a commitment from another Lender or an Eligible Assignee to purchase at par such Lender's Commitment, its Revolving Loan Exposure at such time and accrued interest and fees and to assume all

obligations of the Lender to be replaced under the Loan Documents and (iii) such Lender to be replaced is unwilling to withdraw the notice delivered to the Borrower, upon thirty (30) days' prior written notice to such Lender and the Administrative Agent, the Borrower may require, at the Borrower's expense, the Lender giving such notice to assign, without recourse, all of its Commitment, Revolving Loan Exposure and accrued interest and fees to such other Lender or Eligible Assignee pursuant to the provisions of Section 11.8 below.

2.9. Funding Indemnification. In the event of (a) the payment of any principal of any LIBO Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any LIBO Rate Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable under Section 1.8(2) and is revoked in accordance herewith), or (d) the assignment of any LIBO Rate Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.8(2), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a LIBO Rate Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount determined by such Lender to be equal to the excess, if any, of (i) the amount of interest that such Lender would have accrued on the principal amount of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the Reserve Adjusted LIBO Rate for such Interest Period, over (ii) the amount of interest that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for dollar deposits from other banks in the eurodollar market at the commencement of such period. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

2.10. Taxes.

(1) Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.10) the Administrative Agent, Lender or Issuing Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

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

(3) The Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Lender, within ten (10) Business Days after written demand therefore, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.10) paid by the Administrative Agent, such Lender or such Issuing Lender, as the case may be, and any

penalties, interest (except to the extent such penalties and/or interest arise as a result of a Lender's or Issuing Lender's delay in dealing with any such Indemnified Tax) and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, the Issuing Lender or by the Administrative Agent on its own behalf or on behalf of a Lender or Issuing Lender, shall be conclusive absent manifest error.

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

(5) Each Foreign Lender shall deliver to the Borrower (with copies to the Administrative Agent) on or before the date hereof (or in the case of a Foreign Lender who became a Lender by way of an assignment, on or before the date of the assignment) or at least five (5) Business Days prior to the first date for any payment herewith to such Lender, and from time to time as required for renewal under applicable law, such certificates, documents or other evidence, as required by the Code or Treasury Regulations issued pursuant thereto, including, without limitation, Internal Revenue Service Form W-8BEN or W-ECI, as appropriate, and any other certificate or statement of exemption required by Section 871(h) or Section 881(c) of the Code or any subsequent version thereof, properly completed and duly executed by such Lender establishing that payments to such Lender hereunder are not subject to withholding under the Code ("Evidence of No Withholding"). Each Foreign Lender shall promptly notify the Borrower and the Administrative Agent of any change in its applicable lending office and upon written request of the Borrower or the Administrative Agent shall, prior to the immediately following due date of any payment by the Borrower hereunder or under any other Loan Document, deliver Evidence of No Withholding to the Borrower and the Administrative Agent. The Borrower shall be entitled to rely on such forms in their possession until receipt of any revised or successor form pursuant to this Section 2.10(5). If a Lender fails to provide Evidence of No Withholding as required pursuant to this Section 2.10(5), then (i) the Borrower (or the Administrative Agent) shall be entitled to deduct or withhold from payments to Administrative Agent or such Lender as a result of such failure, as required by law, and (ii) the Borrower shall not be required to make payments of additional amounts with respect to such withheld Taxes pursuant to Section 2.10(1) to the extent such withholding is required solely by reason of the failure of such Lender to provide the necessary Evidence of No Withholding.

2.11. Fees.

(1) Unused Line Fee. Until the Obligations have been paid in full and the Agreement terminated, the Borrower agrees to pay, on the first day of each month and on the Commitment Termination Date, to the Administrative Agent, for the ratable account of the Lenders, an unused line fee (the "Unused Line Fee") equal to the Applicable Unused Line Fee Percentage per annum on the average daily amount by which, during the immediately

preceding month or shorter period if calculated on the Commitment Termination Date, the aggregate amount of the Lenders' Commitments during such period exceeded the sum of (i) the average

daily outstanding amount of Loans and (ii) the undrawn face amount of all outstanding Letters of Credit. The unused line fee shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(2) Letter of Credit Fees and Costs.

(A) The Borrower agrees to pay to the Administrative Agent for distribution to each Non-Defaulting Lender (based on their respective Applicable Percentage) in U.S. Dollars, a fee in respect of each Letter of Credit issued for the account of any Macerich Entity (the "Letter of Credit Fee"), in each case for the period from and including the date of issuance of the respective Letter of Credit to and including the date of termination of such Letter of Credit, computed at a rate per annum equal to the applicable "LIBO Spread" as listed in the definition of Applicable LIBO Rate on the daily Stated Amount of such Letter of Credit. Accrued Letter of Credit Fees shall be due and payable on the first Business Day of each August, November, February and May commencing with November of 2004, and on the Commitment Termination Date or such earlier date upon which the Commitments are terminated.

(B) The Borrower agrees to pay the Issuing Lender, for its own account, in U.S. Dollars, a facing fee in respect of each Letter of Credit issued for the account of any Macerich Entity by such Issuing Lender (the "Facing Fee"), for the period from and including the date of issuance of such Letter of Credit to and including the date of the termination of such Letter of Credit, computed at a rate equal to one-eighth of one percent (.125%) per annum of the daily Stated Amount of such Letter of Credit; provided that in no event shall the annual Facing Fee with respect to any Letter of Credit be less than \$500. Accrued Facing Fees shall be due and payable in arrears on the first Business Day of each August, November, February and May commencing with November of 2004, and on the Commitment Termination Date or such earlier date upon which the Commitments are terminated.

(C) The Borrower shall pay, upon each payment under, issuance of, or amendment to, any Letter of Credit, such amount as shall at the time of such event be the administrative charge and the reasonable expenses which the applicable Issuing Lender is generally imposing for payment under, issuance of, or amendment to, Letters of Credit issued by it, not to exceed \$500 per issuance or amendment.

(3) Administrative Agent Fee. The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent in that certain Fee Letter dated as of the date hereof.

(4) Payment of Fees. All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (except the Facing Fee which shall be paid to the Issuing Lender) for distribution, in the case of the Unused Line Fee and the Letter of Credit Fee, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

2.12. Default Interest. During such time as there shall have occurred and be continuing an Event of Default, all Obligations outstanding, shall, at the election of the

Administrative Agent, bear interest at a per annum rate equal to two percent (2%) above the applicable rate of interest in effect during the applicable calculation period.

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

2.14. Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

2.15. Release of Borrowers under Existing Credit Agreement. Upon the effectiveness of this Agreement, each borrower under the Existing Credit Agreement, other than the Macerich Partnership, shall be unconditionally and absolutely released as a borrower thereunder, without further action by any Lender or any other Person. Notwithstanding the foregoing, the release of the borrowers thereunder is not intended to limit any obligation of the Affiliate Guarantors under this Agreement.

ARTICLE 3. [RESERVED].

ARTICLE 4. Credit Support.

4.1. Guaranties. As credit support for the Obligations, on or before the Closing Date (1) MAC shall execute and deliver to the Administrative Agent, for the benefit of the Lenders, the REIT Guaranty, and (2) the Affiliate Guarantors shall each execute and deliver to the Administrative Agent, for the benefit of the Lenders, an Affiliate Guaranty. Upon the acquisition of any Project after the Closing Date by any Borrower Party or Wholly-Owned Subsidiary thereof, in the event at the time of acquisition the principal Property comprising such Project is unencumbered by any Lien in respect of borrowed indebtedness (an "Unencumbered Property"), and there is no Financing or binding commitment for a Financing with respect to such Unencumbered Property within ninety (90) days of its acquisition, such Person (each a "Supplemental Guarantor"), if such Person is not already a Guarantor, shall: (a) execute and deliver to the Administrative Agent, for the benefit of the Lenders a Guaranty in the form of Exhibit D hereto pursuant to which such Supplemental Guarantor will unconditionally guarantee the Obligations from time to time owing to the Lenders, (b) execute and deliver, or cause to be executed and delivered, to the Administrative Agent such other documents or legal opinions required by the Administrative Agent confirming the authorization, execution and delivery and enforceability (subject to customary exceptions) of the Guaranty by such Supplemental Guarantor, and (c) deliver

copies of its Organizational Documents, certified by the Secretary or an Assistant Secretary of such Supplemental Guarantor (or if such Person is a limited partnership or limited liability company, an authorized representative of its general partner or manager) as of the date delivered as being accurate and complete. Upon the Disposition or Financing of any

Unencumbered Property by any Affiliate Guarantor or Supplemental Guarantor, the Administrative Agent shall release the guaranty executed by such Person pursuant to this Section 4.1.

ARTICLE 5. Conditions Precedent.

5.1. Conditions to Initial Funding of Loans. The obligations of the Lenders to make Loans and of the Issuing Lender to issue Letters of Credit hereunder shall not become effective until:

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

(A) This Agreement;

(B) To the extent requested by any Lender pursuant to Section 1.8(6) above, a Note payable to such Lender;

(C) The REIT Guaranty executed by MAC and the Affiliate Guaranties executed by each Affiliate Guarantor;

(D) The Fee Letter;

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

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

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

(H) Copies of the Certificate of Incorporation, Certificate of Formation, or Certificate of Limited Partnership of each of the Borrower Parties, certified by the Secretary of State of the state of formation of such Person as of a recent date (or, in lieu of the foregoing as to any Borrower Party, a certificate of the secretary, assistant secretary or

Responsible Officer of the Borrower to the effect that there have been no changes to such documents since such documents were delivered to the lenders under the Existing Credit Agreement);

(I) Copies of the Certificate of Incorporation, Certificate of Formation or Certificate of Limited Partnership of each of the Westcor Principal Entities, and the Persons identified in Schedule 5.1(1)(J) attached hereto, certified by the Secretary or an Assistant Secretary of such Person (or if such Person is a limited partnership or limited liability company, an authorized representative of its general partner or manager) as of the date of this Agreement as being accurate and complete (or, in lieu of the foregoing as to any Person, a certificate of the secretary, assistant secretary or Responsible Officer of the Borrower to the effect that there have been no changes to such documents since such documents were delivered to the lenders under the Existing Credit Agreement);

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

(K) From a Responsible Officer of the Borrower, a Closing Certificate dated as of the Closing Date;

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

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

(N) From a Responsible Financial Officer of the Borrower, a Compliance Certificate in form and substance satisfactory to the Administrative Agent and the Lenders, evidencing, the Borrower's compliance with the financial covenants set forth under Section 8.12 below at and as of March 31, 2004.

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

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

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

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(5) All acts and conditions (including, without limitation, the obtaining of any third party consents (including consent of the Existing Lenders) and necessary regulatory approvals and the making of any required filings, recordings or registrations) required to be done and performed and to have happened precedent to the execution, delivery and performance of the Loan Documents by each of the Borrower Parties.

(6) The repayment of all amounts outstanding under the Existing Term Loan.

(7) All consents and approvals necessary to modify the Existing 2003 Term Loan Credit Agreement shall have been obtained that shall reconcile the financial covenants contained therein with the Section 8.12 hereof.

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

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

5.2. Outside Closing Date. If all conditions precedent set forth in Section 5.1 above shall not have been met to the satisfaction of the Administrative Agent and the Lenders on or before August 15, 2004, then the agreement of the Lenders to fund their Applicable Percentage of the Commitments (and the agreement of the Issuing Lender to issue Letters of Credit) shall terminate and (i) this Agreement shall automatically be deemed of no further force or effect (except to the extent terms and provisions of this Agreement specifically provide that they shall survive termination hereof); and (ii) the Existing Credit Agreement shall remain in full force in effect.

5.3. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any New Borrowing (and with respect to subsection (2) below, any LIBO Rate Borrowing), and of the Issuing Lender to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(1) The representations and warranties of the Borrower set forth in this Agreement and in the other Loan Documents shall be true and correct in all material respects (subject to updates as approved by the Administrative Agent) on and as of the date of such New Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(2) At the time of and immediately after giving effect to a New Borrowing or any LIBO Rate Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Potential Default or Event of Default shall have occurred and be continuing; and

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(3) At the time of each New Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, a Responsible Officer shall certify that (i) no Potential Default or Event of Default shall have occurred and be continuing and (ii) after giving effect to such New Borrowing or issuance, amendment, renewal or extension of such Letter of Credit, as applicable, the Borrower Parties remain in compliance with the covenants set forth in Article 8 after giving effect to such New Borrowing or issuance, amendment, renewal or extension of such Letter of Credit, as applicable, including supporting documentation reasonably satisfactory to the Administrative Agent.

(4) Each New Borrowing and each issuance, amendment, renewal or extension of such Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in the preceding sentence.

ARTICLE 6. Representations and Warranties. As an inducement to the Administrative Agent, the Issuing Lender and each Lender to enter into this Agreement, each of the Borrower and MAC, collectively and severally, represent and warrant as follows to the Administrative Agent, the Issuing Lender and each Lender:

6.1. Financial Condition. Complete and accurate copies of the following financial statements and materials have been delivered to the Administrative Agent: (i) audited financial statements of MAC for 2002 and 2003 and (ii) unaudited financial statements of MAC for the calendar quarter ending March 31, 2004 (the materials described in clauses (i) and (ii) are referred to as the "Initial Financial Statements").

All financial statements included in the Initial Financial Statements were prepared in all material respects in conformity with GAAP, except as otherwise noted therein, and fairly present in all material respects the respective consolidated financial positions, and the consolidated results of operations and cash flows for each of the periods covered thereby of MAC and its consolidated Subsidiaries as at the respective dates thereof. None of the Borrower Parties or any of their Subsidiaries has any Contingent Obligation, contingent liability or liability for any taxes, long-term leases or commitments, not reflected in its audited financial statements delivered to the Administrative Agent on or prior to the Closing Date or otherwise disclosed to the Administrative Agent and the Lenders in writing, which will have or is reasonably likely to have a Material Adverse Effect.

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

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

6.4. Organization, Powers; Authorization; Enforceability.

(1) Macerich Partnership (A) is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware, (B) is duly

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

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

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

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

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

(6) Each of the Loan Documents to which each Borrower Party is a party has been duly executed and delivered on behalf of such Borrower Party and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (subject to

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bankruptcy, insolvency, reorganization, or other laws affecting creditors' rights generally and to principles of equity, regardless of whether considered in a proceeding in equity or at law), is in full force and effect and all the terms, provisions, agreements and conditions set forth therein and required to be performed or complied with by such Borrower Party on or before the Closing Date have been performed or complied with, and no Potential Default or Event of Default exists thereunder.

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

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

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

6.8. Investment Company Act. Neither the Borrower nor MAC, nor any Person controlling such entities is an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940 (as amended from time to time).

6.9. Subsidiary Entities. Schedule 6.9 (A) contains charts and diagrams reflecting the corporate structure of the Borrower Parties and their respective Subsidiary Entities indicating the nature of the corporate, partnership, limited liability company or other equity interest in each Person included in such chart or diagram; and (B) accurately sets forth (1) the correct legal name of such Person, the type of organization, and the jurisdiction of its incorporation or organization, and (2) each class of outstanding Capital Stock of such Persons along with the percentage thereof owned by the Borrower Parties and their Subsidiaries. None of such issued and outstanding Capital Stock or Securities is subject to any vesting, redemption, or repurchase agreement, and there are no warrants or options outstanding with respect to such Securities, except as noted on Schedule 6.9. The

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outstanding Capital Stock of each Subsidiary Entity shown on Schedule 6.9 as being owned by a Borrower Party or its Subsidiary is duly authorized, validly issued, fully paid and nonassessable. Except where failure may not have a Material Adverse Effect, each Subsidiary Entity of Borrower Parties: (A) is a corporation, limited liability company, or partnership, as indicated on Schedule 6.9, duly organized, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its organization, (B) is duly qualified to do business and, if applicable, is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing would limit its ability to use the courts of such jurisdiction to enforce Contractual Obligations to which it is a party, and (C) has all requisite power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted hereafter.

6.10. Federal Reserve Board Regulations. Neither the Borrower nor MAC is engaged or will engage, principally or as one of its important activities, in the business of extending credit for the purpose of “purchasing” or “carrying” any “Margin Stock” within the respective meanings of such terms under Regulations U, T and X. No part of the proceeds of the Loans will be used for “purchasing” or “carrying” “Margin Stock” as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of, the Regulations of the Board of Governors of the Federal Reserve System.

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

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

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

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

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

(5) None of the Borrower Parties or their respective Subsidiaries, nor any ERISA Affiliate has incurred, nor reasonably expects to incur, any liability under Title IV of

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ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA), which has resulted or could reasonably be expected to result in a Material Adverse Effect.

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

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

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

6.13. Securities Acts. None of the Borrower Parties or their respective Subsidiary Entities has issued any unregistered securities in violation of the registration requirements of Section 5 of the Securities Act of 1933, (as amended from time to time, the “Act”) or any other law, nor are they in violation of any rule, regulation or requirement under the Act, or the Securities Exchange Act of 1934, (as amended from time to time) other than violations which could not reasonably be expected to have a Material Adverse Effect. None of the Borrower Parties is required to qualify an indenture under the Trust

Indenture Act of 1939, (as amended from time to time) in connection with its execution and delivery of this Agreement or the incurrence of Indebtedness hereunder.

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

6.15. Hazardous Materials. The Borrower Parties and the Macerich Core Entities have caused Phase I and the other environmental assessments as set forth in Schedule 6.15 to be conducted or have taken other steps to investigate the past and present environmental condition and use of their regional Retail Properties (as used in this Section 6.15 and Section 7.9, the "Designated Environmental Properties"). Based on such investigation, except as otherwise disclosed in the reports listed on Schedule 6.15, to the best knowledge of the Borrower and

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MAC: (1) no Hazardous Materials have been discharged, disposed of, or otherwise released on, under, or from the Designated Environmental Properties so as to be reasonably expected to result in a violation of Hazardous Materials Laws and a material adverse effect to such Designated Environmental Property or the owner thereof; (2) the owners of the Designated Environmental Properties have obtained all material environmental, health and safety permits and licenses necessary for their respective operations, and all such permits are in good standing and the holder of each such permit is currently in compliance with all terms and conditions of such permits, except to the extent the failure to obtain such permits or comply therewith is not reasonably expected to result in a Material Adverse Effect or any material violation of Hazardous Materials Laws or in a material adverse effect to such Designated Environmental Property or the owner thereof; (3) none of the Designated Environmental Properties is listed or proposed for listing on the National Priorities List ("NPL") pursuant to CERCLA or on the Comprehensive Environmental Response Compensation Liability Information System List ("CERCLIS") or any similar applicable state list of sites requiring remedial action under any Hazardous Materials Laws; (4) none of the owners of the Designated Environmental Properties has sent or directly arranged for the transport of any hazardous waste to any site listed or proposed for listing on the NPL, CERCLIS or any similar state list; (5) there is not now on or in any Designated Environmental Property: (a) any landfill or surface impoundment; (b) any underground storage tanks; (c) any asbestos-containing material; or (d) any polychlorinated biphenyls (PCB), which in the case of any of clauses (a) through (d) could reasonably result in a violation of any Hazardous Materials Laws and a material adverse effect to such Designated Environmental Property or the owner thereof; (6) no environmental Lien has attached to any Designated Environmental Properties; and (7) no other event has occurred with respect to the presence of Hazardous Materials on or under any of the Properties of the Borrower Parties or the Macerich Core Entities, which would reasonably be expected to result in a Material Adverse Effect. Notwithstanding the foregoing, on the Closing Date all of the representations set forth above shall be true and correct with respect to all Properties of the Borrower Parties and the Macerich Core Entities (and not only the Designated Environmental Properties).

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

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

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

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

6.20. Full Disclosure. None of the representations or warranties made by the Borrower Parties in the Loan Documents as of the date such representations and warranties are made or deemed made contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading.

6.21. Indebtedness. Schedule 6.21 sets forth, as of March 31, 2004, all Indebtedness for borrowed money of each of the Borrower Parties and the Macerich Core Entities, and, except as set forth on such Schedule 6.21, there are no defaults in the payment of principal or interest on any such Indebtedness, and no payments thereunder have been deferred or extended beyond their stated maturity, and, as of the Closing Date, there has been no material change in the type or amount of such Indebtedness since March 31, 2004.

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

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

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

6.25. Solvency. On the Closing Date and after giving effect to each Borrowing and each issuance, amendment, renewal or extension of any Letter of Credit, each Borrower Party is and shall be Solvent.

