MACERICH CO
Form 10-K
February 26, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009**

Commission File No. 1-12504

THE MACERICH COMPANY

(Exact name of registrant as specified in its charter)

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

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

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

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

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

Indicate by check mark if the registrant is well-known seasoned issuer, as defined in Rule 405 of the Securities Act

YES ý NO o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act

YES o NO ý

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

YES ý NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES o NO o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment on to this Form 10-K. ý

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

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

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

YES o NO ý

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was approximately $1.4 billion as of the last business day of the registrant's most recent completed second fiscal quarter based upon the price at which the common shares were last sold on that day.

Number of shares outstanding of the registrant's common stock, as of February 16, 2010: **96,652,642 shares**

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual stockholders meeting to be held in 2010 are incorporated by reference into Part III of this Form 10-K

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PART I

IMPORTANT FACTORS RELATED TO FORWARD-LOOKING STATEMENTS

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

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

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

ITEM 1. BUSINESS

General

The Company is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community shopping centers located throughout the United States. The Company is the sole general partner of, and owns a majority of the ownership interests in, The Macerich Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"). As of December 31, 2009, the Operating Partnership owned or had an ownership interest in 72 regional shopping centers and 14 community shopping centers totaling approximately 75 million square feet of gross leasable area ("GLA"). These 86 regional and community shopping centers are referred to herein as the "Centers," and consist of consolidated Centers ("Consolidated Centers") and unconsolidated joint venture Centers ("Unconsolidated Joint Venture Centers") as set forth in "Item 2 Properties," unless the context otherwise requires. The Company is a self-administered and self-managed real estate investment trust ("REIT") and conducts all of its operations through the Operating Partnership and the Company's management companies, Macerich Property Management Company, LLC, a single member Delaware limited liability company, Macerich Management Company, a California corporation, Westcor Partners, L.L.C., a single member Arizona limited liability company, Macerich Westcor Management LLC, a single member Delaware limited liability company, Westcor Partners of Colorado, LLC, a Colorado limited liability company, MACW Mall Management, Inc., a New York corporation, and MACW Property Management, LLC, a single member New York limited liability company. All seven of the management companies are collectively referred to herein as the "Management Companies."

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

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

Recent Developments

Acquisitions and Dispositions:

On July 30, 2009, the Company sold a 49% ownership interest in Queens Center to a third party for approximately $152.7 million, resulting in a gain on sale of assets of $154.2 million. The Company used the proceeds from the sale of the ownership interest in the property to pay down the Company's term loan and for general corporate purposes. As of the date of the sale, the Company has accounted for the operations of Queens Center under the equity method of accounting.

On September 3, 2009, the Company formed a joint venture with a third party, whereby the Company sold a 75% interest in FlatIron Crossing and received approximately $123.8 million in cash proceeds for the overall transaction. The Company used the proceeds from the sale of the ownership interest in the property to pay down the Company's term loan and for general corporate purposes. As part of this transaction, the Company issued three warrants for an aggregate of 1,250,000 shares of common stock of the Company. (See Note 15 Stockholders' Equity in the Company's Notes to the Consolidated Financial Statements). As of the date of the sale, the Company has accounted for the operations of FlatIron Crossing under the equity method of accounting.

On September 29, 2009, the Company sold a leasehold interest in a former Mervyn's store for $4.5 million, resulting in a gain on sale of assets of $4.1 million. The Company used the proceeds from the sale to pay down the Company's line of credit and for general corporate purposes.

On September 30, 2009, the Company formed a joint venture with a third party, whereby the third party acquired a 49.9% interest in Freehold Raceway Mall and Chandler Fashion Center. The Company received approximately $174.6 million in cash proceeds for the overall transaction. The Company used the proceeds from this transaction to pay down the Company's line of credit and for general corporate purposes. As part of this transaction, the Company issued a warrant for an aggregate of 935,358 shares of common stock of the Company. (See Note 15 Stockholders' Equity in the Company's Notes to the Consolidated Financial Statements). The transaction has been accounted for as a profit-sharing arrangement, and accordingly the assets, liabilities and operations of the properties remain on the books of the Company and a co-venture obligation was established for the amount of $168.2 million representing the net cash proceeds received from the third party less the value allocated to the warrant.

In addition, in 2009 the Company sold six non-core community centers for $83.2 million and sold five former Mervyn's stores for approximately $52.7 million. The Company used the proceeds from these sales to pay down the Company's line of credit and term loan and for general corporate purposes.

Financing Activity:

On February 2, 2009, the Company refinanced the existing loan on Queens Center with a $130.0 million loan that bears interest at a rate of 7.78% and matures on March 1, 2013. The Company used the net loan proceeds to pay down the Company's line of credit and for general corporate purposes. On July 30, 2009, 49.0% of the loan balance on Queens Center was assumed by a third party in connection with the sale to that party of a 49.0% interest in the underlying property. See "Recent Developments Acquisitions and Dispositions."