ARTICLE 7. Affirmative Covenants. As an inducement to the Administrative Agent, the Issuing Lender and each Lender to enter into this Agreement, each of the Borrower and MAC, collectively and severally, hereby covenants and agrees with the Administrative Agent, the Issuing Lender and each Lender that, as long as any Obligations remain unpaid:

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7.1. Financial Statements. The Borrower Parties shall maintain, for themselves, and shall cause each of the Macerich Core Entities to maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of consolidated financial statements in conformity with GAAP. Each of the financial statements and reports described below shall be prepared from such system and records and in form reasonably satisfactory to the Administrative Agent, and shall be provided to Administrative Agent (and Administrative Agent shall provide a copy to each requesting Lender):

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

(2) As soon as practicable, and in any event within fifty (50) days after the close of each of the first three fiscal quarters of each fiscal year of MAC, for MAC and its Subsidiaries, unaudited balance sheets as at the close of each such period and the related combined statements of income and cash flow of MAC and its Subsidiaries for such quarter and the portion of the fiscal year ended at the end of such quarter, setting forth in each case in comparative form the consolidated or combined figures, as the case may be, for the corresponding periods of the prior fiscal year, all in reasonable detail and in conformity with GAAP (except as otherwise stated therein), together with a representation by a Responsible Financial Officer, as of the date of such financial statements, that such financial statements have been prepared in accordance with GAAP (provided, however, that such financial statements may not include all of the information and footnotes required by GAAP for complete financial information) and reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the financial information contained therein;

(3) Together with each delivery of any quarterly or annual report pursuant to paragraphs (1) through (2) of this Section 7.1, MAC shall deliver a Compliance Certificate signed by MAC's Responsible Financial Officer representing and certifying (1) that the Responsible Financial Officer signatory thereto has reviewed the terms of the Loan Documents, and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and consolidated financial condition of MAC and its Subsidiaries, during the fiscal quarter covered by such reports, that such review has not disclosed the existence during or at the end of such fiscal quarter, and that such officer does not have

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knowledge of the existence as at the date of such Compliance Certificate, of any condition or event which constitutes an Event of Default or Potential Default, or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Borrower Parties or their Subsidiaries have taken, are taking and propose to take with respect thereto, (2) the calculations (with such specificity as the Administrative Agent may reasonably request) for the period then ended which demonstrate compliance with the covenants and financial ratios set forth in Article 8, (3) a schedule of Total Liabilities in respect of borrowed money in the level of detail disclosed in MAC's Form 10-Q filings with the Securities and Exchange Commission, as well as such other information regarding such Indebtedness as may be reasonably requested by the Administrative Agent, and (4) a schedule of EBITDA.

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

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

(6) Notwithstanding the foregoing, it is understood and agreed that to the extent MAC files documents with the Securities and Exchange Commission and such documents contain the same information as required by subsections (1), (2), (3) (only with respect to subclause (3)), (4) and (5) above, the Borrower may deliver copies, which copies may be delivered electronically, of such forms with respect to the relevant time periods in lieu of the deliveries specified in such clauses.

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

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

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

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

7.3. Maintenance of Existence and Properties. The Borrower shall, and shall cause each of the Macerich Core Entities to, at all times:

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

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

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

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

(2) The institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration against or affecting the Borrower Parties or the Macerich Core Entities and not previously disclosed, which action, suit, proceeding, governmental investigation or arbitration (i) exposes, or in the case of multiple actions, suits, proceedings, governmental investigations or arbitrations arising out of the same general allegations or circumstances expose, such Persons, in the Borrower's reasonable judgment, to

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liability in an amount aggregating \$10,000,000 or more and is or are not covered by insurance, or (ii) seeks injunctive or other relief which, if obtained, may have a Material Adverse Effect providing such other information as may be reasonably available to enable Administrative Agent and its counsel to evaluate such matters. The Borrower, upon request of the Administrative Agent, shall promptly give written notice of the status of any action, suit, proceeding, governmental investigation or arbitration;

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

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

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

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

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

7.8. Insurance. The Borrower Parties shall, and shall cause each of the Macerich Core Entities, to maintain, to the extent commercially available, insurance with

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responsible and reputable insurance companies or associations in such amounts and covering such risks (including, without limitation, fire, extended coverage, vandalism, malicious mischief, flood, earthquake, public liability, product liability, business interruption and terrorism) as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower Parties or the Macerich Core Entities engage in business or own properties.

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

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

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

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

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

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7.10. Compliance with Laws and Contractual Obligations; Payment of Taxes. The Borrower Parties shall, and shall cause each of the Macerich Core Entities to: (1) comply, in all material respects, with all material Requirements of Law of any Governmental Authority having jurisdiction over it or its business, and (2) comply, in all material respects, with all material Contractual Obligations.

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

7.12. RESERVED.

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

7.14. Use of Proceeds. The proceeds of the Loans will be used (i) to re-finance the Existing Credit Facility, (ii) to be available for general corporate purposes, (iii) to repay amounts outstanding under the Existing Term Loan, and (iv) to finance working capital needs.

7.15. RESERVED.

7.16. RESERVED.

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

ARTICLE 8. Negative Covenants. As an inducement to the Administrative Agent, the Issuing Lender and each Lender to enter into this Agreement, each of the Borrower and MAC, jointly and severally, hereby covenants and agrees with the Administrative Agent, the Issuing Lender and each Lender that, as long as any Obligations remain unpaid:

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

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

No Liens on the Capital Stock held by MAC in the Borrower shall be created or suffered to exist. If any of the Borrower Parties or any of the Macerich Core Entities creates or suffers to exist any Lien upon the Capital Stock of any other Subsidiary Entity, as a condition to creating or permitting such Lien, Borrower shall: (i) cause the Obligations to be secured by a Lien that is equal and ratable with any and all other Indebtedness thereby secured, (ii) enter into valid and binding security agreements and execute and deliver such other documents (including UCC-1 financing statements) and instruments as the Administrative Agent deems appropriate in its sole good faith judgment to effect the rights set forth in subpart (i) above, and (iii) cause the holder of such Indebtedness secured by such Lien to enter into intercreditor arrangements with the Administrative Agent, for the benefit of the Lenders, in a form satisfactory to the Administrative Agent in its sole good faith judgment, to effect the rights set forth in subpart (i) above; provided that, notwithstanding the foregoing, this covenant shall not be construed as a consent by the Administrative Agent or any Lender to any creation or assumption of any such Lien not permitted by the provisions of Section 8.1(1) above.

8.2. Indebtedness. The Borrower Parties may only incur, and permit the Macerich Core Entities to incur Indebtedness to the extent such Borrower Parties maintain compliance with the financial covenants set forth in Sections 8.12 below. Without limiting the foregoing, the Borrower Parties shall not incur Secured Recourse Indebtedness in excess of 10% of Gross Asset Value at any time; provided, however that the Property at Queens Center shall be excluded from such calculation. The terms and conditions of any unsecured Indebtedness that is recourse to any Borrower Party may not be more restrictive in any material respect than the terms and conditions under this Agreement and the other Loan Documents.

8.3. Fundamental Change.

(1) None of MAC, the Borrower, or the Westcor Principal Entities shall do any or all of the following: merge or consolidate with any Person, or sell, assign, lease or otherwise effect a Disposition, whether in one transaction or in a series of transactions, of all or substantially all of its Properties and assets, whether now owned or hereafter acquired, or enter into any agreement to do any of the foregoing, unless, in the case of (i) a Westcor Principal Entity, a Macerich Core Entity is the surviving entity in any such merger, consolidation or sale of assets, and (ii) MAC or the Borrower, MAC or the Borrower is the surviving Person in any such merger or consolidation.

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

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

- (1) Any Disposition by MAC of any of the Capital Stock of Macerich Partnership or any of the Westcor Guarantors; provided that the forgoing shall not prohibit Macerich Partnership from issuing partnership units as consideration for the acquisition of a Project otherwise permitted under this Agreement;
- (2) Any Disposition by Macerich Partnership of any of the Capital Stock of any Westcor Guarantor;
- (3) Any Disposition by any Westcor Guarantor of any of the Capital Stock of any Westcor Principal Entity; or
- (4) Any Disposition by any Borrower Party or its Subsidiary Entities of any of its respective Properties if such Disposition would cause the Borrower Parties to be in violation of any of (a) the covenants set forth in Section 8.12 or (b) the limitations on Investments set forth in Section 8.5.

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

Permitted Investment

Wholly-Owned Raw Land

Limitations

No Wholly-Owned Raw Land shall be acquired if the Aggregate Investment Value of such Wholly-Owned Raw Land, together with

	all Wholly-Owned Raw Land then owned by the Borrower Parties and their Subsidiary Entities, exceeds 5% of the Gross Asset Value
Individual Projects	No individual Project or Capital Stock in a Person owning an individual Project shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Project exceeds 10% of the Gross Asset

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<u>Permitted Investment</u>	<u>Limitations</u>
	Value
Portfolio of Projects	Multiple Projects or Capital Stock in Persons owning multiple Projects shall not be acquired in a single transaction or series of related transactions without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Projects exceeds 25% of the Gross Asset Value
Capital Stock of Joint Ventures in which the Macerich Partnership, MAC or any Wholly-Owned Subsidiary is not a general partner or a managing member	No such Capital Stock shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Capital Stock and all other such Capital Stock then owned by the Borrower Parties and their Subsidiary Entities exceeds 5% of the Gross Asset Value
Capital Stock of Joint Ventures in which the Macerich Partnership, MAC or any Wholly-Owned Subsidiary is a general partner or a managing member	No such Capital Stock shall be acquired without the consent of the Administrative Agent and the Required Lenders if the Aggregate Investment Value of such Capital Stock and all other such Capital Stock then owned by the Borrower Parties and their Subsidiary Entities exceeds 50% of Gross Asset Value
Real Property Under Construction	The Aggregate Investment Value of all Real Property Under Construction shall not exceed 15% of the Gross Asset Value
MAC's redemption of partnership units in Macerich Partnership in accordance with its Organizational Documents	Unlimited
First lien priority Mortgage Loans acquired by Macerich Partnership, MAC	The Aggregate Investment Value of all such Mortgage Loans shall not

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<u>Permitted Investment</u>	<u>Limitations</u>
or any Wholly-Owned Subsidiary	exceed 10% of the Gross Asset Value
Capital Stock of Management Companies	The Aggregate Investment Value of such Capital Stock shall not exceed 5% of Gross Asset Value
Cash and Cash Equivalents	Unlimited
Other Investments (exclusive of the other permitted Investment categories set forth in this Section 8.5)	The Aggregate Investment Value of such other Investments shall not exceed 1% of Gross Asset Value

8.6. **Transactions with Partners and Affiliates.** The Borrower Parties shall not, and shall not permit any of the Macerich Core Entities to directly or indirectly enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with a holder or holders of more than five percent (5%) of any class of equity Securities of MAC, or with any Affiliate of MAC which is not its Subsidiary (a "Transactional Affiliate"), except as set forth on [Schedule 8.6](#) or except, as reasonably determined by the Administrative Agent, upon fair and reasonable terms no less favorable to the Borrower Parties than would be obtained in a comparable arm's-length transaction with a Person not a Transactional Affiliate; provided that any management agreement substantially in the form of the Master Management Agreements shall be deemed to satisfy the criteria set forth in this [Section 8.6](#).

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

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

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

8.10. Senior Management. The Macerich Partnership and MAC shall cause Art Coppola and either Ed Coppola or Thomas E. O'Hern to remain part of their senior management

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until the indefeasible payment in full of the Obligations. In the event of death, incapacitation, retirement, or dismissal of any of these individuals, Macerich Partnership and MAC shall have 180 calendar days thereafter in which to retain a senior management replacement reasonably acceptable to the Required Lenders.

8.11. Distributions. MAC and Macerich Partnership shall not make (i) Distributions in any Fiscal Year in excess of the sum of (x) 95% of FFO plus (y) any realized gain resulting from Dispositions in such Fiscal Year; (ii) Distributions to acquire the Capital Stock of MAC to the extent such Distributions, individually or in the aggregate, exceed \$150,000,000; (iii) Distributions during any period while an Event of Default under Section 9.1 has occurred and is continuing as a result of Borrower's failure to pay any principal or interest due under this Agreement; or (iv) Distributions during any period that any other material non-monetary Event of Default, has occurred and is continuing, unless after taking into account all available funds of MAC from all other sources, such Distributions are required in order to enable MAC to continue to qualify as a REIT.

8.12. Financial Covenants of Borrower Parties.

(1) **Minimum Tangible Net Worth.** As of the last day of any Fiscal Quarter, Tangible Net Worth shall not be less than the sum of (a) \$750,000,000, minus (b) 100% of the cumulative Depreciation and Amortization Expense deducted in determining Net Income for all Fiscal Quarters ending after June 30, 2004, plus (c) 90% of the cumulative net cash proceeds received from and the value of assets acquired (net of Indebtedness incurred or assumed in connection therewith) through the issuance of Capital Stock of MAC or the Borrower after the Closing Date. For purposes of clause (c), "net" means net of underwriters' discounts, commissions and other reasonable out-of-pocket expenses of issuance actually paid to any Person (other than a Borrower Party or any Affiliate of a Borrower Party).

(2) **Maximum Total Liabilities to Gross Asset Value.** The ratio of Total Liabilities to Gross Asset Value (expressed as a percentage) shall not at any time be more than 65.0%.

(3) **Minimum Interest Coverage Ratio.** As of the last day of any Fiscal Quarter, the Interest Coverage Ratio shall not be less than 1.80 to 1.

(4) **Minimum Fixed Charge Coverage Ratio.** As of the last day of any Fiscal Quarter, the Fixed Charge Coverage Ratio shall not be less than 1.50 to 1.

(5) **Secured Debt to Gross Asset Value.** At any time during the first twenty four Loan Months, the Secured Indebtedness Ratio (expressed as a percentage) shall not exceed 55%. At any time thereafter, the Secured Indebtedness Ratio (expressed as a percentage) shall not exceed 52.5%.

(6) [RESERVED]

(7) **Maximum Floating Rate Debt.** The Borrower Parties shall maintain Hedging Obligations on a notional amount of Total Liabilities in respect of borrowed Indebtedness so that such notional amount, when added to the aggregate principal amount of

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such Total Liabilities which bears interest at a fixed rate, equals or exceeds 65% of the aggregate principal amount of all Total Liabilities in respect of borrowed Indebtedness.

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

9.1. The Borrower shall fail to make any payment of principal or interest on the Loans or pay any reimbursement obligation in respect of any LC Disbursement on the date when due or shall fail to pay any other Obligation within three days of the date when due; or

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

9.3. Any of the Borrower Parties shall default in the observance or performance of any covenant or agreement contained in Section 1.4(11), Article 8 or Sections 7.3(1), 7.5(1), 7.13, and 7.14; or

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

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

9.6. Any of the Borrower Parties, or any of the Macerich Core Entities, shall default in any payment of principal of or interest on any non-recourse Indebtedness in an aggregate amount for all such Persons in excess of \$100,000,000, and, prior to the election of the Lenders to accelerate the

Obligations hereunder, such non-recourse Indebtedness is not paid or the payment thereof waived or cured in accordance with the terms of the documents, instruments and agreements evidencing the same; or

9.7. (1) Any of the Borrower Parties or any Consolidated Entities (other than a De Minimis Subsidiary), shall commence any case, proceeding or other action (i) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or making a general assignment for the benefit of its creditors; or (2) there shall be commenced against any of the Borrower Parties or any Consolidated Entities (other than a De Minimis Subsidiary) any case, proceeding or other action of a nature referred to in clause (1) above which (i) results in the entry of an order for relief or

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any such adjudication or appointment, or (ii) remains undismissed, undischarged or unbonded for a period of ninety (90) days; or (3) there shall be commenced against any of the Borrower Parties or any Consolidated Entities (other than a De Minimis Subsidiary) any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or substantially all of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, satisfied or bonded pending appeal within ninety (90) days from the entry thereof; or (4) any of the Borrower Parties or any Consolidated Entities (other than a De Minimis Subsidiary) shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in (other than in connection with a final settlement), any of the acts set forth in clause (1), (2) or (3) above; or (5) any of the Borrower Parties or any Consolidated Entities (other than a De Minimis Subsidiary) shall generally not, or shall be unable to, or shall admit in writing its inability to pay its debts as they become due; or

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

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

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

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

9.12. The Capital Stock of MAC is no longer listed on the NYSE or Nasdaq National Market System; or

9.13. There shall occur an Event of Default under the Existing 2003 Term Loan; or

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

9.15. There shall occur a Change of Control;

THEN,

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

ARTICLE 10. The Agents.

10.1. Appointment. Each of the Lenders and the Issuing Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender and the Issuing Lender under the Loan Documents and each of the Lenders and the Issuing Lender hereby irrevocably authorizes the Administrative Agent, as the agent for such Lender and the Issuing Lender, to take such action on its behalf under the provisions of the Loan Documents and to exercise such powers and perform such duties as are expressly delegated to each such Agent by the terms of the Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in the Loan Documents, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or therein, or any fiduciary relationship with any Lender or the Issuing Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Loan Documents or otherwise exist against any Agent.

10.2. Delegation of Duties. The Administrative Agent may execute any of its duties under the Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

10.3. Exculpatory Provisions. None of the Administrative Agent, the other Agents, nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (1) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Loan Documents (except for its or such Person's own gross negligence or willful misconduct), or (2) responsible in any manner to any of the Lenders or the Issuing Lender for any recitals, statements, representations or warranties made by the Borrower Parties or any officer thereof contained in the Loan Documents or in any certificate,

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report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with the Loan Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of the Loan Documents or for any failure of the Borrower Parties to perform their obligations hereunder. The Administrative Agent and all other Agents shall not be under any obligation to any Lender or the Issuing Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, the Loan Documents or to inspect the properties, books or records of the Borrower Parties.

10.4. Reliance by the Agents. Each of the Agents shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certification, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by such Agent. As to the Lenders and the Issuing Lender: (1) the Administrative Agent shall be fully justified in failing or refusing to take any action under the Loan Documents unless it shall first receive such advice or concurrence of one hundred percent (100%) of the Lenders and the Issuing Lender (or, if a provision of this Agreement expressly provides that a lesser number of the Lenders may direct the action of the Administrative Agent, such lesser number of Lenders) or it shall first be indemnified to its satisfaction by the Lenders and the Issuing Lender ratably in accordance with their respective Applicable Percentage against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any action (except for liabilities and expenses resulting from the Administrative Agent's gross negligence or willful misconduct), and (2) the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance with a request of one hundred percent (100%) of the Lenders and the Issuing Lender (or, if a provision of this Agreement expressly provides that the Administrative Agent shall be required to act or refrain from acting at the request of a lesser number of the Lenders, such lesser number of Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders, and the Issuing Lender.

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

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other group of Lenders, in which case such action will be taken or not taken as directed by the Required Lenders or such other group of Lenders).

10.6. Non-Reliance on Agents and Other Lenders. Each of the Lenders and the Issuing Lender expressly acknowledges that none of the Administrative Agent, the other Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the other Agents hereinafter taken, including any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Administrative Agent or the other Agents to any Lender or the Issuing Lender. Each of the Lenders and the Issuing Lender represents to the Administrative Agent and the other Agents that it has, independently and without reliance upon the Administrative Agent, the other Agents or any other Lender or the Issuing Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower Parties and made its own decision to make its loans hereunder and enter into this Agreement. Each Lender and the Issuing Lender also represents that it will, independently and without reliance upon the Administrative Agent, the other Agents or any other Lender or the Issuing Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders and the Issuing Lender by the Administrative Agent hereunder, the Administrative Agent, the other Agents shall not have any duty or responsibility to provide any Lender or the Issuing Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower or other Borrower Parties which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

10.7. Indemnification. The Lenders and the Issuing Lender agree to indemnify the Administrative Agent and the other Agents in their respective capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to its Applicable Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including without limitation at any time following the payment of the Obligations) be imposed on, incurred by or asserted against the Administrative Agent or the other Agents in any way relating to or arising out of the Loan Documents or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Administrative Agent or the other Agents under or in connection with any of the foregoing; provided that no Lender, nor the Issuing Lender, shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative

10.8. Agents in Their Individual Capacity. The Administrative Agent, the other Agents and their affiliates may make loans to, accept deposits from and generally engage in any kind of business with any of the Borrower Parties or any of their respective Subsidiaries Entities and Affiliates as though the Administrative Agent and the other Agents were not, respectively, the Administrative Agent, a Syndication Agent or an Agent hereunder. With respect to such loans made or renewed by them and any Note issued to them, the Administrative Agent and the other Agents shall have the same rights and powers under the Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, a Syndication Agent or an Agent, respectively, and the terms "Lender" and "Lenders" shall include the Administrative Agent, each Syndication Agent and each other Agent in its individual capacity.

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

10.10. [RESERVED].

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

ARTICLE 11. Miscellaneous Provisions.

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

11.2. Modification. Neither this Agreement nor any other Loan Document may be Modified or waived unless such Modification or waiver is in writing and signed by the Administrative Agent, the Guarantor, the Borrower and, except with respect to the Modifications and waivers described in the next sentence requiring unanimous approval of the Lenders, the Required Lenders. Notwithstanding the foregoing, no such Modification or waiver shall, without the prior written consent of one hundred percent (100%) of the Lenders and the Issuing Lender: (1) reduce the principal of, or rate of interest on, any Loan or any LC Disbursement or fees payable hereunder, (2) except as expressly contemplated by this Section 11.2 and Section 11.8 below, modify the Commitment of any Lender or the Issuing Lender, (3) Modify the definition of "Required Lenders", (4) extend or waive any scheduled payment date for any principal, interest or fees, (5) release MAC from its obligations under the REIT Guaranty, or release the Macerich Partnership from its obligation to repay the Loans and LC Disbursements hereunder, (6) Modify this Section 11.2, or (7) Modify any provision of the Loan Documents which by its terms requires the consent or approval of one hundred percent (100%) of the Lenders and the Issuing Lender. Further, it is expressly agreed and understood that the failure by the Required Lenders to elect to accelerate amounts outstanding hereunder and/or to terminate the Commitments of the Lenders and the Issuing Lender hereunder shall not constitute a Modification or waiver of any term or provision of this Agreement. No Modification of any provision of the Loan Documents relating to the Administrative Agent shall be effective without the written consent of the Administrative Agent.

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

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

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

11.6. Notices. All notices given by any party to the others under this Agreement and the other Loan Documents shall be in writing unless otherwise provided for herein, and any such notice shall become effective (i) upon personal delivery thereof, including, but not limited to, delivery by overnight mail and courier service, (ii) four (4) days after it shall have been mailed by United States mail, first class, certified or registered, with postage prepaid, or (iii) in

the case of notice by a telecommunications device, when properly transmitted, in each case addressed to the party at the address set forth on Schedule 11.6 attached hereto. Any party may change the address to which notices are to be sent by notice of such change to each other party given as provided herein. Such notices shall be effective on the date received or, if mailed, on the third Business Day following the date mailed.

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

11.8. Assignments, Participations, Etc.

(1) With the prior written consent of the Administrative Agent and, but only if there has not occurred and is continuing an Event of Default or Potential Default, MAC, in each case such consents not to be unreasonably withheld or delayed, any Lender may at any time assign and delegate to one or more Eligible Assignees (provided that no written consent of MAC or the Administrative Agent shall be required in connection with any assignment and delegation by a Lender to an Affiliate of such Lender or to another Lender or its Affiliate) (each an “Assignee”) all or any part of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) and the other Obligations held by such Lender hereunder, in a minimum amount of \$5 million (or (A) if such Assignee is another Lender or an Affiliate of a Lender, \$1 million; and (B) if such Lender’s Commitment is less than \$5 million, one hundred percent (100%) thereof); provided, however, that MAC, the Borrower, the Issuing Lender and the Administrative Agent may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrower, the Issuing Lender and the Administrative Agent by such Lender and the Assignee; (ii) such Lender and its Assignee shall have delivered to the Borrower and the Administrative Agent an Assignment and Acceptance Agreement and (iii) the Assignee has paid to the Administrative Agent a processing fee in the amount of \$3,500.

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

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

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

(4) Notwithstanding any other provision contained in this Agreement or any other Loan Document to the contrary, any Lender may assign all or any portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitments and the Loans owing to it) to any Federal Reserve Lender or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Lender, provided that any payment in respect of such assigned interests made by the Borrower to or for the account of the assigning and/or pledging Lender in accordance with the terms of this Agreement shall satisfy the Borrower’s obligations hereunder in respect to such assigned interests to the extent of such payment. No such assignment shall release the assigning Lender from its obligations hereunder.

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

11.10. Sharing of Payments. If any Lender or the Issuing Lender shall receive and retain any payment, whether by setoff, application of deposit balance or security, or otherwise, in respect of the Obligations in excess of such Lender’s or the Issuing Lender’s Applicable Percentage, then such Lender or Issuing Lender shall purchase from the other Lenders for cash and at face value and without recourse, such participation in the Obligations held by them as shall be necessary to cause such excess payment to be shared ratably as

aforesaid with each of them; provided, that if such excess payment or part thereof is thereafter recovered from such purchasing Lender or Issuing Lender, the related purchases from the other Lenders shall be rescinded ratably and the purchase price restored as to the portion of such excess payment so recovered, but without interest. Each Lender and the Issuing Lender are hereby authorized by the Borrower Parties to exercise any and all rights of setoff, counterclaim or bankers' lien against the full amount of the Obligations, whether or not held by such Lender or the Issuing Lender. Each of the Lenders and the Issuing Lender hereby agree to exercise any such rights first against the Obligations and only then to any other Indebtedness of the Borrower to such Lender or Issuing Lender.

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

11.12. Consent to Jurisdiction. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS CREDIT AGREEMENT, EACH OF THE BORROWER, MAC, THE ADMINISTRATIVE AGENT, THE ISSUING LENDER AND THE LENDERS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE BORROWER, MAC, THE ADMINISTRATIVE AGENT, THE ISSUING LENDER AND THE LENDERS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE BORROWER, MAC, THE ADMINISTRATIVE AGENT, THE ISSUING LENDER AND THE LENDERS

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EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

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

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

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11.15. Telephonic Instruction. Any agreement of the Administrative Agent, the Issuing Lender and the Lenders herein to receive certain notices by telephone is solely for the convenience and at the request of the Borrower. The Administrative Agent, the Issuing Lender and the Lenders shall be entitled to rely on the authority of any Person purporting to be a Person authorized by the Borrower to give such notice and the Administrative Agent, the Issuing Lender and the Lenders shall not have any liability to the Borrower or other Person on account of any action taken or not taken by the Administrative Agent, the Issuing Lender or the Lenders in reliance upon such telephonic notice. The obligation of the Borrower to repay the Loans and the LC

Disbursements shall not be affected in any way or to any extent by any failure by the Administrative Agent, the Issuing Lender and the Lenders to receive written confirmation of any telephonic notice or the receipt by the Administrative Agent, the Issuing Lender and the Lenders of a confirmation which is at variance with the terms understood by the Administrative Agent, the Issuing Lender and the Lenders to be contained in the telephonic notice.

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

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

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

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

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

[Signature Pages Follow]

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

BORROWER:

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

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

By: _____

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

GUARANTOR:

THE MACERICH COMPANY,
a Maryland corporation

By: _____

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

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LENDERS AND AGENTS:

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

By: _____
Name: _____
Title: _____

S-2

JP MORGAN CHASE BANK

By: _____
Name: _____
Title: _____

S-3

EUROHYPO AG, NEW YORK BRANCH

By: _____
Name: _____
Title: _____

S-4

ING REAL ESTATE FINANCE (USA) LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

S-5

BANK OF AMERICA, N.A.,

By: _____
Name: _____
Title: _____

S-6

COMMERZBANK AG, NEW YORK and
GRAND CAYMAN BRANCHES

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

S-7

BARCLAYS BANK PLC

By: _____
Name: _____

Title: _____

S-8

KEY BANK, NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

S-9

U.S. BANK NATIONAL ASSOCIATION,
a national banking association

By: _____

Name: _____

Title: _____

S-10

PNC BANK, NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

S-11

HYPO REAL ESTATE CAPITAL CORPORATION

By: _____

Name: _____

Title: _____

S-12

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

S-13

COMERICA BANK

By: _____

Name: _____

Title: _____

S-14

DEKABANK DEUTSCHE GIROZENTRALE

By: _____

Name: _____

Title: _____

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CALIFORNIA BANK & TRUST, a California banking
corporation

By: _____
Name: _____
Title: _____

S-16

CALYON

By: _____
Name: _____
Title: _____

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BANK OF THE WEST

By: _____
Name: _____
Title: _____

S-18

CREDIT SUISSE FIRST BOSTON

By: _____
Name: _____
Title: _____

S-19

SOCIETE GENERALE

By: _____
Name: _____
Title: _____

S-20

ERSTE BANK

By: _____
Name: _____
Title: _____

S-21

UNION BANK OF CALIFORNIA

By: _____
Name: _____
Title: _____

S-22

ALLIED IRISH BANK

By: _____

Name: _____
Title: _____

S-23

SOVEREIGN BANK

By: _____
Name: _____
Title: _____

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Revolver Facility

ANNEX I: GLOSSARY

ANNEX I: GLOSSARY

THIS GLOSSARY is attached to and made a part of that certain Amended and Restated Credit Agreement (the "Agreement" or "Credit Agreement") dated as of July 30, 2004 by and among THE MACERICH PARTNERSHIP, L.P., a limited partnership organized under the laws of the state of Delaware ("Macerich Partnership"); THE MACERICH COMPANY, a Maryland corporation ("MAC") AS GUARANTOR (the "Guarantor"); THE LENDERS FROM TIME TO TIME PARTY HERETO (collectively and severally, the "Lenders"); and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "Administrative Agent"). For purposes of the Credit Agreement and the other Loan Documents, the terms set forth below shall have the following meanings:

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

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

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

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

"Affiliate Guarantors" shall mean, jointly and severally, the Westcor Guarantors, Macerich Great Falls Limited Partnership, a California limited partnership, and its successors, Macerich Oklahoma Limited Partnership, a California limited partnership, and its successors, Macerich Westside Adjacent Limited Partnership, a California limited partnership, and its successors, Macerich Sassafras Limited Partnership, a California limited partnership, and its successors, Northgate Mall Associates, a California general partnership, and any other guarantors executing Supplemental Guaranties in accordance with Section 4.1 of the Credit Agreement.

"Agents" shall mean the Administrative Agent, the Joint Lead Arrangers, the Syndication Agent, the Joint Bookrunning Managers, the Co-Documentation Agents,

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the Senior Managing Agents, and any other Persons acting in the capacity of an agent for the Lenders under the Credit Agreement, together with their permitted successors and assigns.

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

"Applicable Base Rate" shall mean, with respect to any Base Rate Loan for the Interest Period applicable to such Base Rate Loan, the floating rate per annum equal to the daily average Base Rate in effect during the applicable calculation period plus the percentage (per annum) set forth below which corresponds to the applicable ratio of Total Liabilities to Gross Asset Value (expressed as a percentage) as measured at the end of each Fiscal Quarter:

<u>Ratio of Total Liabilities to Gross Asset Value</u>	<u>Base Rate Spread</u>
Less than 50%	.15%
Greater than or equal to 50% but less than 55%	.35%

Greater than or equal to 55% but less than 60% .50%

Greater than or equal to 60% .70%

Notwithstanding the foregoing, if the Compliance Certificate is not delivered pursuant to the Credit Agreement for purposes of calculating the ratio of Total Liabilities to Gross Asset Value (or if such calculation cannot be made for any other reason), then the “Base Spread” above shall be .70%. Any change in the Applicable Base Rate resulting from a change in the ratio of Total Liabilities to Gross Asset Value shall not take effect until the fifth Business Day after the Compliance Certificate with respect to a Fiscal Quarter is (or is required to be) delivered.

“Applicable LIBO Rate” shall mean, with respect to any LIBO Rate Loan for the Interest Period applicable to such LIBO Rate Loan, the per annum rate equal to the Reserve Adjusted LIBO Rate plus the percentage (per annum) set forth below which

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corresponds to the applicable ratio of Total Liabilities to Gross Asset Value (expressed as a percentage) as measured at the end of each Fiscal Quarter:

<u>Ratio of Total Liabilities to Gross Asset Value</u>	<u>LIBO Spread</u>
Less than 50%	1.15%
Greater than or equal to 50% but less than 55%	1.35%
Greater than or equal to 55% but less than 60%	1.50%
Greater than or equal to 60%	1.70%

Notwithstanding the foregoing, if the Compliance Certificate is not delivered pursuant to the Credit Agreement for purposes of calculating the ratio of Total Liabilities to Gross Asset Value (or if such calculation cannot be made for any other reason), then the “LIBO Spread” above shall be 1.70%. Any change in the Applicable LIBO Rate resulting from a change in the ratio of Total Liabilities to Gross Asset Value shall not take effect until the fifth Business Day after the Compliance Certificate with respect to a Fiscal Quarter is (or is required to be) delivered.

“Applicable Percentage” shall mean, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments in accordance with Section 11.8.

“Applicable Unused Line Fee Percentage” means, for any day, with respect to the unused line fee payable under Section 2.11 of the Credit Agreement, the applicable rate per annum set forth below under the caption “Unused Line Fee Rate” based upon the average daily Usage Percentage during the immediately preceding month or shorter period if calculated on the Commitment Termination Date:

<u>Usage Percentage</u>	<u>Unused Line Fee Rate</u>
Less than 33%	0.35%
Greater than or equal to 33% but less than or equal to 66%	0.25%
Greater than 66% but less than and not including 100%	0.15%

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“Assignee” shall have the meaning given such term in Section 11.8 of the Credit Agreement.

“Assignment and Acceptance Agreement” shall mean an agreement in the form of that attached to the Credit Agreement as Exhibit E.

“Availability Period” shall mean the period from and including the Closing Date to but excluding the earlier of the Commitment Termination Date and the date of termination of the Commitments.

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

“Base Rate Borrowing”, when used in reference to any Borrowing, refers to whether the Loans comprising such Borrowing are bearing interest at a rate determined by reference to the Applicable Base Rate.

“Base Rate Loan”, when used in reference to any Loan, refers to whether the Loans comprising such Borrowing are bearing interest at a rate determined by reference to the Applicable Base Rate.

“Board of Directors” shall mean, with respect to any person, (i) in the case of any corporation, the board of directors of such person, (ii) in the case of any limited liability company, the board of managers of such person, (iii) in the case of any partnership, the Board of Directors of the general partner of such person and (iv) in any other case, the functional equivalent of the foregoing.

“Book Value” shall mean the book value of such asset or property, without regard to any related Indebtedness.

“Borrower Parties” shall mean, jointly and severally, each of the Borrower and the Guarantors.

“Borrower” shall mean the Macerich Partnership.

“Borrowing” shall mean (a) all Base Rate Loans made, converted or continued on the same date, or (b) all LIBO Rate Loans of the same Interest Period. For purposes hereof, the date of a Borrowing comprising one or more Loans that have been converted or continued shall be the effective date of the most recent conversion or continuation of such Loan or Loans.

“Borrowing Request” shall mean a request by the Borrower for a Borrowing in accordance with Section 1.3 of the Credit Agreement.

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

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

“Business Day” shall mean any day other than a Saturday, a Sunday or a day on which banks in Los Angeles, California or New York, New York are authorized or obligated to close their regular banking business; provided that the term “Business Day” as used with respect to the Letter of Credit provisions of the Credit Agreement (including, without limitation, Section 1.4 of the Credit Agreement) shall be defined as otherwise set forth above but shall not include the reference to “Los Angeles, California”; provided, further, when the term “Business Day” is used in connection with a LIBO Rate Loan or LIBO Rate Borrowing (including the definition of “Interest Period” as it relates to LIBO Rate Loans), the term “Business Day” shall also exclude any day on which commercial banks in London, England and Frankfurt, Germany are not open for domestic and international business.

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

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

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

“Capital Stock” means (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether

or not voting) of corporate stock, including, without limitation, each class or series of common stock and preferred stock of such Person and (ii) with respect to any Person that is not a corporation, any and all investment units, partnership, membership or other equity interests of such Person.

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

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

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

“Closing Certificate” shall mean a certificate in the form of that attached to the Credit Agreement as Exhibit F.

“Closing Date” shall mean the date as of which all conditions set forth in Section 5.1 of the Credit Agreement shall have been satisfied or waived and the initial Loan(s) shall have been funded.

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

“Co-Documentation Agents” shall mean Commerzbank AG, New York, Eurohypo AG and Wells Fargo Bank, National Association in their respective capacities as co-documentation agents for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

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

“Commitment” shall mean, with respect to each Lender, the commitment, if any, of such Lender to make Loans and to acquire participations in Letters of Credit, expressed as an amount representing the maximum aggregate amount that such Lender’s Revolving Credit Exposure could be at any time hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 1.7 of the Credit Agreement or (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.8 of the Credit Agreement. The initial amount of each Lender’s Commitment is set forth on Schedule G-1, or in the Assignment and Acceptance Agreement pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders’ Commitments is \$1,000,000,000.

“Commitment Termination Date” shall mean initially the Original Commitment Termination Date; provided that the “Commitment Termination Date” shall mean the Extended Commitment Termination Date if the Borrower extends the Original Commitment Termination Date in accordance with the terms and conditions of Section 1.7(5) of the Credit Agreement. The Commitment Termination Date shall be subject to acceleration upon an Event of Default as otherwise provided in the Credit Agreement.

“Compliance Certificate” shall mean a certificate in the form of that attached to the Credit Agreement as Exhibit G.

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

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

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

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

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

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

“DBTCA” shall mean Deutsche Bank Trust Company Americas.

“Defaulted Advance” means, with respect to any Lender at any time, the portion of any Loan required to be made by such Lender to the Borrower pursuant to Section 1.5 at or prior to such time which has not been made by such Lender or by the Administrative Agent for the account of such Lender pursuant to Section 1.5(2) as of such time.

“Defaulting Lender” means, at any time, any Lender that, at such time owes a Defaulted Advance.

“De Minimus Subsidiary” shall mean any Subsidiary or Subsidiaries which in the aggregate represents less than one percent of Gross Asset Value of the Consolidated Entities.

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

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

“Disposition” shall mean the sale, conveyance, pledge, hypothecation, ground lease, encumbrance, creation of a security interest with respect to, or other transfer, whether voluntary or involuntary, direct or indirect, of any legal or beneficial interest in a Property, including any sale, conveyance, pledge, hypothecation, ground lease, encumbrance, creation of a security interest with respect to, or other transfer, at any tier, of any ownership interest in any Macerich Entity; provided, however, that Disposition shall not include any Permitted Encumbrances; provided further that such exclusion of Permitted Encumbrances shall not apply to the Dispositions described in Sections 8.4(1), 8.4(2), and 8.4(3) of the Credit Agreement.

“Disqualified Capital Stock” shall mean with respect to any Person any Capital Stock of such Person (other than preferred stock of MAC issued and outstanding on the

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Closing Date) that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or otherwise (including upon the occurrence of any event), is required to be redeemed or is redeemable for cash at the option of the holder thereof, in whole or in part (including by operation of a sinking fund), or is exchangeable for Indebtedness (other than at the option of such Person), in whole or in part, at any time.

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

“Dollar” shall mean lawful currency of the United States of America.

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

“Eligible Assignee” shall mean any of the following:

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

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

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

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

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

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

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

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

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

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

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

“Evidence of No Withholding” shall have the meaning given such term in

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Section 2.10(5) of the Credit Agreement.

“Excluded Taxes” shall mean, with respect to the Administrative Agent, the Issuing Lender, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by any state, locality or foreign jurisdiction under the laws of which such recipient is organized or in which it maintains an office or permanent establishment, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to the Credit Agreement or is attributable to such Foreign Lender’s failure to comply with Section 2.10(5) of the Credit Agreement; provided, however, Excluded Taxes shall not include any withholding tax resulting from any inability to comply with Section 2.10(5) of the Credit Agreement solely by reason of there having occurred a Change in Law.

“Existing Credit Facility” shall mean that certain revolving credit facility evidenced by the Existing Credit Agreement, which provides for the extension of a revolving credit facility to the Borrower in the aggregate commitment amount of \$425 million.

“Existing Credit Agreement” shall mean that certain Credit Agreement, as amended May 2004, evidencing the Existing Credit Facility dated as of July 26, 2002, by and among the Borrower and the Westcor Guarantors, as borrowers, MAC and the other guarantors signatory thereto, the lenders signatory thereto and DBTCA, as administrative agent and collateral agent.

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

“Existing 2003 Term Loan” shall mean that certain credit facility evidenced by the Existing 2003 Term Loan Credit Agreement, which provides for the funding of a term loan to the Macerich Partnership in the aggregate commitment amount of \$250 million.

“Existing 2003 Term Loan Credit Agreement” shall mean that certain Amended and Restated Credit Agreement evidencing the Existing Term Loan dated as of July 30, 2004, as may be amended or modified from time to time, by and among the Borrower, MAC and the other guarantors signatory thereto, the lenders signatory thereto and DBTCA, as administrative agent.

“Existing Term Loan” shall mean that certain credit facility evidenced by the Existing Term Loan Credit Agreement, which provides for the funding of a term loan to the Macerich Partnership and the Westcor Guarantors in the aggregate commitment amount of \$250 million.

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“Existing Term Loan Credit Agreement” shall mean that certain Credit Agreement evidencing the Existing Term Loan dated as of July 26, 2002, as may be amended or modified from time to time, by and among the Borrower and others, as borrowers, MAC and the other guarantors signatory thereto, the lenders signatory thereto and DBTCA, as administrative agent and collateral agent.

“Extended Commitment Termination Date” shall have the meaning given such term in Section 1.7(5) of the Credit Agreement.

“Extension Fee” shall have the meaning given such term in Section 1.7(5)(B) of the Credit Agreement.

“Facing Fee” shall have the meaning given such term in Section 2.11(2)(B) of the Credit Agreement.

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

“Fee Letter” shall mean that certain Fee Letter dated as of the date of the Credit Agreement entered into by the Borrower and the Administrative Agent.

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

“Financing” shall mean any transaction pursuant to which new Indebtedness is incurred and secured by a Property.