On May 1, 2009, the Company paid off the existing loan on Paradise Valley Mall. On August 31, 2009, the Company placed a new $85.0 million loan on the property that bears interest at LIBOR plus 4.0% with a total interest rate floor of 5.50% and matures on August 31, 2012 with two one-year extension options.

On May 11, 2009, Pacific Premier Retail Trust, one of the Company's joint ventures, replaced the existing loan on the Redmond Office with a new $62.0 million loan that bears interest at 7.52% and matures on May 15, 2014. The Company used its pro rata share of the net loan proceeds to pay down the Company's line of credit and for general corporate purposes.

On June 10, 2009, the Company's joint venture in The Shops at North Bridge replaced its existing loan with a new $205.0 million loan that bears interest at 7.52% and matures on June 15, 2016.

On August 21, 2009, Pacific Premier Retail Trust, one of the Company's joint ventures, replaced the existing loan on Redmond Town Center with a $74.0 million draw on a credit facility that is cross-collateralized by Redmond Town Center, Cross Court Plaza and Northpoint Plaza, bears interest at LIBOR plus 4.0% with a 2.0% LIBOR floor and matures on August 21, 2011, with a one-year extension option. On February 1, 2010, the joint venture borrowed an additional $81.0 million under the facility and paid off the existing loans on Cascade Mall, Kitsap Mall and Kitsap Place and added those properties as collateral.

On September 3, 2009, 75.0% of the loan balance on FlatIron Crossing was assumed by a third party in connection with the sale to that party of a 75.0% interest in the underlying property. See "Recent Developments Acquisitions and Dispositions."

On September 10, 2009, the Company's joint venture refinanced the existing loan on Biltmore Fashion Park, a $60.0 million loan that bears interest at 8.25% and matures on October 1, 2014.

On September 30, 2009, 49.9% of the loan balances on Freehold Raceway Mall and Chandler Fashion Center were assumed by a third party in connection with the Company entering into a co-venture arrangement with that party. See "Recent Developments Acquisitions and Dispositions."

On October 27, 2009, the Company completed an offering of 12,000,000 newly issued shares of its common stock, as well as an additional 1,800,000 newly issued shares of common stock in connection with the underwriters' exercise of its over-allotment option. The net proceeds of the offering, after giving effect to the issuance and sale of all 13,800,000 shares of common stock at an initial price to the public of $29.00 per share, were approximately $383.4 million after deducting underwriting discounts, commissions and other transaction costs. The Company used the net proceeds of the offering to pay down its line of credit.

On October 29, 2009, the Company's joint venture in Corte Madera replaced the existing loan on the property with a new $80.0 million loan that bears interest at 7.27% and matures on November 1, 2016. The Company used its pro rata share of the net loan proceeds to pay down the Company's line of credit and for general corporate purposes.

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On December 29, 2009, the Company placed a construction loan on Northgate Mall that allows for borrowings of up to $60.0 million, bears interest at LIBOR plus 4.5% with a total interest rate floor of 6.0% and matures on January 1, 2013, with two one-year extension options. The loan also includes a provision that allows for additional borrowings of up to $20.0 million, depending on certain conditions. The net loan proceeds were used to pay down the Company's line of credit and for general corporate purposes.

During the year ended December 31, 2009, the Company paid off its $446.3 million term loan that was scheduled to mature on April 26, 2010. As a result, the Company recognized a loss of $0.7 million on the early extinguishment of debt. The repayment was funded from the proceeds from the sale of the ownership interests in Queens Center and FlatIron Crossing, and through additional borrowings under the Company's line of credit.

During the year ended December 31, 2009, the Company repurchased and retired $89.1 million of convertible senior notes ("Senior Notes") for $53.4 million. This early retirement of debt resulted in a gain of $29.8 million on early extinguishment of debt. The repurchases were funded through additional borrowings under the Company's line of credit.

Redevelopment and Development Activity:

Northgate Mall, the Company's 712,771 square foot regional mall in Marin County, California, opened the first phase of its redevelopment on November 12, 2009. New anchor Kohl's was joined by retailers H&M, BJ's Restaurant, Children's Place, Chipotle, Gymboree, Hot Topic, PacSun, Panera Bread, See's Candies, Sunglass Hut, Tilly's and Vans. As of December 31, 2009, the Company incurred approximately $66.5 million of redevelopment costs for this Center and is estimating it will incur approximately $12.5 million of additional costs in 2010.