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

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

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

“Fixed Charges” shall mean, for any period, solely with respect to the Consolidated Entities, the sum of the amounts for such period of (i) scheduled payments of principal of Indebtedness of the Consolidated Entities (other than any Bullet Payment), (ii) the Consolidated Entities’ *pro rata* share of scheduled payments of principal of Indebtedness of Joint Ventures (other than any Bullet Payment) that does not otherwise constitute Indebtedness of and is not otherwise recourse to the Consolidated Entities or their assets, (iii) Interest Expense, (iv) payments of dividends in respect of Disqualified Capital Stock; and (v) to the extent not otherwise included in Interest Expense, dividends and other distributions paid during such period by the Borrower or MAC with respect to preferred stock or preferred operating units. For purposes of clauses (ii) and (v), the Consolidated Entities’ *pro rata* share of payments by any Joint Venture shall be deemed equal to the product of (a) the payments made by such Joint Venture, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

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

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

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

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

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

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(i) for Retail Properties that are Wholly-Owned the sum of, for each such property, (a) such property’s Property NOI for the Measuring Period, *divided by* (b) (1) 8.00% (expressed as a decimal), in the case of regional Retail Properties or (2) 9.00% (expressed as a decimal) in the case of Retail Properties that are not regional Retail Properties; *plus*

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

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

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

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

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

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

(viii) the Book Value of the Investment in Northpark Mall.

provided, however, that (A)(i) the determination of Gross Asset Value for any period shall not include any Retail Property (or any Property NOI relating to any Retail Property) that has been sold or otherwise disposed of at any time prior to or during such period; and (ii) La Cumbre Plaza, The Mall at Victor Valley and any other Retail Property acquired after the Closing Date shall be valued at Book Value for 18 months after acquisition thereof; and (B) upon the sale, conveyance, or transfer of all of a Real Property to a Person other than a Macerich Entity, the Gross Asset Value with respect to such Real Property shall no longer be considered.

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

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

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

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

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

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

“Hedging Obligations” of a Person means any and all obligations of such Person or any of its Subsidiaries, whether absolute or contingent and howsoever and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all agreements,

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

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

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

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

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Initial Guarantors” shall mean MAC and the Affiliate Guarantors who enter into Guaranties on or as of the Closing Date.

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

“Intangible Assets” shall mean (i) all unamortized debt discount and expense, unamortized deferred charges, goodwill and other intangible assets and (ii) all write-ups (other than write-ups resulting from foreign currency translations and write-ups of assets of a going concern business made within twelve months after the acquisition of such business) subsequent to December 31, 1994, in the Book Value of any asset owned by the Consolidated Entities.

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

“Interest Expense” shall mean, for any period, solely with respect to the Consolidated Entities, the sum (without duplication) for such period of: (i) total interest expense, whether paid or accrued, of the Consolidated Entities, including fees payable in connection with the Credit Agreement, charges in respect of letters of credit and the portion of any Capitalized Lease Obligations allocable to interest expense, including the Consolidated Entities’ share of interest expenses in Joint Ventures but excluding amortization or write-off of debt discount and expense (except as provided in clause (ii) below), (ii) amortization of costs related to interest rate protection contracts and rate buydowns (other than the costs associated with the interest rate buydowns completed in connection with the initial public offering of MAC), (iii) capitalized interest, provided that capitalized interest may be excluded from this clause (iii) to the extent (A) such interest is paid or reserved out of any interest reserve established under a loan facility; or (B) consists of interest imputed under GAAP in respect of ongoing construction activities, but only to the extent such interest has not actually been paid, and the amount thereof does not exceed \$20,000,000, (iv) for purposes of determining Interest Expense as used in the Fixed Charge Coverage Ratio (both numerator and denominator) only, amortization of Capitalized Loan Fees, (v) to the extent not included in clauses (i), (ii), (iii) and (iv), any Consolidated Entities’ *pro rata* share of interest expense and other amounts of the type referred to in such clauses of the Joint Ventures, and (vi) interest incurred on any liability or obligation that constitutes a Contingent Obligation of any Consolidated Entity. For purposes of clause (v), any Consolidated Entities’ *pro rata* share of interest expense or other amount of any Joint Venture shall be deemed equal to the product of (a) the interest expense or other relevant amount of such Joint Venture, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

“Interest Period” shall mean:

(a) for any Base Rate Borrowing, the period commencing on the date of such borrowing and ending on the last day of the calendar month in which made;

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provided, that if any Base Rate Borrowing is converted to a LIBO Rate Borrowing, the applicable Base Rate Interest Period shall end on such date; and

(b) for any LIBO Rate Loan, the period commencing on the date of such Loan and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as specified in the applicable Borrowing Request or Rate Request;

provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a LIBO Rate Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a LIBO Rate Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Loan initially shall be the date on which such Loan is made and thereafter shall be the effective date of the most recent conversion or continuation of such Loan.

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

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

“Issuing Lender” shall mean DBTCA, in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 1.4(10) of the Credit Agreement.

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

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

“La Cumbre Plaza” shall mean La Cumbre Plaza, a Retail Property located in Santa Barbara, California.

“LC Collateral Account” shall have the meaning given such term in Section 1.4(11) of the Credit Agreement.

“LC Disbursement” shall mean a payment made by the Issuing Lender pursuant to a Letter of Credit.

“LC Exposure” shall mean, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

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

“Letter of Credit” shall mean any standby letter of credit issued pursuant to the Credit Agreement.

“Letter of Credit Collateral” shall have the meaning given such term in Section 1.4(11) of the Credit Agreement.

“Letter of Credit Fee” shall have the meaning given such term in Section 2.11(2)(A) of the Credit Agreement.

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“Letter of Credit Request” shall have the meaning given such term in Section 1.4(2) of the Credit Agreement.

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

“LIBO Rate Borrowing”, when used in reference to any Borrowing, refers to whether the Loans comprising such Borrowing are bearing interest at a rate determined by reference to the Applicable LIBO Rate.

“LIBO Rate Loan”, when used in reference to any Loan, refers to whether the Loans comprising such Borrowing are bearing interest at a rate determined by reference to the Applicable LIBO Rate.

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

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

“Loans” shall mean the loans made by the Lenders to the Borrower pursuant to Section 1.1 of the Credit Agreement.

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

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“Loan Month” shall mean any full calendar month during the term of the Revolving Credit Facility, with the first Loan Month being August, 2004, which first Loan Month shall be deemed to include the partial month commencing on the Closing Date.

“MAC” shall have the meaning given such term in the preamble to the Credit Agreement.

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

“Macerich Entities” shall mean the Borrower Parties, and all Subsidiary Entities of the Borrower Parties (including Westcor).

“Macerich TWC Corp.” shall mean Macerich TWC Corp., a Delaware corporation.

“Macerich TWC II Corp.” shall mean Macerich TWC II Corp., a Delaware corporation.

“Macerich TWC LLC” shall mean Macerich TWC LLC, a Delaware limited liability company.

“Macerich TWC II LLC” shall mean Macerich TWC II LLC, a Delaware limited liability company.

“Macerich WRLP Corp.” shall mean Macerich WRLP Corp., a Delaware corporation.

“Macerich WRLP LLC” shall mean Macerich WRLP LLC, a Delaware limited liability company.

“Macerich WRLP II Corp.” shall mean Macerich WRLP II Corp., a Delaware corporation.

“Macerich WRLP II LP” shall mean Macerich WRLP II LP, a Delaware limited partnership.

“Macerich Partnership” shall have the meaning given such term in the preamble to the Credit Agreement.

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

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

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

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

“Material Adverse Effect” shall mean with respect to (a) MAC and its Subsidiaries on a consolidated basis taken as a whole or (b) Macerich Partnership and its Subsidiaries on a consolidated basis taken as a whole, any of the following (1) a material adverse change in, or a material adverse effect upon, the operations, business, properties, condition (financial or otherwise) or prospects of any of such Persons from and after the Statement Date, (2) a material impairment of the ability of any of such Persons to otherwise perform under any Loan Document; or (3) a material adverse effect upon the legality, validity, binding effect or enforceability against any of such Persons of any Loan Document.

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

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

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

“Moody’s” shall mean Moody’s Investors Service, Inc., or any successor thereto.

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

“Multiemployer Plan” shall mean a “multiemployer plan” (within the meaning of Section 4001(a)(3) of ERISA) and to which any Consolidated Entity or any ERISA

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Affiliate makes, is making, or is obligated to make contributions or, during the preceding three calendar years, has made, or been obligated to make, contributions.

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

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

“Net Worth” means, at any date, the consolidated stockholders’ equity of the Consolidated Entities, excluding any amounts attributable to Disqualified Capital Stock.

“New Borrowing” shall mean any new advance of funds by the Lenders to the Borrower constituting either a Base Rate Loan or a LIBO Rate Loan.

“Non-Defaulting Lender” shall mean each and every Lender, except those Lenders that have defaulted in their respective obligations under the Credit Agreement (including, without limitation, the obligations under Section 1.4(5) and Section 1.5 of the Credit Agreement), as determined by the Administrative Agent in its sole reasonable discretion.

“Northpark Mall” shall mean Northpark Mall, a Retail Property located in Dallas, Texas.

“Note” shall mean a promissory note in the form of that attached to the Credit Agreement as Exhibit I issued by the Borrower at the request of a Lender pursuant to Section 1.8(6) of the Credit Agreement.

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

“Organizational Documents” shall mean: (a) for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, and all applicable resolutions of the Board of Directors (or any committee thereof) of such corporation, (b) for any partnership, the partnership agreement, any certificate of formation, and any other instrument or agreement relating to the rights between the partners or pursuant to which such partnership is formed, (c) for any limited liability company, the operating agreement, any articles of organization or formation, and any other instrument or agreement relating to the rights between the members, pertaining to the manager, or pursuant to which such limited liability company is formed, and (d) for any trust, the trust agreement and any other instrument or agreement relating to the rights between the trustors, trustees and beneficiaries, or pursuant to which such trust is formed.

“Original Commitment Termination Date” shall mean July 30, 2007.

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

“Participant” shall have the meaning given such term in Section 11.8 of the Credit Agreement.

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

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

“Permitted Encumbrances” shall mean any Liens with respect to the assets of the Borrower Parties and Macerich Core Entities consisting of the following:

(a) Liens (other than environmental Liens and Liens in favor of the PBGC) with respect to the payment of taxes, assessments or governmental charges in all

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cases which are not yet due or which are being contested in good faith and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;

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

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

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

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

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

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

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

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

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

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(k) Liens on personal property.

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

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

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

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

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

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

“Property Expense” shall mean, for any Retail Property, all operating expenses relating to such Retail Property, including the following items (provided, however, that Property Expenses shall not include debt service, tenant improvement costs, leasing commissions, capital improvements, Depreciation and Amortization Expenses and any extraordinary items not considered operating expenses under GAAP): (i) all expenses for the operation of such Retail Property, including any management fees payable under the Management Contracts and all insurance expenses, but not including any expenses incurred in connection with a sale or other capital or interim capital transaction; (ii) water charges, property taxes, sewer rents and other impositions, other than fines, penalties, interest or such impositions (or portions thereof) that are payable by reason of the failure

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to pay an imposition timely; and (iii) the cost of routine maintenance, repairs and minor alterations, to the extent they can be expensed under GAAP.

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

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

“Rate Request” shall mean a request for the conversion or continuation of a Base Rate Loan or LIBO Rate Loan as set forth in Section 1.6(2) of the Credit Agreement.

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

“Real Property Under Construction” shall mean Real Property for which Commencement of Construction has occurred but construction of such Real Property is not substantially complete or has not yet reached Stabilization.

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

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

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

“REIT Guaranty” shall mean the credit guaranty executed by MAC in favor of DBTCA (or a successor Administrative Agent), in its capacity as Administrative Agent for the benefit of the Lenders, as the same may be Modified from time to time.

“Related Parties” shall mean, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

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

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“Required Lenders” means, at any time, Lenders having Revolving Credit Exposures and Unused Commitments representing an amount not less than 66 2/3% of the sum of the total Revolving Credit Exposures and Unused Commitments at such time.

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

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

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

where

LR = LIBO Rate

LRP = LIBO Reserve Percentage (expressed as a decimal)

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

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

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

“Retail Property” means any Real Property that is a neighborhood, community or regional shopping center or mall or an office building.

“Retail Property Under Construction” shall mean Retail Property for which Commencement of Construction has occurred but construction of such Retail Property is not substantially complete or has not yet reached Stabilization.

“Revolving Credit Exposure” shall mean, with respect to any Lender at any time, the aggregate outstanding principal amount of such Lender’s Loans and LC Exposure, at such time.

“Revolving Credit Facility” shall mean this amended and restated credit facility which provides for the extension of credit and the issuance of letters of credit from time

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to time in an aggregate amount not to exceed \$1,000,000,000, as set forth, and subject to the terms of, the Credit Agreement.

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

“Secured Indebtedness” shall mean that portion of the Total Liabilities that is, without duplication: (i) secured by a Lien; or (ii) any unsecured Indebtedness of any Subsidiary of a Borrower Party if such Subsidiary is not a Guarantor.

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

“Secured Recourse Indebtedness” shall mean Secured Indebtedness to the extent the principal amount thereof has been guaranteed by (or is otherwise recourse to) any Borrower Party (other than a Borrower Party whose sole assets are (i) collateral for such Secured Indebtedness; or (ii) Capital Stock in another Borrower Party whose sole assets are such collateral and who otherwise meets the criteria set forth in clauses (D) through (T) in the definition of Single Purpose Entity).

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

“Senior Managing Agents” shall mean U.S. Bank, National Association and Key Bank in their respective capacities as senior managing agents for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

“Single Purpose Entity” shall mean shall mean a Person, other than an individual, which (A) is formed or organized solely for the purpose of holding, directly or indirectly, an ownership interest in the Westcor Principal Entities, (B) does not engage in any business unrelated to clause (A) above, (C) has not and will not have any assets other than those related to its activities in accordance with clauses (A) and (B) above, (D) maintains its own separate books and records and its own accounts, in each case which are separate and apart from the books and records and accounts of any other Person, (E) holds itself out as being a Person, separate and apart from any other Person, (F) does not and will not commingle its funds or assets with those of any other Person, (G) conducts its own business in its own name, (H) maintains separate financial statements and files its own tax returns (or if its tax returns are consolidated with those of MAC, such returns shall clearly identify such Person as a separate legal entity), (I) pays its own debts and liabilities when they become due out of its own funds, (J) observes all partnership, corporate, limited liability company or trust formalities, as applicable, and

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does all things necessary to preserve its existence, (K) except as expressly permitted by the Loan Documents, maintains an arm’s-length relationship with its Transactional Affiliates and shall not enter into any Contractual Obligations with any Affiliates except as permitted under the Credit Agreement, (L) pays the salaries of its own employees, if any, and maintains a sufficient number of employees in light of its contemplated business operations, (M) does not guarantee or otherwise obligate itself with respect to the debts of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person, except with respect to the Loans and as otherwise permitted under the Loan Documents, (N) does not acquire obligations of or securities issued by its partners, members or shareholders, (O) allocates fairly and reasonably shared expenses, including any overhead for shared office space, (P) uses separate stationery, invoices, and checks, (Q) does not and will not pledge its assets for the benefit of any other Person (except as permitted under the Loan Documents) or make any loans or advances to any other Person (except with respect to the Loans), (R) does and will correct any known misunderstanding regarding its separate identity, (S) maintains adequate capital in light of its contemplated business operations, and (T) has and will have a partnership or operating agreement, certificate of incorporation or other organizational document which complies with the requirements set forth in this definition.

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

“Stabilization” shall mean, with respect to any Real Property, the earlier of (i) the date on which eighty-five percent (85%) or more of the Gross Leasable Area of such Real Property has been subject to binding leases for a period of twelve (12) months or longer, or (ii) the date twenty-four (24) months after the date that substantially all portions of such Real Property are open to the public and operating in the ordinary course of business.

“Stated Amount” shall mean, with respect to any Letter of Credit, the maximum amount available to be drawn thereunder, without regard to whether any conditions to drawing could be met.

“Statement Date” shall mean December 31, 2003.

“Subsidiary” shall mean, with respect to any Person: (a) any corporation more than fifty percent (50%) of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, (b) any partnership, limited liability company, association, joint venture

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or similar business organization more than fifty percent (50%) of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled, (c) with respect to MAC, any other Person in which MAC owns, directly or indirectly, any Capital Stock and which would be combined with MAC in the consolidated financial statements of MAC in accordance with GAAP; or (d) with respect to the Westcor Guarantors and the Westcor Principal Entities, any other Person in which they own, directly or indirectly, any Capital Stock and which would be combined with them in consolidated financial statements in accordance with GAAP.

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

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

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

“Syndication Agent” shall mean JPMorgan Chase Bank, in its capacity as syndication agent for the credit facility evidenced by the Credit Agreement, together with its permitted successors and assigns.

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

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

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

“The Mall at Victor Valley” shall mean The Mall at Victor Valley, a Retail Property located in Victorville, California.

“Total Liabilities” shall mean, at any time, without duplication, the aggregate amount of (i) all Indebtedness and other liabilities of the Consolidated Entities reflected in the financial statements of MAC or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation), *plus* (ii) all Indebtedness and other

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liabilities of all Joint Ventures reflected in the financial statements of such Joint Ventures or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) which are otherwise recourse to any Consolidated Entity or any of its assets or that otherwise constitutes Indebtedness of any Consolidated Entity (including any recourse obligations arising as a result of a Consolidated Entity serving as a general partner, directly or indirectly, in such Joint Ventures, unless such general partner is a corporation whose sole asset is its general partnership interest and who otherwise meets the criteria set forth in clauses (D) through (T) in the definition of Single Purpose Entity); provided that, notwithstanding this clause (ii), those certain guarantees described on Schedule G-2 to the Credit Agreement, which liabilities thereunder are recourse, directly or indirectly, to any of the Westcor Principal Entities or their Subsidiaries, shall be considered an obligation governed by clause (iii) below, *plus* (iii) the Consolidated Entities’ *pro rata* share of all Indebtedness and other liabilities reflected in the financial statements of any Joint Venture or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) not otherwise constituting Indebtedness of or recourse to any Consolidated Entity or any of its assets, *plus* (iv) all liabilities of the Consolidated Entities with respect to purchase and repurchase obligations, provided that any obligations to acquire fully-constructed Real Property shall not be included in Total Liabilities prior to the transfer of title of such Real Property. With respect to any Real Property Under Construction as to which any Consolidated Entity has provided an outstanding and undrawn letter of credit relating to the performance and/or completion of construction at such property, the amount of Indebtedness evidenced by such letter of credit shall be included in Total Liabilities if: (a) such Indebtedness does not duplicate Indebtedness incurred in respect of such Real Property Under Construction (including any off-site improvements associated therewith); (b) such Indebtedness is required by GAAP to be reflected on the liability side of any Consolidated Entities’ balance sheet; and (c) to the extent such Indebtedness is not required by GAAP to be reflected on the liability side of any Consolidated Entities’ balance sheet, then such Indebtedness shall only be included to the extent the amount of such Indebtedness exceeds \$40,000,000. For purposes of clause (iii), the Consolidated Entities’ *pro rata* share of all Indebtedness and other liabilities of any Joint Venture shall be deemed equal to the product of (a) such Indebtedness or other liabilities, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

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

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Applicable LIBO Rate or the Applicable Base Rate.

“UCC” shall mean the Uniform Commercial Code.

“Unaffiliated Partners” shall mean Persons who own, directly or indirectly at any tier, a beneficial interest in the Capital Stock of a Subsidiary Entity, but such Persons shall exclude: (i) the Macerich Entities; (ii) Affiliates of Macerich Entities;

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(iii) Persons whose Capital Stock or beneficial interest therein is owned, directly or indirectly at any tier, by the Macerich Entities or their Affiliates.

“Unencumbered Property” shall have the meaning set forth in Section 4.1 of the Credit Agreement.

“Unfunded Pension Liability” shall mean the excess of a Pension Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Plan’s assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

“Unused Commitments” shall mean, with respect to any Lender at any time, the difference of (i) the total amount of such Lender’s Commitment and (ii) such Lender’s Revolving Credit Exposure.

“Unused Line Fee” shall have the meaning as set forth in Section 2.11 of the Credit Agreement.

“Usage Percentage” shall mean the ratio, expressed as a percentage, of (i) the sum of (x) the average daily outstanding amount of Loans and (y) the undrawn face amount of all outstanding Letters of Credit, to (ii) the aggregate amount of the Lenders’ Commitments during such period.

“Westcor” shall mean (i) the Westcor Principal Entities, (ii) the Westcor Guarantors, (iii) the Subsidiaries of the Westcor Guarantors; and (iv) any other Person the accounts of which would be consolidated with those of the Westcor Guarantors in consolidated financial statements in accordance with GAAP. When the context so requires, “Westcor” shall mean any of the Persons described above.

“Westcor Assets” shall mean all Projects and related Property, directly or indirectly, in whole or in any part, owned or leased by Westcor.

“Westcor Guarantors” shall mean Macerich WRLP II Corp., a Delaware corporation, Macerich WRLP II LP, a Delaware limited partnership, Macerich WRLP Corp., a Delaware corporation, Macerich WRLP LLC, a Delaware limited liability company, Macerich TWC II Corp., a Delaware corporation, and Macerich TWC II LLC, a Delaware limited liability company.

“Westcor Principal Entities” shall mean, jointly and severally, Westcor Realty Limited Partnership and The Westcor Company II Limited Partnership.

“Wholly-Owned” shall mean, with respect to any Real Property, Capital Stock, or other Property owned or leased, that (i) title to such Property is held directly by, or such Property is leased by, the Macerich Partnership, or (ii) in the case of Real Property or Capital Stock, title to such property is held by, or (in the case of Real Property) such Property is leased by, a Consolidated Entity at least 99% of the Capital Stock of which is held of record and beneficially by the Macerich Partnership (or a Person whose Capital

Stock is owned 100% by Macerich Partnership) and the balance of the Capital Stock of which (if any) is held of record and beneficially by MAC (or a Person whose Capital Stock is owned 100% by MAC). References to Property Wholly-Owned by Westcor or a Macerich Entity shall mean property 100% owned by such Person.

“Wholly-Owned Raw Land” shall mean Wholly-Owned land that is not under development and for which no development is planned to commence within twelve (12) months after the date on which it was acquired.

Other Interpretive Provisions.

(1) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. Terms (including uncapitalized terms) not otherwise defined herein and that are defined in the UCC shall have the meanings therein described.

(2) The words “hereof”, “herein”, “hereunder” and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(3) (i) The term “documents” includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced;

(ii) The term “including” is not limiting and means “including without limitation;”

(iii) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including;”

(iv) The term “property” includes any kind of property or asset, real, personal or mixed, tangible or intangible; and

(v) The verb “exists” and its correlative noun forms, with reference to a Potential Default or an Event of Default, means that such Potential Default or Event of Default has occurred and continues uncured and unwaived.

(4) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent Modifications thereto, but only to the extent such Modifications are not prohibited by the terms of any Loan Document, (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation, and (iii) references to any Person include its permitted successors and assigns.

(5) This Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

AMENDED AND RESTATED \$250,000,000 TERM LOAN FACILITY CREDIT AGREEMENT

by and among

**THE MACERICH PARTNERSHIP, L.P.,
as the Borrower**

**THE MACERICH COMPANY
as Guarantor**

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

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

**DEUTSCHE BANK SECURITIES INC.
and
J.P. MORGAN SECURITIES INC.,
as the Joint Lead Arrangers and Joint Bookrunners**

**JPMORGAN CHASE BANK
and
BANK ONE, N.A.,
as the Co-Syndication Agents**

**EUROHYPO AG, New York Branch
and
WELLS FARGO BANK, National Association
as the Co-Documentation Agents**

**COMMERZBANK AG, New York and Grand Cayman Branches
and
FLEET NATIONAL BANK
as the Managing Agents**

**U.S. BANK NATIONAL ASSOCIATION
and
SOCIETE GENERALE
as the Co-Agents**

Amended and Restated as of July 30, 2004

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CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT (the "Agreement") is made and dated as of the th day of July, 2004, by and among THE MACERICH PARTNERSHIP, L.P., a limited partnership organized under the laws of the state of Delaware ("Macerich Partnership" as the "Borrower"); THE MACERICH COMPANY, a Maryland corporation ("MAC") AS GUARANTOR (the "Guarantor"); THE LENDERS FROM TIME TO TIME PARTY HERETO (collectively and severally, the "Lenders"); and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

RECITALS

A. Pursuant to that certain Credit Agreement, dated as of May 13, 2003, as amended or otherwise modified to date (the "Existing Credit Agreement"), by and among the Borrower, the Guarantor, the lenders from time to time party thereto (the "Existing Lenders"), and DBTCA, as Administrative Agent, the Existing Lenders made a term loan to the Borrower in the principal amount of \$250,000,000.

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

C. The parties hereto intend that the Obligations (as defined in the Existing Credit Agreement, hereinafter the "Existing Obligations") shall continue to exist under, and to be evidenced by, this Agreement.

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree that the Existing Credit Agreement is hereby amended and restated to read in its entirety as follows:

AGREEMENT

ARTICLE 1. Credit Facility.

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

1.2 Funding of Term Loan. Each Lender shall make its Percentage Share of the Term Loan available to the Administrative Agent, in same-day funds, on the Closing Date at the Contact Office, ABA 021-001-033 for the Administrative Agent's Account No. 99-401-268, Ref: Macerich Partnership, no later than 1:00 p.m. (New York time) on the Closing Date. The failure of any Lender to advance its Percentage Share of the Term Loan shall not relieve any

other Lender of its obligation hereunder to advance its Percentage Share thereof, but no Lender shall be responsible for the failure of any other Lender to make its required advance.

1.3 Repayment of Principal. Subject to (i) the Term Loan extension provisions of Section 1.4 below, and (ii) any earlier acceleration of the Term Loan following an Event of Default, the principal balance of the Term Loan shall be payable in full on May 13, 2007 (the "Original Maturity Date").

1.4 Term Loan Extension.

(1) Provided that no Potential Default or Event of Default shall have occurred and be continuing, the Borrower shall have the option, to be exercised by giving written notice to the Administrative Agent at least thirty (30) days prior to the Original Maturity Date, subject to the terms and conditions set forth in this Agreement, to extend the Original Maturity Date by twelve (12) months to May 13, 2008 (the "Extended Maturity Date"). The request by the Borrower for the extension of the Original Maturity Date shall constitute a representation and warranty by the Borrower Parties that no Potential Default or Event of Default then exists and that all of the conditions set forth in Section 1.4(2) below shall have been satisfied on the Original Maturity Date. The Administrative Agent shall notify the Lenders if it receives a request by the Borrower for the extension of the Original Maturity Date.

(2) The obligations of the Administrative Agent and the Lenders to extend the Original Maturity Date as provided in Section 1.4(1) shall be subject to the prior satisfaction of each of the following conditions precedent as determined by the Administrative Agent in its good faith judgment: (A) on the Original Maturity Date there shall exist no Potential Default or Event of Default; (B) the Borrower shall have paid to the Administrative Agent for the ratable benefit of the Lenders an extension fee (the "Extension Fee") equal to one-quarter of one percent (0.25%) of the then outstanding principal balance of the Term Loan (which fee the Borrower hereby agrees shall be fully earned and nonrefundable under any circumstances when paid); (C) the representations and warranties made by the Borrower Parties in the Loan Documents shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the Original Maturity Date (provided, however, that any factual matters disclosed in the Schedules referenced in Article 6 shall be subject to update in accordance with clause (D) below); (D) the Borrower Parties shall have delivered updates to the Administrative Agent of all the Schedules set forth in Article 6 hereof and such updated Schedules shall be acceptable to Administrative Agent in its reasonable judgment; (E) the Borrower shall have delivered to the Administrative Agent a Compliance Certificate demonstrating that the Borrower Parties are in compliance with the covenants set forth in Article 8; (F) the Borrower shall have paid all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent and all reasonable fees and expenses paid to third party consultants (including reasonable attorneys' fees and expenses) by Administrative Agent in connection with such extension; (G) MAC shall have acknowledged and ratified that its obligations under the Guaranty remains in full force and effect, and the Guaranty continues to guaranty the Obligations under the Loan Documents, as extended; (H) the outstanding amount of the Obligations owed hereunder (including, without limitation, the outstanding principal balance of the Term Loan, all accrued and unpaid interest thereon and all fees, costs and expenses owed hereunder) shall not

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exceed \$200,000,000 as of the Original Maturity Date; and (I) all amounts owed under the Existing Term Facility shall have been paid in full on or prior to the Original Maturity Date.

(3) The Administrative Agent shall notify each of the Lenders in the event that the Original Maturity Date is extended as provided in this Section 1.4.

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

ARTICLE 2. Interest Rate and Yield-Related Provisions.

2.1 Applicable Interest Rate. The outstanding principal balance of the Term Loan and portions thereof shall bear interest from the date disbursed to but not including the date of payment calculated at a per annum rate equal to, at the option of and as selected by the Borrower from time to time (subject to the provisions of Sections 2.3, 2.4, 2.5 and 2.12 below): (i) the Applicable LIBO Rate for the selected Interest Period, or (ii) the Applicable Base Rate during the applicable interest calculation period. Portions of the Term Loan bearing interest at the Applicable LIBO Rate shall be referred to herein sometimes as "LIBO Rate Loans" and portions of the Term Loan bearing interest at the Applicable Base Rate shall be referred to herein as "Base Rate Loans".

2.2 Payment of Interest.

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

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

2.3 Procedures for Interest Rate Election.

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

(2) The Borrower may elect to have the Term Loan or portions thereof funded on the Closing Date as Base Rate Loans and may from time to time thereafter elect to convert portions of the Term Loan outstanding as LIBO Rate Loans to Base Rate Loans by

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giving the Administrative Agent irrevocable notice of such election no later than 1:00 p.m. (New York time) on the third Eurodollar Business Day preceding the proposed funding or conversion date.

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

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

(5) Each Base Rate Loan shall be in a minimum principal amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof and each LIBO Rate Loan shall be in a minimum principal amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof; provided, that any Base Rate Loan or LIBO Rate Loan may be in such other amount (i) as may result from a partial prepayment thereof pursuant to Section 3.3 or (ii) as may equal all of the then remaining outstanding balance of the Term Loan.

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

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

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

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

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in the event that the circumstances giving rise thereto no longer pertain and that adequate and reasonable means exist for ascertaining the LIBO Rate for the Interest Period requested by the Borrower, and, following withdrawal of such notice by the Administrative Agent, the Borrower shall have the right to convert any Base Rate Loan to a LIBO Rate Loan and to continue any LIBO Rate Loan as such in accordance with the terms and conditions of this Agreement.

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

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

2.7 Requirements of Law; Increased Costs.

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

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

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

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

and the result of any of the foregoing is to increase the cost to such Lender of making, renewing or maintaining its Percentage Share of the Term Loan or to reduce any amount receivable in respect thereof or the rate of return on the capital of such Lender or any corporation controlling such Lender, then, in any

such case, the Borrower shall, without duplication of amounts payable pursuant to Section 2.10, promptly pay to such Lender, upon its written demand made through the Administrative Agent, any additional amounts necessary to compensate such Lender for such additional cost or reduced amounts receivable or rate of return as determined by such Lender with respect to this Agreement or such Lender's Percentage Share of the Term Loan, so long as such Lender requires substantially all obligors under other commitments of this type made available by such Lender to similarly so compensate such Lender.

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

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

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

(1) As promptly as reasonably practicable after the officer of such Lender responsible for administering such Lender's Percentage Share of the Term Loan becomes aware of any event or condition that would entitle such Lender to receive payments under Section 2.7 above or Section 2.10 below or to cease maintaining LIBO Rate Loans under Section 2.5 above, such Lender will use reasonable efforts: (i) to maintain its Percentage Share of the Term Loan through another lending office of such Lender or (ii) take such other measures as such Lender may deem reasonable, if as a result thereof the additional amounts which would otherwise be required to be paid to such Lender pursuant to Section 2.7 above or pursuant to Section 2.10 below would be materially reduced or eliminated or the conditions rendering such Lender incapable of maintaining LIBO Rate Loans under Section 2.5 above no longer would be applicable, and if, as determined by such Lender in its sole discretion, the maintaining of such LIBO Rate Loans through such other lending office or in accordance with such other measures, as the case may be, would not otherwise materially adversely affect such LIBO Rate Loans or the interests of such Lender.

(2) If the Borrower receives a notice pursuant to Section 2.7 above or pursuant to Section 2.10 below or a notice pursuant to Section 2.5 above stating that a Lender is unable to maintain LIBO Rate Loans (for reasons not generally applicable to the Required

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Lenders), so long as (i) no Potential Default or Event of Default shall have occurred and be continuing, (ii) the Borrower has obtained a commitment from another Lender or an Eligible Assignee to purchase at par such Lender's Percentage Share of the Term Loan and accrued interest and fees and to assume all obligations of the Lender to be replaced under the Loan Documents and (iii) such Lender to be replaced is unwilling to withdraw the notice delivered to the Borrower, upon thirty (30) days' prior written notice to such Lender and the Administrative Agent, the Borrower may require, at the Borrower's expense, the Lender giving such notice to assign, without recourse, all of its Percentage Share of the Term Loan and accrued interest and fees to such other Lender or Eligible Assignee pursuant to the provisions of Section 11.8 below.

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

2.10 Taxes.

(1) Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.10) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such

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deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

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

(3) The Borrower shall indemnify the Administrative Agent and each Lender, within ten (10) Business Days after written demand therefore, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or

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

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

(5) Each Foreign Lender shall deliver to the Borrower (with copies to the Administrative Agent) on or before the date hereof (or in the case of a Foreign Lender who became a Lender by way of an assignment, on or before the date of the assignment) or at least five (5) Business Days prior to the first date for any payment herewith to such Lender, and from time to time as required for renewal under applicable law, such certificates, documents or other evidence, as required by the Code or Treasury Regulations issued pursuant thereto, including, without limitation, Internal Revenue Service Form W-8BEN or W-ECI, as appropriate, and any other certificate or statement of exemption required by Section 871(h) or Section 881(c) of the Code or any subsequent version thereof, properly completed and duly executed by such Lender establishing that payments to such Lender hereunder are not subject to withholding under the Code ("Evidence of No Withholding"). Each Foreign Lender shall promptly notify the Borrower and the Administrative Agent of any change in its applicable lending office and upon written request of the Borrower or the Administrative Agent shall, prior to the immediately following due date of any payment by the Borrower hereunder or under any other Loan Document, deliver Evidence of No Withholding to the Borrower and the Administrative Agent. The Borrower shall be entitled to rely on such forms in its possession until receipt of any revised or successor form pursuant to this Section 2.10(5). If a Lender fails to provide Evidence of No Withholding as required pursuant to this Section 2.10(5), then (i) the Borrower (or the Administrative Agent) shall be entitled to deduct or withhold from payments to Administrative Agent or such Lender as a result of such failure, as required by law, and (ii) the Borrower shall not be required to make payments of additional amounts with respect to such withheld Taxes pursuant to Section 2.10(1) to the extent such withholding is required solely by reason of the failure of such Lender to provide the necessary Evidence of No Withholding.

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2.11 **[RESERVED]**

2.12 Post-Default Interest. During such time as there shall have occurred and be continuing an Event of Default, all Obligations outstanding shall, at the election of the Administrative Agent, bear interest at a per annum rate equal to two percent (2.0%) above the Applicable Base Rate in effect during the applicable calculation period (whether or not such Applicable Base Rate shall otherwise have been elected by the Borrower in accordance with this Agreement).

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

ARTICLE 3. Payments.

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

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

3.3 Prepayments.

(1) Upon not less than one (1) Business Day's prior written notice (in the case of Base Rate Loans or LIBO Rate Loans with Interest Periods expiring on the date of payment) or three (3) Eurodollar Business Days' prior written notice (in the case of LIBO Rate Loans with an Interest Period not expiring on the date of payment) to the Administrative Agent (which shall promptly provide telephonic notice of the receipt thereof to each of the Lenders), the Borrower may voluntarily prepay principal amounts outstanding under the Term Loan in

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whole or in part; provided, however, that voluntary prepayments shall be in the minimum amount of \$1,000,000 and integral multiples of \$100,000 in excess thereof.

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

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

3.4 [RESERVED]

3.5 Allocation of Payments Received.

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

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

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

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

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

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

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

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

ARTICLE 4. Credit Support. As credit support for the Obligations, on or before the Closing Date, MAC shall execute and deliver to the Administrative Agent, for the benefit of the Lenders, the REIT Guaranty.

4.2 Guaranties. As credit support for the Obligations, on or before the date hereof, the Affiliate Guarantors shall each execute and deliver to the Administrative Agent, for the benefit of the Lenders, an Affiliate Guaranty. Upon the acquisition of any Project after the date hereof by any Borrower Party or Wholly-Owned Subsidiary thereof, in the event at the time of acquisition the principal Property comprising such Project is unencumbered by any Lien in respect of borrowed indebtedness (an "Unencumbered Property"), and there is no Financing or binding commitment for a Financing with respect to such Unencumbered Property within ninety (90) days of its acquisition, such Person (each a "Supplemental Guarantor"), if such Person is not already a Guarantor, shall: (a) execute and deliver to the Administrative Agent, for the benefit of the Lenders a Guaranty in the form of Exhibit D hereto pursuant to which such Supplemental Guarantor will unconditionally guarantee the Obligations from time to time owing to the Lenders, (b) execute and deliver, or cause to be executed and delivered, to the Administrative Agent such other documents or legal opinions required by the Administrative Agent confirming the authorization, execution and delivery and enforceability (subject to customary exceptions) of the Guaranty by such Supplemental Guarantor, and (c) deliver copies of its Organizational Documents, certified by the Secretary or an Assistant Secretary of such Supplemental Guarantor (or if such Person is a limited partnership or limited liability company, an authorized representative of its general partner or manager) as of the date delivered as being accurate and complete. Upon the Disposition or Financing of any Unencumbered Property by any Affiliate Guarantor or Supplemental Guarantor, the Administrative Agent shall release the guaranty executed by such Person pursuant to this Section 4.1.

ARTICLE 5. Conditions Precedent.

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

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

- (A) This Agreement;
- (B) To the extent requested by any Lender pursuant to Section 3.1 above, a Note payable to such Lender;
- (C) The Guaranty;

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(D) The Fee Letter;

(E) A certificate of the Secretary or Assistant Secretary of the general partner of the Borrower attaching copies of resolutions duly adopted by the Board of Directors of such general partner approving the execution, delivery and performance of the Loan Documents on behalf of the Borrower and certifying the names and true signatures of the officers of such general partner authorized to sign the Loan Documents to which the Borrower is a party;

(F) A certificate or certificates of the Secretary or an Assistant Secretary of MAC attaching copies of resolutions duly adopted by the Board of Directors of MAC approving the execution, delivery and performance of the Loan Documents to which MAC is a party and certifying the names and true signatures of the officers of MAC authorized to sign the Loan Documents on behalf of MAC;

(G) An opinion of counsel for the Borrower Parties as of the Closing Date, in form and substance reasonably acceptable to the Administrative Agent and the Lenders;

(H) Copies of the Certificate of Incorporation, Certificate of Formation, or Certificate of Limited Partnership of each of the Borrower Parties, certified by the Secretary of State of the state of formation of such Person as of a recent date; provided that if there has been no amendment or modification to the aforementioned documents since they were delivered to the Administrative Agent on July 26, 2002, then each Borrower Party may deliver a certificate from the Secretary or an Assistant Secretary of such Borrower Party (or if such Person is a limited partnership, an authorized representative of its general partner) as of the date of this Agreement certifying that the documents as previously delivered are true and correct and that there have been no amendments or changes to such documents;

(I) Copies of the Organizational Documents of each of the Borrower Parties (unless delivered pursuant to clause (G) above) certified by the Secretary or an Assistant Secretary of such Person (or if such Person is a limited partnership, an authorized representative of its general partner) as of the date of this Agreement as being accurate and complete; provided that if there has been no amendment or modification to the aforementioned documents since they were delivered to the Administrative Agent on July 26, 2002, then each Borrower Party may deliver a certificate from the Secretary or an Assistant Secretary of such Borrower Party (or if such Person is a limited partnership, an authorized representative of its general partner) as of the date of this Agreement certifying that the documents as previously delivered are true and correct and that there have been no amendments or modifications to such documents;

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

(K) From a Responsible Officer of the Borrower Parties, a Closing Certificate dated as of the Closing Date;

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

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

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

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

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

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

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

5.2 Outside Closing Date. If all conditions precedent set forth in Section 5.1 above shall not have been met to the satisfaction of the Administrative Agent and the Lenders on or before May 15, 2003, then the agreement of the Lenders to fund their respective Percentage Shares of the Term Loan shall terminate and this Agreement shall automatically be deemed of no further force or effect (except to the extent terms and provisions of this Agreement specifically provide that they shall survive termination hereof).

ARTICLE 6. Representations and Warranties. As an inducement to the Administrative Agent and each Lender to enter into this Agreement and for the Lenders to advance their respective Percentage Shares of the Term Loan, each of the Borrower and MAC, collectively and severally, represent and warrant as of the date hereof, to the Administrative Agent and each Lender that:

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6.1 Financial Condition. Complete and accurate copies of the following financial statements and materials have been delivered to the Administrative Agent: (i) audited financial statements of MAC for 2002 and 2003 and (ii) unaudited financial statements of MAC for the calendar quarter

ending March 31, 2004 (the materials described in clauses (i) and (ii) are referred to as the “Initial Financial Statements”).