Santa Monica Place in Santa Monica, California, is scheduled to open in August 2010 with anchors Bloomingdale's and Nordstrom. The Company recently announced deals with Tony Burch, Ben Bridge Jewelers and Charles David. As of December 31, 2009, the Company incurred approximately $163.2 million of redevelopment costs for this Center and is estimating it will incur approximately $101.8 million of additional costs in 2010.

The Shopping Center Industry

General

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

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Regional Shopping Centers:

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

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

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

Business of the Company

Strategy:

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

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

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

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

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

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

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

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

The Centers

As of December 31, 2009, the Centers consist of 72 Regional Shopping Centers and 14 Community Shopping Centers totaling approximately 75 million square feet of GLA. The 72 Regional Shopping Centers in the Company's portfolio average approximately 955,000 square feet of GLA and range in size from 2.2 million square feet of GLA at Tysons Corner Center to 314,305 square feet of GLA at Panorama Mall. The Company's 14 Community Shopping Centers have an average of approximately 276,000 square feet of GLA. As of December 31, 2009, the Centers included 300 Anchors totaling approximately 39.4 million square feet of GLA and approximately 8,500 Mall Stores and Freestanding Stores totaling approximately 35.2 million square feet of GLA.

Competition

There are numerous owners and developers of real estate that compete with the Company in its trade areas. There are six other publicly traded mall companies in the United States and several large private mall companies, any of which under certain circumstances could compete against the Company for an acquisition, an Anchor or a tenant. In addition, private equity firms compete with the Company in terms of acquisitions. This results in competition for both acquisition of centers and for tenants or Anchors to occupy space. The existence of competing shopping centers could have a material adverse impact on the Company's ability to lease space and on the level of rent that can be achieved. There is also increasing competition from other retail formats and technologies, such as lifestyle centers, power centers, Internet shopping, home shopping networks, factory outlet centers, discount shopping clubs and mail-order services that could adversely affect the Company's revenues.

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

Major Tenants

The Centers derived approximately 79% of their total rents for the year ended December 31, 2009 from Mall Stores and Freestanding Stores under 10,000 square feet. Big Box and Anchor tenants accounted for 21.0% of total rents for the year ended December 31, 2009. One tenant accounted for

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approximately 2.5% of total rents of the Company, and no other single tenant accounted for more than 2.4% of total rents as of December 31, 2009.

The following retailers (including their subsidiaries) represent the 10 largest rent payers in the Company's portfolio (including joint ventures) based upon total rents in place as of December 31, 2009:

Tenant	Primary DBA's	Number of Locations in the Portfolio	% of Total Rents(1)
Gap Inc.	Gap, Banana Republic, Old Navy	94	2.5%
Limited Brands, Inc.	Victoria Secret, Bath and Body	144	2.4%
Forever 21, Inc.	Forever 21, XXI Forever	48	1.9%
Foot Locker, Inc.	Footlocker, Champs Sports, Lady Footlocker	143	1.7%
Abercrombie & Fitch Co.	Abercrombie & Fitch, Abercrombie, Hollister	81	1.6%
AT&T Mobility LLC(2)	AT&T Wireless, Cingular Wireless	29	1.3%
Luxottica Group	Lenscrafters, Sunglass Hut	156	1.3%
American Eagle Outfitters, Inc.	American Eagle Outfitters	66	1.3%
Macy's, Inc.	Macy's, Bloomingdale's	65	1.0%
Signet Group PLC	Kay Jewelers, Weisfield Jewelers	76	1.0%

(1) Total rents include minimum rents and percentage rents.

(2) Includes AT&T Mobility office headquarters located at Redmond Town Center.

Mall Stores and Freestanding Stores

Mall Store and Freestanding Store leases generally provide for tenants to pay rent comprised of a base (or "minimum") rent and a percentage rent based on sales. In some cases, tenants pay only minimum rent, and in other cases, tenants pay only percentage rent. Historically, most leases for Mall Stores and Freestanding Stores contained provisions that allowed the Centers to recover their costs for maintenance of the common areas, property taxes, insurance, advertising and other expenditures related to the operations of the Center. Since January 2005, the Company generally began entering into leases that require tenants to pay a stated amount for such operating expenses, generally excluding property taxes, regardless of the expenses the Company actually incurs at any Center.

Tenant space of 10,000 square feet and under in the portfolio at December 31, 2009 comprises 69.1% of all Mall Store and Freestanding Store space. The Company uses tenant spaces of 10,000 square feet and under for comparing rental rate activity. Mall Store and Freestanding Store space greater than 10,000 square feet is inconsistent in size and configuration throughout the Company's portfolio and as a result does not lend itself to a meaningful comparison of rental rate activity with the Company's other space. Most of the non-anchor space over 10,000 square feet is not physically connected to the mall, does not share the same common area amenities and does not benefit from the foot traffic in the mall. As a result, space greater than 10,000 square feet has a unique rent structure that is inconsistent with mall space under 10,000 square feet. Mall Store and Freestanding Store space under 10,000 square feet is more consistent in terms of shape and configuration and, as such, the Company is able to provide a meaningful comparison of rental rate activity for this space.