All financial statements included in the Initial Financial Statements were prepared in all material respects in conformity with GAAP, except as otherwise noted therein, and fairly present in all material respects the respective consolidated financial positions, and the consolidated results of operations and cash flows for each of the periods covered thereby of MAC and its consolidated Subsidiaries as at the respective dates thereof. None of the Borrower Parties or any of their Subsidiaries has any Contingent Obligation, contingent liability or liability for any taxes, long-term leases or commitments, not reflected in its audited financial statements delivered to the Administrative Agent on or prior to the Closing Date or otherwise disclosed to the Administrative Agent and the Lenders in writing, which will have or is reasonably likely to have a Material Adverse Effect.

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

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

6.4 Organization, Powers; Authorization; Enforceability.

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

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

(3) Each Affiliate Guarantor (A) is either a corporation, a limited partnership or a limited liability company duly incorporated, formed or organized, validly existing, and in good standing under the laws of the State of its incorporation, organization and/or formation, (B) is duly qualified to do business and is in good standing under the laws of

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each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably expected to have a Material Adverse Effect, and (C) has all requisite corporate, partnership or limited liability company power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted in connection with and following the consummation of the transactions contemplated by this Agreement.

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

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

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

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

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

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6.7 Taxes. All tax returns, reports and similar statements or filings of the Borrower Parties and the Macerich Core Entities have been timely filed. Except for Permitted Encumbrances, all taxes, assessments, fees and other charges of Governmental Authorities upon such Persons and upon or

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

6.8 Investment Company Act. Neither the Borrower nor MAC, nor any Person controlling such entities is an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940 (as amended from time to time).

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

6.10 Federal Reserve Board Regulations. Neither the Borrower nor MAC is engaged or will engage, principally or as one of its important activities, in the business of extending credit for the purpose of “purchasing” or “carrying” any “Margin Stock” within the respective meanings of such terms under Regulations U, T and X. No part of the proceeds of the Term Loan will be used for “purchasing” or “carrying” “Margin Stock” as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of, the Regulations of the Board of Governors of the Federal Reserve System.

6.11 ERISA Compliance. Except as disclosed on Schedule 6.11:

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

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

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

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

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

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

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

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

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6.13 Securities Acts. None of the Borrower Parties or their respective Subsidiary Entities has issued any unregistered securities in violation of the registration requirements of Section 5 of the Securities Act of 1933 (as amended from time to time, the “Act”) or any other law, nor are they in

violation of any rule, regulation or requirement under the Act or the Securities Exchange Act of 1934 (as amended from time to time) other than violations which could not reasonably be expected to have a Material Adverse Effect. None of the Borrower Parties is required to qualify an indenture under the Trust Indenture Act of 1939 (as amended from time to time) in connection with its execution and delivery of this Agreement or the incurrence of Indebtedness hereunder.

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

6.15 Hazardous Materials. The Borrower Parties and the Macerich Core Entities have caused Phase I and the other environmental assessments as set forth in Schedule 6.15 to be conducted or have taken other steps to investigate the past and present environmental condition and use of their Properties (as used in this Section 6.15 and Section 7.9, the “Environmental Properties”). Based on such investigation, except as otherwise disclosed on Schedule 6.15, to the best knowledge of the Borrower and MAC: (1) no Hazardous Materials have been discharged, disposed of, or otherwise released on, under, or from the Environmental Properties so as to be reasonably expected to result in a violation of Hazardous Materials Laws and a material adverse effect to such Environmental Property or the owner thereof; (2) the owners of the Environmental Properties have obtained all material environmental, health and safety permits and licenses necessary for their respective operations, and all such permits are in good standing and the holder of each such permit is currently in compliance with all terms and conditions of such permits, except to the extent the failure to obtain such permits or comply therewith is not reasonably expected to result in a Material Adverse Effect or any material violation of Hazardous Materials Laws or in a material adverse effect to such Environmental Property or the owner thereof; (3) none of the Environmental Properties is listed or proposed for listing on the National Priorities List (“NPL”) pursuant to CERCLA or on the Comprehensive Environmental Response Compensation Liability Information System List (“CERCLIS”) or any similar applicable state list of sites requiring remedial action under any Hazardous Materials Laws; (4) none of the owners of the Environmental Properties has sent or directly arranged for the transport of any hazardous waste to any site listed or proposed for listing on the NPL, CERCLIS or any similar state list; (5) there is not now on or in any Environmental Property: (a) any landfill or surface impoundment; (b) any underground storage tanks; (c) any asbestos-containing material; or (d) any polychlorinated biphenyls (PCB), which in the case of any of clauses (a) through (d) could reasonably result in a violation of any Hazardous Materials Laws and a material adverse effect to such Environmental Property or the owner thereof; (6) no environmental Lien has attached to any Environmental Properties; and (7) no other event has occurred with respect to the presence of Hazardous Materials on or under any of the Properties of the Borrower Parties or the Macerich Core Entities, which would reasonably be expected to

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result in a Material Adverse Effect. Notwithstanding the foregoing, on the Closing Date all of the representations set forth above shall be true and correct with respect to all Properties of the Borrower Parties and the Macerich Core Entities (and not only the Designated Environmental Properties).

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

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

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

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

6.20 Full Disclosure. None of the representations or warranties made by the Borrower Parties in the Loan Documents as of the date such representations and warranties are made or deemed made contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading.

6.21 Indebtedness. Schedule 6.21 sets forth, as of March 31, 2004, all Indebtedness for borrowed money of each of the Borrower Parties and the Macerich Core Entities, and, except as set forth on such Schedule 6.21, there are no defaults in the payment of principal or interest on any such Indebtedness, and no payments thereunder have been deferred

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or extended beyond their stated maturity, and there has been no material change in the type or amount of such Indebtedness since March 31, 2004.

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

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

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

6.25 Solvency. After giving effect to the Term Loan, and the disbursement of the proceeds thereof to reduce the outstanding indebtedness under the Revolving Credit Facility, the Borrower Parties are each Solvent.

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

7.1 Financial Statements. The Borrower Parties shall maintain, for themselves, and shall cause each of the Macerich Core Entities to maintain a system of accounting established and administered in accordance with sound business practices to permit preparation of consolidated financial statements in conformity with GAAP. Each of the financial statements and reports described below shall be prepared from such system and records and in form reasonably satisfactory to the Administrative Agent, and shall be provided to Administrative Agent (and Administrative Agent shall provide a copy to each requesting Lender):

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

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with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(2) As soon as practicable, and in any event within fifty (50) days after the close of each of the first three fiscal quarters of each fiscal year of MAC, for MAC and its Subsidiaries, unaudited balance sheets as at the close of each such period and the related combined statements of income and cash flow of MAC and its Subsidiaries for such quarter and the portion of the fiscal year ended at the end of such quarter, setting forth in each case in comparative form the consolidated or combined figures, as the case may be, for the corresponding periods of the prior fiscal year, all in reasonable detail and in conformity with GAAP (except as otherwise stated therein), together with a representation by a Responsible Financial Officer, as of the date of such financial statements, that such financial statements have been prepared in accordance with GAAP (provided, however, that such financial statements may not include all of the information and footnotes required by GAAP for complete financial information) and reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the financial information contained therein;

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

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

(5) Copies of all proxy statements, financial statements, and reports which the Borrower or MAC send to their respective stockholders or limited partners, and copies of all regular, periodic and special reports, and all registration statements under the Act which the Borrower or MAC file with the Securities and Exchange Commission or any Governmental Authority which may be substituted therefore, or with any national securities exchange; provided, however, that there shall not be required to be delivered hereunder such copies for any

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Lender of prospectuses relating to future series of offerings under registration statements filed under Rule 415 under the Act or other items which such Lender has indicated in writing to the Borrower or MAC from time to time need not be delivered to such Lender.

(6) Notwithstanding the foregoing, it is understood and agreed that to the extent MAC files documents with the Securities and Exchange Commission and such documents contain the same information as required by subsections (1), (2), (3) (only with respect to subclause (3)), (4) and (5) above, the Borrower may deliver copies, which copies may be delivered electronically, of such forms with respect to the relevant time periods in lieu of the deliveries specified in such clauses.

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

- (1) From time to time upon reasonable request by the Administrative Agent, a rent roll, tenant sales report and income statement with respect to any Project;
- (2) As soon as practicable and in any event by January 1st of each calendar year, (i) a report in form and substance reasonably satisfactory to the Administrative Agent outlining all insurance coverage maintained as of the date of such report by the Borrower Parties and the Macerich Core Entities and the duration of such coverage and (ii) evidence that all premiums with respect to such coverage have been paid when due.
- (3) Promptly, such additional financial and other information, including, without limitation, information regarding the Borrower Parties, the Macerich Core Entities, any of such entities' assets and Properties as Administrative Agent or any Lender may from time to time reasonably request, including, without limitation, such information as is necessary for any Lender to participate out any of its interests in the Obligations.

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

7.4 Inspection of Property; Books and Records; Discussions. The Borrower Parties shall, and shall cause each of the Macerich Core Entities, to keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all material

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Requirements of Law shall be made of all dealings and transactions in relation to its business and activities, and shall permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make copies or abstracts from any of its books and records at any reasonable time during normal business hours and as often as may reasonably be desired by the Administrative Agent or any Lender, and to discuss the business, operations, properties and financial and other condition of the Borrower Parties and the Macerich Core Entities with officers and employees of such Persons, and with their independent certified public accountants (provided that representatives of such Persons may be present at and participate in any such discussion).

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

- (1) The occurrence of any Potential Default or Event of Default and what action the Borrower has taken, is taking, or is proposing to take in response thereto;
- (2) The institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration against or affecting the Borrower Parties or the Macerich Core Entities and not previously disclosed, which action, suit, proceeding, governmental investigation or arbitration (i) exposes, or in the case of multiple actions, suits, proceedings, governmental investigations or arbitrations arising out of the same general allegations or circumstances expose, such Persons, in the Borrower's reasonable judgment, to liability in an amount aggregating \$10,000,000 or more and is or are not covered by insurance, or (ii) seeks injunctive or other relief which, if obtained, may have a Material Adverse Effect providing such other information as may be reasonably available to enable Administrative Agent and its counsel to evaluate such matters. The Borrower, upon request of the Administrative Agent, shall promptly give written notice of the status of any action, suit, proceeding, governmental investigation or arbitration;
- (3) Any labor dispute to which the Borrower Parties or any of the Macerich Core Entities may become a party (including, without limitation, any strikes, lockouts or other disputes relating to any Property of such Persons' and other facilities) which could result in a Material Adverse Effect;
- (4) The bankruptcy or cessation of operations of any tenant to which greater than 5% of either the Borrower's or MAC's share of consolidated minimum rent is attributable; or
- (5) Any event not disclosed pursuant to paragraphs (1) through (4) above which could reasonably be expected to result in a Material Adverse Effect.

7.6 Expenses. The Borrower shall pay all reasonable out-of-pocket expenses (including reasonable fees and disbursements of outside counsel): (1) of the Administrative Agent and JPMorgan Chase Bank incident to the preparation, negotiation and administration of the Loan Documents, including any proposed Modifications or waivers with respect thereto, the syndication of the Term Loan (but such expenses shall not include any fees paid to the syndicate

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members), and the preservation and protection of the rights of the Lenders and the Administrative Agent under the Loan Documents, and (2) of the Administrative Agent and each of the Lenders incident to the enforcement of payment of the Obligations, whether by judicial proceedings or otherwise, including, without limitation, in connection with bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar proceedings involving any Borrower Party or a "workout" of the Obligations; provided that only one property inspection or site visit performed pursuant to Section 7.4 shall be paid for by the Borrower each year, unless a Potential Default or Event of Default has occurred and is continuing, in which case there shall be no limit to property

inspections or site visits performed pursuant to Section 7.4, and the Borrower shall pay the costs associated with each such inspection and visit performed during such periods. The obligations of the Borrower under this Section 7.6 shall survive payment of all other Obligations.

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

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

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

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

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

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

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

7.10 Compliance with Laws and Contractual Obligations; Payment of Taxes. The Borrower Parties shall, and shall cause each of the Macerich Core Entities to: (1) comply, in all material respects, with all material Requirements of Law of any Governmental Authority having jurisdiction over it or its business, and (2) comply, in all material respects, with all material Contractual Obligations.

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

7.12 **[RESERVED]**

7.13 REIT Status. MAC shall maintain its status as a REIT and (i) all of the representations and warranties set forth in clauses (1), (2) and (4) of Section 6.18 shall remain true and correct at all times and (ii) all of the representations and warranties set forth in clause (3) of Section 6.18 shall remain true and correct in all material respects. MAC will do or cause to be done all things necessary to maintain the listing of its Capital Stock on the New York Stock

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Exchange, the American Stock Exchange or the Nasdaq National Market System (or any successor thereof), and the Borrower will do or cause to be done all things necessary to cause it to be treated as a partnership for purposes of federal income taxation and the tax laws of any state or locality in which the Borrower is subject to taxation based on its income.

7.14 Use of Proceeds. The proceeds of the Term Loan shall be used to reduce outstanding indebtedness under the Revolving Credit Facility.

7.15 RESERVED.

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

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

8.1 Liens.

(1) The Borrower Parties shall not, and shall not permit any of the Macerich Core Entities to, create, incur, assume or suffer to exist, any Lien upon any of its Property except:

- (A) Liens that secure Secured Indebtedness otherwise permitted under this Agreement;
- (B) Permitted Encumbrances;
- (C) Other Liens which are the subject of a Good Faith Contest; and
- (D) Liens listed on Schedule 8.1.

(2) No Liens on the Capital Stock held by MAC in the Borrower shall be created or suffered to exist. If any of the Borrower Parties or any of the Macerich Core Entities creates or suffers to exist any Lien upon the Capital Stock of any other Subsidiary Entity, as a condition to creating or permitting such Lien, Borrower shall: (i) cause the Obligations to be secured by a Lien that is equal and ratable with any and all other Indebtedness thereby secured, (ii) enter into valid and binding security agreements and execute and deliver such other documents (including UCC-1 financing statements) and instruments as the Administrative Agent deems appropriate in its sole good faith judgment to effect the rights set forth in subpart (i) above, and (iii) cause the holder of such Indebtedness secured by such Lien to enter into intercreditor arrangements with the Administrative Agent, for the benefit of the Lenders, in a form satisfactory to the Administrative Agent in its sole good faith judgment, to effect the rights set forth in subpart (i) above; provided that, notwithstanding the foregoing, this

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covenant shall not be construed as a consent by the Administrative Agent or any Lender to any creation or assumption of any such Lien not permitted by the provisions of Section 8.1(1) above.

8.2 Indebtedness. The Borrower Parties may only incur, and permit the Macerich Core Entities to incur Indebtedness to the extent such Borrower Parties maintain compliance with the financial covenants set forth in Sections 8.12 below. Without limiting the foregoing, the Borrower Parties shall not incur Secured Recourse Indebtedness in excess of 10% of Gross Asset Value at any time; provided, however that the Property at Queens Center shall be excluded from such calculation. The terms and conditions of any unsecured Indebtedness that is recourse to any Borrower Party may not be more restrictive in any material respect than the terms and conditions under this Agreement and the other Loan Documents.

8.3 Fundamental Change.

(1) None of MAC, the Borrower, or the Westcor Principal Entities shall do any or all of the following: merge or consolidate with any Person, or sell, assign, lease or otherwise effect a Disposition, whether in one transaction or in a series of transactions, of all or substantially all of its Properties and assets, whether now owned or hereafter acquired, or enter into any agreement to do any of the foregoing, unless, in the case of (i) a Westcor Principal Entity, a Macerich Core Entity is the surviving entity in any such merger, consolidation or sale of assets, and (ii) MAC or the Borrower, MAC or the Borrower is the surviving Person in any such merger or consolidation.

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

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

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

(2) Any Disposition by Macerich Partnership of any of the Capital Stock of any Westcor Guarantor;

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

(4) Any Disposition by any Borrower Party or its Subsidiary Entities of any of its respective Properties if such Disposition would cause the Borrower Parties to be in violation of any of (a) the covenants set forth in Section 8.12 or (b) the limitations on Investments set forth in Section 8.5.

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

Permitted Investment

Limitations

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

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

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

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transaction with a Person not a Transactional Affiliate; provided that any management agreement substantially in the form of the Master Management Agreements shall be deemed to satisfy the criteria set forth in this [Section 8.6](#).

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

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

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

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

8.11 **Distributions.** MAC and Macerich Partnership shall not make (i) Distributions in any Fiscal Year in excess of the sum of (x) 95% of FFO plus (y) any realized gain resulting from Dispositions in such Fiscal Year; (ii) Distributions to acquire the Capital Stock of MAC to the extent such Distributions, individually or in the aggregate, exceed \$150,000,000; (iii) Distributions during any period while an Event of Default under Section 9.1 has occurred and is continuing as a result of Borrower's failure to pay any principal or interest due under this Agreement; or (iv) Distributions during any period that any other material non-monetary Event of Default, has occurred and is continuing, unless after taking into account all available funds of MAC from all other sources, such Distributions are required in order to enable MAC to continue to qualify as a REIT.

8.12 **Financial Covenants of Borrower Parties.**

(1) **Minimum Tangible Net Worth.** As of the last day of any Fiscal Quarter, Tangible Net Worth shall not be less than the sum of (a) \$750,000,000, *minus* (b) 100% of the cumulative Depreciation and Amortization Expense deducted in determining Net Income for all Fiscal Quarters ending after June 30, 2004, *plus* (c) 90% of the cumulative net cash proceeds received from and the value of assets acquired (net of Indebtedness incurred or

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assumed in connection therewith) through the issuance of Capital Stock of MAC or the Borrower after July 30, 2004. For purposes of clause (c), "net" means net of underwriters' discounts, commissions and other reasonable out-of-pocket expenses of issuance actually paid to any Person (other than a Borrower Party or any Affiliate of a Borrower Party).

(2) **Maximum Total Liabilities to Gross Asset Value.** The ratio of Total Liabilities to Gross Asset Value (expressed as a percentage) shall not at any time be more than 65.0%.

(3) **Minimum Interest Coverage Ratio.** As of the last day of any Fiscal Quarter, the Interest Coverage Ratio shall not be less than 1.80 to 1.

(4) **Minimum Fixed Charge Coverage Ratio.** As of the last day of any Fiscal Quarter, the Fixed Charge Coverage Ratio shall not be less than 1.50 to 1.

(5) **Secured Debt to Gross Asset Value.** At any time during the first twenty four Loan Months, the Secured Indebtedness Ratio (expressed as a percentage) shall not exceed 55%. At any time thereafter, the Secured Indebtedness Ratio (expressed as a percentage) shall not exceed 52.5%.

(6) RESERVED.

(7) **Maximum Floating Rate Debt.** The Borrower Parties shall maintain Hedging Obligations on a notional amount of Total Liabilities in respect of borrowed Indebtedness so that such notional amount, when added to the aggregate principal amount of such Total Liabilities which bears interest at a fixed rate, equals or exceeds 65% of the aggregate principal amount of all Total Liabilities in respect of borrowed Indebtedness.

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

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

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

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

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

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

9.6 Any of the Borrower Parties, or any of the Macerich Core Entities, shall default in any payment of principal of or interest on any non-recourse Indebtedness in an aggregate amount for all such Persons in excess of \$100,000,000, and, prior to the election of the Lenders to accelerate the

Obligations hereunder, such non-recourse Indebtedness is not paid or the payment thereof waived or cured in accordance with the terms of the documents, instruments and agreements evidencing the same; or

9.7 (1) Any of the Borrower Parties or any Consolidated Entities (other than a De Minimis Subsidiary), shall commence any case, proceeding or other action (i) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or making a general assignment for the benefit of its creditors; or (2) there shall be commenced against any of the Borrower Parties or any Consolidated Entities (other than a De Minimis Subsidiary) any case, proceeding or other action of a nature referred to in clause (1) above which (i) results in the entry of an order for relief or any such adjudication or appointment, or (ii) remains undismissed, undischarged or unbonded for a period of ninety (90) days; or (3) there shall be commenced against any of the Borrower Parties or any Consolidated Entities (other than a De Minimis Subsidiary) any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or substantially all of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, satisfied or bonded pending appeal within ninety (90) days from the entry thereof; or (4) any of the Borrower Parties or any Consolidated Entities (other than a De Minimis Subsidiary) shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in (other than in connection with a final settlement), any of the acts set forth in clause (1), (2) or (3) above; or (5) any of the Borrower Parties or any Consolidated Entities (other than a De Minimis Subsidiary) shall generally not, or shall be unable to, or shall admit in writing its inability to pay its debts as they become due; or

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

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with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan, which has resulted or could reasonably be expected to result in a Material Adverse Effect; or

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

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

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

9.12 The Capital Stock of MAC is no longer listed on the NYSE or Nasdaq National Market System; or

9.13 There shall occur an Event of Default under the Revolving Credit Facility; or

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

9.15 There shall occur a Change of Control;

THEN,

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

ARTICLE 10. The Agents.

10.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under the Loan Documents and each such

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Lender hereby irrevocably authorizes the Administrative Agent, as the agent for such Lender, to take such action on its behalf under the provisions of the Loan Documents and to exercise such powers and perform such duties as are expressly delegated to each such Agent by the terms of the Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in the Loan Documents, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or therein, or any fiduciary relationship with any

Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Loan Documents or otherwise exist against any of the Agents.

10.2 Delegation of Duties. The Administrative Agent may execute any of its duties under the Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

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

10.4 Reliance by the Agents. Each of the Agents shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certification, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by such Agent. As to the Lenders: (1) the Administrative Agent shall be fully justified in failing or refusing to take any action under the Loan Documents unless it shall first receive such advice or concurrence of one hundred percent (100%) of the Lenders (or, if a provision of this Agreement expressly provides that a lesser number of the Lenders may direct the action of the Administrative Agent, such lesser number of Lenders) or it shall first be indemnified to its satisfaction by the Lenders ratably in accordance with their respective Percentage Shares against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any action (except for liabilities and expenses resulting from the Administrative Agent's gross negligence or willful misconduct) and (2) the Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting,

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under the Loan Documents in accordance with a request of one hundred percent (100%) of the Lenders (or, if a provision of this Agreement expressly provides that the Administrative Agent shall be required to act or refrain from acting at the request of a lesser number of the Lenders, such lesser number of Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

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

10.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that none of the Administrative Agent, the other Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the other Agents hereinafter taken, including any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Administrative Agent or the other Agents to any Lender. Each Lender represents to the Administrative Agent and the other Agents that it has, independently and without reliance upon the Administrative Agent, the other Agents or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower Parties and made its own decision to make its loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, the other Agents or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent and the other Agents shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower or other Borrower Parties which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

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

Agent's gross negligence or willful misconduct, respectively. The provisions of this Section 10.7 shall survive the indefeasible payment of the Obligations and the termination of this Agreement.

10.8 Agents in Their Individual Capacity. The Administrative Agent, the other Agents and their affiliates may make loans to, accept deposits from and generally engage in any kind of business with any of the Borrower Parties or any of their respective Subsidiaries Entities and Affiliates as though the Administrative Agent and the other Agents were not, respectively, the Administrative Agent, a Co-Syndication Agent or an Agent hereunder. With respect to such loans made or renewed by them and any Note issued to them, the Administrative Agent and the other Agents shall have the same rights and powers under the Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, a Co-Syndication Agent or an Agent, respectively, and the terms "Lender" and "Lenders" shall include the Administrative Agent, the Co-Syndication Agents and each other Agent in its individual capacity.

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

10.10 Limitations on Agents Liability. None of the Co-Syndication Agents, the Joint Lead Arrangers, the Co-Documentation Agents, the Managing Agents, the Co-Agents or

the Joint Lead Arrangers, in such capacities, shall have any right, power, obligation, liability, responsibility or duty under this Agreement.

ARTICLE 11. Miscellaneous Provisions.

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

11.2 Modification. Neither this Agreement nor any other Loan Document may be Modified or waived unless such Modification or waiver is in writing and signed by the Administrative Agent, the Guarantors and the Borrower, except with respect to the Modifications and waivers described in the next sentence requiring unanimous approval of the Lenders, the Required Lenders. Notwithstanding the foregoing, no such Modification or waiver shall, without the prior written consent of one hundred percent (100%) of the Lenders and the Issuing Lender: (1) reduce the principal of, or rate of interest on, the Term Loan or fees payable hereunder, (2) except as expressly contemplated by Section 11.8 below, modify the Percentage Share of any Lender, (3) Modify the definition of "Required Lenders", (4) extend or waive any scheduled payment date for any principal, interest or fees, (5) release MAC from its obligations under the Guaranty, release the Borrower from its obligation to repay the Term Loan, (6) Modify this Section 11.2, or (7) Modify any provision of the Loan Documents which by its terms requires the consent or approval of one hundred percent (100%) of the Lenders. It is expressly agreed and understood that the failure by the Required Lenders to elect to accelerate amounts outstanding hereunder and/or to terminate the obligation of the Lenders to make Loans hereunder shall not constitute a Modification or waiver of any term or provision of this Agreement. No Modification of any provision of the Loan Documents relating to the Administrative Agent shall be effective without the written consent of the Administrative Agent.

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

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

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

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

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

11.8 Assignments, Participations, Etc.

(1) With the prior written consent of the Administrative Agent and, but only if there has not occurred and is continuing an Event of Default or Potential Default, MAC, such consents not to be unreasonably withheld or delayed, any Lender may at any time assign and delegate to one or more Eligible Assignees (provided that no written consent of MAC or the Administrative Agent shall be required in connection with any assignment and delegation by a Lender to an Affiliate of such Lender or to another Lender or its Affiliate) (each an “Assignee”) all or any part of such Lender’s rights and obligations under this Agreement (including all or a portion of its Percentage Share of the Term Loan at the time owing to it) and the other Obligations held by such Lender hereunder, in a minimum amount of \$5,000,000 (or (A) if such Assignee is another Lender or an Affiliate of a Lender, \$1,000,000; and (B) if such Lender’s Percentage Share of the Term Loan is less than \$5,000,000, one hundred percent (100%) thereof); provided, however, that MAC, the Borrower and the Administrative Agent may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrower and the Administrative Agent by such Lender and the Assignee; (ii) such Lender and its Assignee shall have delivered to the Borrower and the Administrative Agent an Assignment and Acceptance Agreement and (iii) the Assignee has paid to the Administrative Agent a processing fee in the amount of \$3,500.

(A) From and after the date that the Administrative Agent notifies the assignor Lender and the Borrower that it has received an executed Assignment and Acceptance Agreement and payment of the above-referenced processing fee: (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned to it pursuant to such Assignment and

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Acceptance Agreement, shall have the rights and obligations of a Lender under the Loan Documents, (ii) the assignor Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance Agreement, relinquish its rights and be released from its obligations under the Loan Documents (but shall be entitled to indemnification as otherwise provided in this Agreement with respect to any events occurring prior to the assignment) and (iii) this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Percentage Shares resulting therefrom.

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

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

(4) Notwithstanding any other provision contained in this Agreement or any other Loan Document to the contrary, any Lender may assign all or any portion of its Percentage Share of the Term Loan held by it to any Federal Reserve Lender or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any “Operating Circular” issued by such Federal Reserve Lender; provided that any payment in respect of such assigned Percentage Share of the Term Loan made by the Borrower to or for the account of the assigning and/or pledging Lender in accordance with the terms of this Agreement shall satisfy the Borrower’s obligations hereunder in respect to such assigned Percentage Share of the Term Loan to the extent of such payment. No such assignment shall release the assigning Lender from its obligations hereunder.

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

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

11.11 Confidentiality.

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

(2) Notwithstanding anything to the contrary set forth herein or in any other written or oral understanding or agreement to which the parties hereto are parties or by which they are bound, the parties hereto acknowledge and agree that (i) any obligations of confidentiality contained herein and therein do not apply and have not applied from the commencement of discussions between the parties to the United States federal tax treatment and United States federal tax structure of the transactions contemplated by the Loan Documents (and any related transactions or arrangements), and (ii) each party (and each of its employees, representatives, or other agents) may disclose to any and all parties as required, without limitation of any kind, the United States federal tax treatment and United States federal tax structure of the transactions contemplated by the Loan Documents and all materials of any kind

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(including opinions or other tax analyses) that are provided to such party relating to such tax treatment and tax structure, all within the meaning of U.S. Treasury Regulations Section 1.6011-4; provided, however, that each party recognizes that the privilege each has to maintain, in its sole discretion, the confidentiality of a communication relating to the transactions contemplated by the Loan Documents, including a confidential communication with its attorney or a confidential communication with a federally authorized tax practitioner under Section 7525 of the Code, is not intended to be affected by the foregoing.

11.12 Consent to Jurisdiction. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE BORROWER PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

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

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

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

Lenders to receive written confirmation of any telephonic notice or the receipt by the Administrative Agent and the Lenders of a confirmation which is at variance with the terms understood by the Administrative Agent and the Lenders to be contained in the telephonic notice.

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

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

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

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

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

11.21 Effectiveness of Agreement. This Agreement shall become effective upon the execution of a counterpart hereof by the Company, MAC, Required Lenders and Administrative Agent and receipt by Company and Administrative Agent of written or telephonic notification of such execution and authorization of delivery thereof.

[Signature Pages Following]

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

BORROWER:

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

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

By:

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

GUARANTOR:

THE MACERICH COMPANY,
a Maryland corporation

By:

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

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LENDERS AND AGENTS:

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

By: _____
Name: _____
Title: _____

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JPMORGAN CHASE BANK

By: _____
Name: _____
Title: _____

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BANK ONE, N.A.

By: _____
Name: _____
Title: _____

S-4

EUROHYPO AG, New York Branch

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

S-5

WELLS FARGO BANK, National Association

By: _____
Name: _____
Title: _____

S-6

COMMERZBANK AG, NEW YORK and
GRAND CAYMAN BRANCHES

By: _____
Name: _____
Title: _____

By: _____
Name: _____

Title: _____

S-7

FLEET NATIONAL BANK

By: _____

Name: _____

Title: _____

S-8

U.S. BANK NATIONAL ASSOCIATION, a national banking association

By: _____

Name: _____

Title: _____

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SOCIETE GENERALE

By: _____

Name: _____

Title: _____

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ANNEX I: GLOSSARY

THIS GLOSSARY is attached to and made a part of that certain Amended and Restated Credit Agreement (the “Agreement” or the “Credit Agreement”) dated as of the 30th day of July, 2004, by and among THE MACERICH PARTNERSHIP, L.P., a limited partnership organized under the laws of the state of Delaware (“Macerich Partnership”); THE MACERICH COMPANY, a Maryland corporation (“MAC”), AS GUARANTOR (the “Guarantor”); THE LENDERS FROM TIME TO TIME PARTY HERETO (collectively and severally, the “Lenders”); and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as administrative agent for the Lenders (in such capacity, the “Administrative Agent”). For purposes of the Credit Agreement and the other Loan Documents, the terms set forth below shall have the following meanings:

“Act” shall have the meaning given such term in Section 6.13 of the Credit Agreement.

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

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

“Affiliate Guaranties” shall mean each of the credit guaranties executed by each of the Affiliate Guarantors in favor of DBTCA (or a successor Administrative Agent), in its capacity as Administrative Agent for the benefit of the Lenders, as the same may be Modified from time to time.

“Affiliate Guarantors” shall mean, jointly and severally, the Westcor Guarantors, Macerich Great Falls Limited Partnership, a California limited partnership, and its successors, Macerich Oklahoma Limited Partnership, a California limited partnership, and its successors, Macerich Westside Adjacent Limited Partnership, a California limited partnership, and its successors, Macerich Sassafras Limited Partnership, a California limited partnership, and its successors, Northgate Mall Associates, a California general partnership, and any other guarantors executing Supplemental Guaranties in accordance with Section 4.1 of the Credit Agreement.

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

“Aggregate Investment Value” shall mean for each permitted Investment identified in Section 8.5 of the Credit Agreement (and any related Property referred to in such Section), the greater of (i) the purchase price of such Investment (and related Property); or (ii) that portion of the Gross Asset Value

represented by the relevant Investment (and related Property) as calculated in the most recent Measuring Period; provided, however, that all Real Property Under Construction shall be valued at the out-of-pocket costs incurred by the applicable Borrower Parties or their Subsidiary Entities in respect of such Real Property Under Construction.

“Applicable Base Rate” shall mean the floating rate per annum equal to the daily average Base Rate in effect during the applicable calculation period plus one percent (1.0%); provided that in no event shall the Applicable Base Rate at any time be less than 4.0% per annum.

“Applicable LIBO Rate” shall mean, with respect to any LIBO Rate Loan for the Interest Period applicable to such LIBO Rate Loan, the per annum rate equal to the Reserve Adjusted LIBO Rate plus two and one-half percent (2.50%); provided that in no event shall the Applicable LIBO Rate at any time be less than 4.0% per annum.

“Assignee” shall have the meaning given such term in Section 11.8 of the Credit Agreement.

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

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

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

“Board of Directors” shall mean, with respect to any person, (i) in the case of any corporation, the board of directors of such person, (ii) in the case of any limited liability company, the board of managers of such person, (iii) in the case of any partnership, the Board of Directors of the general partner of such person and (iv) in any other case, the functional equivalent of the foregoing.

“Book Value” shall mean the book value of such asset or property, without regard to any related Indebtedness.

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“Borrowed Indebtedness” of any Person means, without duplication, (A) all obligations for borrowed money of such Person, (B) all liabilities and obligations, contingent or otherwise, evidenced by a letter of credit or a reimbursement obligation of such Person with respect to any letter of credit, (C) all obligations payable in cash (excluding obligations payable in cash or Capital Stock, at the option of a Borrower Party) for the deferred purchase price of real property acquired by such Person (excluding obligations arising in the ordinary course of business but including all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to any real property acquired by such Person), (D) all obligations for borrowed money secured by any Lien upon or in any real property owned by such Person whether or not such Person has assumed or become liable for the payment of such obligations for borrowed money and (E) all obligations of the type described in any of clauses (A) through (D) above which are guaranteed, directly or indirectly, or endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted with recourse by such Person. Borrowed Indebtedness shall not include (i) Indebtedness set forth on Schedule 6.21 to the Credit Agreement, (ii) Indebtedness incurred for the purpose of acquiring one or more items of personal property, or (iii) guaranties or indemnities executed by the Borrower Parties in respect of Indebtedness secured by a Permitted Mortgage to the extent either: (A) such guaranty or indemnity has been incurred in respect of customary exclusions from the non-recourse provisions of the applicable Permitted Mortgage (including any customary exclusion in respect of environmental liabilities); or (B) such Indebtedness has been incurred for the purpose of financing the construction or development of Real Property owned by any Subsidiary of the Borrower Parties.

“Borrower Parties” shall mean, jointly and severally, each of the Borrower and the Guarantors.

“Borrower” shall mean the Macerich Partnership.

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

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

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

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

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

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

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

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

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

“Change of Control” shall mean, with respect to MAC, the occurrence of either of the following: (i) a change in the beneficial ownership within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 of more than twenty-five percent (25%) of the Capital Stock of MAC having

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general voting rights so that such Capital Stock is held by a Person, or two (2) or more Persons acting in concert, unless the Administrative Agent and the Required Lenders have approved in advance in writing the identity of such Person or Persons or (ii) the resignation or removal from the Board of Directors of fifty percent (50%) or more of the members of MAC’s Board of Directors during any twelve (12) month period for any reason other than death, disability or voluntary retirement or personal reasons, unless otherwise approved in advance in writing by the Required Lenders.

“Closing Certificate” shall mean a certificate in the form of that attached to the Credit Agreement as Exhibit B.

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

“Co-Agents” shall mean U.S. Bank National Association and Societe Generale, as the co-agent for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

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

“Co-Documentation Agents” shall mean EuroHypo AG, New York Branch and Wells Fargo Bank, National Association, as the documentation agents for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

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

“Compliance Certificate” shall mean a certificate in the form of that attached to the Credit Agreement as Exhibit C.

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

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

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

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“Contingent Obligation” as to any Person shall mean, without duplication, (i) any contingent obligation of such Person required to be shown on such Person’s balance sheet in accordance with GAAP, and (ii) any obligation required to be disclosed in the footnotes to such Person’s financial statements in accordance with GAAP, guaranteeing partially or in whole any non-recourse Indebtedness, lease, dividend or other obligation, exclusive of contractual indemnities (including, without limitation, any indemnity or price-adjustment provision relating to the purchase or sale of securities or other assets), of such Person or of any other Person. The amount of any Contingent Obligation described in clause (ii) shall be deemed to be (a) with respect to a guaranty of interest or interest and principal, or operating income guaranty, the sum of all payments required to be made thereunder (which in the case of an operating income guaranty shall be deemed to be equal to the debt service for the note secured thereby), calculated at the interest rate applicable to such Indebtedness, through (1) in the case of an interest or interest and principal guaranty, the stated date of maturity of the obligation (and commencing on the date interest could first be payable thereunder), or (2) in the case of an operating income guaranty, the date through which such guaranty will remain in effect, and (b) with respect to all guarantees not covered by the preceding clause (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as recorded on the balance sheet and on the footnotes to the most recent financial statements of the applicable Person required to be delivered pursuant hereto. Notwithstanding anything contained herein to the contrary, guarantees of completion and non-recourse carve outs in secured loans shall not be deemed to be Contingent Obligations unless and until a claim for payment has been made thereunder, at which time any such guaranty of

completion shall be deemed to be a Contingent Obligation in an amount equal to any such claim. Subject to the preceding sentence, (i) in the case of a joint and several guaranty given by such Person and another Person (but only to the extent such guaranty is recourse, directly or indirectly to the applicable Borrower Party or their respective Subsidiaries), the amount of the guaranty shall be deemed to be 100% thereof unless and only to the extent that (X) such other Person has delivered cash or Cash Equivalents to secure all or any part of such Person's guaranteed obligations or (Y) such other Person holds an Investment Grade Credit Rating from either Moody's or S&P, and (ii) in the case of a guaranty (whether or not joint and several) of an obligation otherwise constituting Indebtedness of such Person, the amount of such guaranty shall be deemed to be only that amount in excess of the amount of the obligation constituting Indebtedness of such Person. Notwithstanding anything contained herein to the contrary, "Contingent Obligations" shall not be deemed to include guarantees of loan commitments or of construction loans to the extent the same have not been drawn.

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

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"Co-Syndication Agents" shall mean JPMorgan Chase Bank and Bank One, N.A., as the syndication agents for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

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

"DBTCA" shall mean Deutsche Bank Trust Company Americas.

"De Minimis Subsidiary" shall mean any Subsidiary or Subsidiaries which in the aggregate represents less than one percent of Gross Asset Value of the Consolidated Entities.

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

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

"Disposition" shall mean the sale, conveyance, pledge, hypothecation, ground lease, encumbrance, creation of a security interest with respect to, or other transfer, whether voluntary or involuntary, direct or indirect, of any legal or beneficial interest in a Property, including any sale, conveyance, pledge, hypothecation, ground lease, encumbrance, creation of a security interest with respect to, or other transfer, at any tier, of any ownership interest in any Macerich Entity; provided, however, that Disposition shall not include any Permitted Encumbrances; provided further that such exclusion of Permitted Encumbrances shall not apply to the Dispositions described in Sections 8.4(1), 8.4(2), and 8.4(3) of the Credit Agreement.

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

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

"Dollar" shall mean lawful currency of the United States of America.

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

"Eligible Assignee" shall mean any of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

“Excluded Taxes” shall mean, with respect to the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by any state, locality or

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foreign jurisdiction under the laws of which such recipient is organized or in which it maintains an office or permanent establishment, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to the Credit Agreement or is attributable to such Foreign Lender’s failure to comply with Section 2.10(5) of the Credit Agreement; provided, however, Excluded Taxes shall not include any withholding tax resulting from any inability to comply with Section 2.10(5) of the Credit Agreement solely by reason of there having occurred a Change in Law.

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

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

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

“FFO” shall mean net income (loss) (computed in accordance with GAAP) excluding gains (or losses) from debt restructurings and sales of property, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures, as set forth in more detail under the definitions and interpretations thereof promulgated by the National Association of Real Estate Investment Trusts or its successor as of the date hereof, but in any case excluding any write down due to impairment of assets.

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

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

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

that, with respect to any Project that has not achieved Stabilization, Fixed Charges for such Project shall be calculated for the most recent fiscal quarter and annualized).

“Fixed Charges” shall mean, for any period, solely with respect to the Consolidated Entities, the sum of the amounts for such period of (i) scheduled payments of principal of Indebtedness of the Consolidated Entities (other than any Bullet Payment), (ii) the Consolidated Entities’ *pro rata* share of scheduled payments of principal of Indebtedness of Joint Ventures (other than any Bullet Payment) that does not otherwise constitute Indebtedness of and is not otherwise recourse to the Consolidated Entities or their assets, (iii) Interest Expense, (iv) payments of dividends in respect of Disqualified Capital Stock; and (v) to the extent not otherwise included in Interest Expense, dividends and other distributions paid during such period by the Borrower or MAC with respect to preferred stock or preferred operating units. For purposes of clauses (ii) and (v), the Consolidated Entities’ *pro rata* share of payments by any Joint Venture shall be deemed equal to the product of (a) the payments made by such Joint Venture, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

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

“GAAP” shall mean generally accepted accounting principles in the United States of America in effect from time to time; provided that for purposes of calculating the covenants set forth in Section 8.12 of the Credit Agreement, GAAP shall mean generally accepted accounting principles in the United States of America in effect as of the date hereof.

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

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

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

(i) for Retail Properties that are Wholly-Owned the sum of, for each such property, (a) such property’s Property NOI for the Measuring Period, *divided by* (b) (1) 8.00% (expressed as a decimal), in the case of regional Retail Properties or (2) 9.00%

(expressed as a decimal) in the case of Retail Properties that are not regional Retail Properties; *plus*

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

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

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

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

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

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

(viii) the Book Value of the Investment in Northpark Mall.

provided, however, that (A)(i) the determination of Gross Asset Value for any period shall not include any Retail Property (or any Property NOI relating to any Retail Property) that has been sold or otherwise disposed of at any time prior to or during such period; and (ii) La Cumbre Plaza, The Mall at Victor Valley and any other Retail Property acquired after the Closing Date shall be valued at Book Value for 18 months after acquisition thereof; and (B) upon the sale, conveyance, or transfer of all of a Real Property to a Person other than a Macerich Entity, the Gross Asset Value with respect to such Real Property shall no longer be considered.

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

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

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

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

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

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

“Hedging Obligations” of a Person means any and all obligations of such Person or any of its Subsidiaries, whether absolute or contingent and howsoever and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all agreements, devices or arrangements designed to protect at least one of the parties thereto from the fluctuations of interest rates, commodity prices, exchange rates or forward rates applicable to such party’s assets, liabilities or exchange transactions, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements,

forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any of the foregoing.

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

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

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

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

“Indemnified Taxes” means Taxes other than Excluded Taxes.

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

“Initial Guarantors” shall mean MAC and the Affiliate Guarantors who enter into Guaranties on or as of the date hereof.

“Intangible Assets” shall mean (i) all unamortized debt discount and expense, unamortized deferred charges, goodwill and other intangible assets and (ii) all write-ups (other than write-ups resulting from foreign currency translations and write-ups of assets of a going concern business made within twelve months after the acquisition of such business) subsequent to December 31, 1994, in the Book Value of any asset owned by the Consolidated Entities.

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

“Interest Expense” shall mean, for any period, solely with respect to the Consolidated Entities, the sum (without duplication) for such period of: (i) total interest expense, whether paid or accrued, of the Consolidated Entities, including fees payable in connection with the Credit Agreement, charges in respect of letters of credit and the portion of any Capitalized Lease Obligations allocable to interest expense, including the Consolidated Entities’ share of interest expenses in Joint Ventures but excluding amortization or write-off of debt discount and expense (except as provided in clause (ii) below), (ii) amortization of costs related to interest rate protection contracts and rate buydowns (other than the costs associated with the interest rate buydowns completed in connection with the initial public offering of MAC), (iii) capitalized interest, *provided* that capitalized interest may be excluded from this clause (iii) to the extent (A) such interest is paid or reserved out of any interest reserve established under a loan facility; or (B) consists of interest imputed under GAAP in respect of ongoing construction activities, but only to the extent such interest has not actually been paid, and the amount thereof does not exceed \$20,000,000, (iv) for purposes of determining Interest Expense as used in the Fixed Charge Coverage Ratio (both numerator and denominator) only, amortization of Capitalized Loan Fees, (v) to the extent not included in clauses (i), (ii), (iii) and (iv), any Consolidated Entities’ *pro rata* share of interest expense and other amounts of the type referred to in such clauses of the Joint Ventures, and (vi) interest incurred on any liability or obligation that constitutes a Contingent Obligation of any Consolidated Entity. For purposes of clause (v), any Consolidated Entities’ *pro rata* share of interest expense or other amount of any Joint Venture shall be deemed equal to the product of (a) the interest expense or other relevant amount of such Joint Venture, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

“Interest Period” shall mean, with respect to a LIBO Rate Loan, a period of one, two, three or six months commencing on a Eurodollar Business Day selected by the Borrower pursuant to the Credit Agreement. Such Interest Period shall end on (but exclude) the day which corresponds numerically to such date one, two, three or six

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months thereafter, provided, however, that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Eurodollar Business Day, such Interest Period shall end on the next succeeding Eurodollar Business Day, provided, however, that if said next succeeding Eurodollar Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Eurodollar Business Day.

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

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

“Joint Lead Arrangers” shall mean Deutsche Bank Securities, Inc. and J.P. Morgan Securities Inc., in their respective capacities as joint lead arrangers and joint bookrunners for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

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

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provided, all references in the Loan Documents to a “Joint Venture” shall mean a Joint Venture of MAC.

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

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

Administrative Agent in the London interbank market, at approximately 11:00 a.m. (London time) two Eurodollar Business Days prior to the first day of such Interest Period.

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

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

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

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

“MAC” shall have the meaning given such term in the preamble to the Credit Agreement.

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

“Macerich Entities” shall mean the Borrower Parties, and all Subsidiary Entities of the Borrower Parties (including Westcor).

“Macerich TWC Corp.” shall mean Macerich TWC Corp., a Delaware corporation.

“Macerich TWC II Corp.” shall mean Macerich TWC II Corp., a Delaware corporation.

“Macerich TWC LLC” shall mean Macerich TWC LLC, a Delaware limited liability company.

“Macerich TWC II LLC” shall mean Macerich TWC II LLC, a Delaware limited liability company.

“Macerich WRLP Corp.” shall mean Macerich WRLP Corp., a Delaware corporation.

“Macerich WRLP LLC” shall mean Macerich WRLP LLC, a Delaware limited liability company.

“Macerich WRLP II Corp.” shall mean Macerich WRLP II Corp., a Delaware corporation.

“Macerich WRLP II LP” shall mean Macerich WRLP II LP, a Delaware limited partnership.

“Macerich Partnership” shall have the meaning given such term in the preamble to the Credit Agreement.

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

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

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“Managing Agents” shall mean Fleet National Bank and Commerzbank AG, as the managing agents for the credit facility evidenced by the Credit Agreement, together with their permitted successors and assigns.

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

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

“Material Adverse Effect” shall mean with respect to (a) MAC and its Subsidiaries on a consolidated basis taken as a whole or (b) the Macerich Partnership and its Subsidiaries on a consolidated basis taken as a whole, any of the following (1) a material adverse change in, or a material adverse effect upon, the operations, business, properties, condition (financial or otherwise) or prospects of any of such Persons from and after the Statement Date, (2) a material impairment of the ability of any of such Persons to otherwise perform under any Loan Document; or (3) a material adverse effect upon the legality, validity, binding effect or enforceability against any of such Persons of any Loan Document.

“Maturity Date” shall initially mean the Original Maturity Date; provided that the “Maturity Date” shall mean the Extended Maturity Date if the Borrower extends the Original Maturity Date in accordance with the terms and conditions of Section 1.4. The Maturity Date shall be subject to acceleration

upon an Event of Default as otherwise provided in the Credit Agreement.

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

“Minority Interest” shall mean all of the partnership units (as defined under the Borrower’s partnership agreement) of the Borrower held by any Person other than MAC.

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

“Moody’s” shall mean Moody’s Investors Service, Inc., or any successor thereto.

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

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

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

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

“Net Worth” means, at any date, the consolidated stockholders’ equity of the Consolidated Entities, excluding any amounts attributable to Disqualified Capital Stock.

“Northpark Mall” shall mean Northpark Mall, a Retail Property located in Dallas, Texas.

“Note” shall mean a promissory note in the form of that attached to the Credit Agreement as Exhibit E issued by the Borrower at the request of a Lender pursuant to Section 3.1 of the Credit Agreement.

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

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“Organizational Documents” shall mean: (a) for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, and all applicable resolutions of the Board of Directors (or any committee thereof) of such corporation, (b) for any partnership, the partnership agreement, any certificate of formation, and any other instrument or agreement relating to the rights between the partners or pursuant to which such partnership is formed, (c) for any limited liability company, the operating agreement, any articles of organization or formation, and any other instrument or agreement relating to the rights between the members, pertaining to the manager, or pursuant to which such limited liability company is formed, and (d) for any trust, the trust agreement and any other instrument or agreement relating to the rights between the trustors, trustees and beneficiaries, or pursuant to which such trust is formed.

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

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

“Participant” shall have the meaning given such term in Section 11.8 of the Credit Agreement.

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

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

“Percentage Share” shall mean for any Lender at any date the percentage set forth next to such Lender’s name on Schedule G-1 to the Credit Agreement, as the same may be Modified from time to time, including, without limitation, to reflect the addition or withdrawal of a Lender or the assignment of all or a portion of an existing Lender’s Percentage Share as permitted pursuant to Section 11.8 of the Credit Agreement.

“Permitted Encumbrances” shall mean any Liens with respect to the assets of the Borrower Parties and Macerich Core Entities consisting of the following:

(a) Liens (other than environmental Liens and Liens in favor of the PBGC) with respect to the payment of taxes, assessments or governmental charges in all

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cases which are not yet due or which are being contested in good faith and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;

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

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

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

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

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

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

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

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

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

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(k) Liens on personal property.

“Permitted Mortgages” shall mean those certain mortgages and/or deeds of trust entered into by Subsidiaries of the Borrower Parties with respect to Real Property directly owned by such Subsidiaries of the Borrower Parties to the extent such mortgages and deeds of trust are otherwise permitted under the Credit Agreement (including Section 8.1(1) of the Credit Agreement).

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

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

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

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

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

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

“Property Expense” shall mean, for any Retail Property, all operating expenses relating to such Retail Property, including the following items (provided, however, that Property Expenses shall not include debt service, tenant improvement costs, leasing commissions, capital improvements, Depreciation and Amortization Expenses and any extraordinary items not considered operating expenses under GAAP): (i) all expenses for

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the operation of such Retail Property, including any management fees payable under the Management Contracts and all insurance expenses, but not including any expenses incurred in connection with a sale or other capital or interim capital transaction; (ii) water charges, property taxes, sewer rents and other impositions, other than fines, penalties, interest or such impositions (or portions thereof) that are payable by reason of the failure to pay an imposition timely; and (iii) the cost of routine maintenance, repairs and minor alterations, to the extent they can be expensed under GAAP.

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

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

“Queens Development Project” shall mean the Real Property and improvements located at or adjacent to 90-15 Queen’s Blvd., Elmhurst, New York, commonly referred to as “Queens Development Project” and owned by Macerich Queens Limited Partnership and/or Macerich Queens Expansion, LLC.

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

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

“Real Property Under Construction” shall mean Real Property for which Commencement of Construction has occurred but construction of such Real Property is not substantially complete or has not yet reached Stabilization.

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

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

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

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“REIT Guaranty” shall mean the credit guaranty executed by MAC in favor of DBTCA (or a successor Administrative Agent), in its capacity as Administrative Agent for the benefit of the Lenders, as the same may be Modified from time to time.

“Related Parties” shall mean, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

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

“Related Parties” shall mean, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” shall mean at any date, those Lenders holding not less than 66 2/3% of the outstanding principal portion of the Term Loan.

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

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

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

where

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

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

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

“Retail Property” means any Real Property that is a neighborhood, community or regional shopping center or mall or office building.

“Retail Property Under Construction” shall mean Retail Property for which Commencement of Construction has occurred but construction of such Retail Property is not substantially complete or has not yet reached Stabilization.

“Revolving Credit Agreement” shall mean that certain Amended and Restated Credit Agreement evidencing the Revolving Credit Facility dated as of July 30, 2004, by and among the Borrower, as borrower and MAC as guarantor who are signatory thereto, the lenders signatory thereto and DBTCA, as administrative agent.

“Revolving Credit Facility” shall mean that certain amended and restated credit facility evidenced by the Revolving Credit Agreement, which provides for the funding of certain revolving loans and the issuance of letters of credit to, and on behalf of, the Borrower in the aggregate amount not to exceed \$1,000,000,000.

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

“Secured Indebtedness” shall mean that portion of the Total Liabilities that is, without duplication: (i) secured by a Lien; or (ii) any unsecured Indebtedness of any Subsidiary of a Borrower Party if such Subsidiary is not a Guarantor.

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

“Secured Recourse Indebtedness” shall mean Secured Indebtedness to the extent the principal amount thereof has been guaranteed by (or is otherwise recourse to) any Borrower Party (other than a Borrower Party whose sole assets are (i) collateral for such Secured Indebtedness; or (ii) Capital Stock in another Borrower Party whose sole assets are such collateral and who otherwise meets the criteria set forth in clauses (D) through (T) in the definition of Single Purpose Entity).

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

“Single Purpose Entity” shall mean shall mean a Person, other than an individual, which (A) is formed or organized solely for the purpose of holding, directly or

indirectly, an ownership interest in the Westcor Principal Entities, (B) does not engage in any business unrelated to clause (A) above, (C) has not and will not have any assets other than those related to its activities in accordance with clauses (A) and (B) above, (D) maintains its own separate books and records and its own accounts, in each case which are separate and apart from the books and records and accounts of any other Person, (E) holds itself out as being a Person, separate and apart from any other Person, (F) does not and will not commingle its funds or assets with those of any other Person, (G) conducts its own business in its own name, (H) maintains separate financial statements and files its own tax returns (or if its tax returns are consolidated with those of MAC, such returns shall clearly identify such Person as a separate legal entity), (I) pays its own debts and liabilities when they become due out of its own funds, (J) observes all partnership, corporate, limited liability company or trust formalities, as applicable, and does all things necessary to preserve its existence, (K) except as expressly permitted by the Loan Documents, maintains an arm’s-length relationship with its Transactional Affiliates and shall not enter into any Contractual Obligations with any Affiliates except as permitted under the Credit Agreement, (L) pays the salaries of its own employees, if any, and maintains a sufficient number of employees in light of its contemplated business operations, (M) does not guarantee or otherwise obligate itself with respect to the debts of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person, except with respect to the Loans and as otherwise permitted under the Loan Documents, (N) does not acquire obligations of or securities issued by its partners, members or shareholders, (O) allocates fairly and reasonably shared expenses, including any overhead for shared office space, (P) uses separate stationery, invoices, and checks, (Q) does not and will not pledge its assets for the benefit of any other Person (except as permitted under the Loan Documents) or make any loans or advances to any other Person (except with respect to the Loans), (R) does and will correct any known misunderstanding regarding its separate identity, (S) maintains adequate capital in light of its contemplated business operations, and (T) has and will have a partnership or operating agreement, certificate of incorporation or other organizational document which complies with the requirements set forth in this definition.

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

“Stabilization” shall mean, with respect to any Real Property, the earlier of (i) the date on which eighty-five percent (85%) or more of the Gross Leasable Area of such Real Property has been subject to binding leases for a period of twelve (12) months or longer, or (ii) the date twenty-four (24) months after the date that substantially all portions of such Real Property are open to the public and operating in the ordinary course of business.

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“Statement Date” shall mean December 31, 2003.

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

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

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

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

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

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

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

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

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“The Mall at Victor Valley” shall mean The Mall at Victor Valley, a Retail Property located in Victorville, California.

“Total Liabilities” shall mean, at any time, without duplication, the aggregate amount of (i) all Indebtedness and other liabilities of the Consolidated Entities reflected in the financial statements of MAC or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation), *plus* (ii) all Indebtedness and other liabilities of all Joint Ventures reflected in the financial statements of such Joint Ventures or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) which are otherwise recourse to any Consolidated Entity or any of its assets or that otherwise constitutes Indebtedness of any Consolidated Entity (including any recourse obligations arising as a result of a Consolidated Entity serving as a general partner, directly or indirectly, in such Joint Ventures, unless such general partner is a corporation whose sole asset is its general partnership interest and who otherwise meets the criteria set forth in clauses (D) through (T) in the definition of Single Purpose Entity); *provided that*, notwithstanding this clause (ii), those certain guarantees described on Schedule G-2 to the Credit Agreement, which liabilities thereunder are recourse, directly or indirectly, to any of the Westcor Principal Entities or their Subsidiaries, shall be considered an obligation governed by clause (iii) below, *plus* (iii) the Consolidated Entities’ *pro rata* share of all Indebtedness and other liabilities reflected in the financial statements of any Joint Venture or disclosed in the notes thereto (to the extent the same would constitute a Contingent Obligation) not otherwise constituting Indebtedness of or recourse to any Consolidated Entity or any of its assets, *plus* (iv) all liabilities of the Consolidated Entities with respect to purchase and repurchase obligations, provided that any obligations to acquire fully-constructed Real Property shall not be included in Total Liabilities prior to the transfer of title of such Real Property. With respect to any Real Property Under Construction as to which any Consolidated Entity has provided an outstanding and undrawn letter of credit relating to the performance and/or completion of construction at such property, the amount of Indebtedness evidenced by such letter of credit shall be included in Total Liabilities if: (a) such Indebtedness does not duplicate Indebtedness incurred in respect of such Real Property Under Construction (including any off-site improvements associated therewith); (b) such Indebtedness is required by GAAP to be reflected on the liability side of any Consolidated Entities’ balance sheet; and (c) to the extent such Indebtedness is not required by GAAP to be reflected on the liability side of any Consolidated Entities’ balance sheet, then such Indebtedness shall only be included to the extent the amount of such Indebtedness exceeds \$40,000,000. For purposes of clause (iii), the Consolidated Entities’ *pro rata* share of all Indebtedness and other liabilities of any Joint Venture shall be deemed equal to the product of (a) such Indebtedness or other liabilities, *multiplied by* (b) the percentage of the total outstanding Capital Stock of such Person held by any Consolidated Entity, expressed as a decimal.

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

“UCC” shall mean the Uniform Commercial Code.

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“Unaffiliated Partners” shall mean Persons who own, directly or indirectly at any tier, a beneficial interest in the Capital Stock of a Subsidiary Entity, but such Persons shall exclude: (i) the Macerich Entities; (ii) Affiliates of Macerich Entities; (iii) Persons whose Capital Stock or beneficial interest therein is owned, directly or indirectly at any tier, by the Macerich Entities or their Affiliates.

“Unencumbered Property” shall have the meaning set forth in Section 4.1 of the Credit Agreement.

“Unfunded Pension Liability” shall mean the excess of a Pension Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Plan’s assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

“Westcor” shall mean (i) the Westcor Principal Entities, (ii) the Westcor Guarantors, (iii) the Subsidiaries of the Westcor Guarantors; and (iv) any other Person the accounts of which would be consolidated with those of the Westcor Guarantors in consolidated financial statements in accordance with GAAP. When the context so requires, “Westcor” shall mean any of the Persons described above.

“Westcor Assets” shall mean all Projects and related Property, directly or indirectly, in whole or in any part, owned or leased by Westcor.

“Westcor Guarantors” shall mean Macerich WRLP II Corp., a Delaware corporation, Macerich WRLP II LP, a Delaware limited partnership, Macerich WRLP Corp., a Delaware corporation, Macerich WRLP LLC, a Delaware limited liability company, Macerich TWC II Corp., a Delaware corporation, and Macerich TWC II LLC, a Delaware limited liability company.

“Westcor Principal Entities” shall mean, jointly and severally, Westcor Realty Limited Partnership and The Westcor Company II Limited Partnership.

“Wholly-Owned” shall mean, with respect to any Real Property, Capital Stock, or other Property owned or leased, that (i) title to such Property is held directly by, or such Property is leased by, the Borrower, or (ii) in the case of Real Property or Capital Stock, title to such property is held by, or (in the case of Real Property) such Property is leased by, a Consolidated Entity at least 99% of the Capital Stock of which is held of record and beneficially by the Borrower (or a Person whose Capital Stock is owned 100% by the Borrower) and the balance of the Capital Stock of which (if any) is held of record and beneficially by MAC (or a Person whose Capital Stock is owned 100% by MAC). References to Property Wholly-Owned by Westcor or a Macerich Entity shall mean property 100% owned by such Person.

“Wholly-Owned Raw Land” shall mean Wholly-Owned land that is not under development and for which no development is planned to commence within twelve (12) months after the date on which it was acquired.

Other Interpretive Provisions.

(1) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. Terms (including uncapitalized terms) not otherwise defined herein and that are defined in the UCC shall have the meanings therein described.

(2) The words “hereof”, “herein”, “hereunder” and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(3) (i) The term “documents” includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced;

(ii) The term “including” is not limiting and means “including without limitation;”

(iii) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including;”

(iv) The term “property” includes any kind of property or asset, real, personal or mixed, tangible or intangible; and

(v) The verb “exists” and its correlative noun forms, with reference to a Potential Default or an Event of Default, means that such Potential Default or Event of Default has occurred and continues uncured and unwaived.

(4) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent Modifications thereto, but only to the extent such Modifications are not prohibited by the terms of any Loan Document, (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation, and (iii) references to any Person include its permitted successors and assigns.

(5) This Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

THE MACERICH COMPANY (The Company)

SECTION 302 CERTIFICATION

I, Arthur M. Coppola, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended June 30, 2004 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)) 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) 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
 - c) 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 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:
 - 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.

Date: August 6, 2004

/s/ Arthur M. Coppola

[Signature]

President and Chief Executive Officer

[Title]

THE MACERICH COMPANY (The Company)

SECTION 302 CERTIFICATION

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

1. I have reviewed this report on Form 10-Q for the quarter ended June 30, 2004 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)) 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) 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
 - c) 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 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:
 - 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.

Date: August 6, 2004

/s/ Thomas E. O'Hern

[Signature]

Executive Vice President and Chief Financial Officer

[Title]

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, hereby certify that:

(i) the Quarterly Report on Form 10-Q for the quarter ended June 30, 2004 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: August 6, 2004

/s/ Arthur Coppola

[Signature]

President and Chief Executive Officer

[Title]

/s/ Thomas E. O'Hern

[Signature]

Executive Vice President and Chief Financial Officer

[Title]