When an existing lease expires, the Company is often able to enter into a new lease with a higher base rent component. The average base rent for new Mall Store and Freestanding Store leases at the Consolidated Centers, 10,000 square feet and under, executed during 2009 was $38.15 per square foot, or 11.9% higher than the average base rent for all Mall Stores and Freestanding Stores at the Consolidated Centers, 10,000 square feet and under, expiring during 2009 of $34.10 per square foot.

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

I.

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

For the Years Ended December 31,	Average Base Rent Per Square Foot(1)	Avg. Base Rent Per Sq.Ft. on Leases Executed During the Year(2)	Avg. Base Rent Per Sq. Ft. on Leases Expiring During the Year(3)
Consolidated Centers:			
2009	$ 37.77	$ 38.15	$ 34.10
2008	$ 41.39	$ 42.70	$ 35.14
2007	$ 38.49	$ 43.23	$ 34.21
2006	$ 37.55	$ 38.40	$ 31.92
2005	$ 34.23	$ 35.60	$ 30.71
Unconsolidated Joint Venture Centers:			
2009	$ 45.56	$ 43.52	$ 37.56
2008	$ 42.14	$ 49.74	$ 37.61
2007	$ 38.72	$ 47.12	$ 34.87
2006	$ 37.94	$ 41.43	$ 36.19
2005	$ 36.35	$ 39.08	$ 30.18

II.

Big Box and Anchors:

For the Years Ended December 31,	Average Base Rent Per Square Foot(1)	Avg. Base Rent Per Sq.Ft. on Leases Executed During the Year(2)	Number of Leases Executed during the Year	Avg. Base Rent Per Sq. Ft. on Leases Expiring During the Year(3)	Number of Leases Expiring during the Year
Consolidated Centers:					
2009	$ 9.66	$ 10.13	19	$ 20.84	5
2008	$ 9.53	$ 11.44	26	$ 9.21	18
2007	$ 9.08	$ 18.51	17	$ 20.13	3
2006	$ 8.36	$ 13.06	15	$ 8.47	4
2005	$ 7.81	$ 10.70	18	$ 17.91	2
Unconsolidated Joint Venture Centers:					
2009	$ 11.60	$ 31.73	16	$ 19.98	16
2008	$ 11.16	$ 14.38	14	$ 10.59	5
2007	$ 10.89	$ 18.21	13	$ 11.03	5
2006	$ 9.69	$ 15.90	14	$ 7.53	2
2005	$ 9.32	$ 20.17	11	$ 2.27	1

(1) Average base rent per square foot is based on spaces occupied as of December 31 for each of the Centers. The leases for Tucson La Encantada and the expansion area of Queens Center were excluded for 2005 because they were under redevelopment. The leases for Promenade at Casa Grande, SanTan Village Power Center and SanTan Village Regional Center were excluded for 2007 and 2008 because they were under development. The leases for The Market at Estrella Falls and Santa Monica Place were excluded for 2008 and 2009 because they were under development and redevelopment, respectively.

(2) The average base rent per square foot on leases executed during the year represents the actual rent to be paid on a per square foot basis during the first twelve months. The leases for Tucson La Encantada and the expansion area of Queens Center were excluded for 2005 because they were

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under redevelopment. The leases for Promenade at Casa Grande, SanTan Village Power Center and SanTan Village Regional Center were excluded for 2007 and 2008 because they were under development. The leases for The Market at Estrella Falls and Santa Monica Place were excluded for 2008 and 2009 because they were under development and redevelopment, respectively.

(3)

The average base rent per square foot on leases expiring during the year represents the final year of minimum rent, on a cash basis. The leases for Tucson La Encantada and the expansion area of Queens Center were excluded for 2005 because they were under redevelopment. The leases for Promenade at Casa Grande, SanTan Village Power Center and SanTan Village Regional Center were excluded for 2007 and 2008 because they were under development. The leases for The Market at Estrella Falls and Santa Monica Place were excluded for 2008 and 2009 because they were under development and redevelopment, respectively.

Cost of Occupancy

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

	For Years Ended December 31,				
	2009	2008	2007	2006	2005
Consolidated Centers:					
Minimum rents	9.1%	8.9%	8.0%	8.1%	8.3%
Percentage rents	0.4%	0.4%	0.4%	0.4%	0.5%
Expense recoveries(1)	4.7%	4.4%	3.8%	3.7%	3.6%
	14.2%	13.7%	12.2%	12.2%	12.4%
Unconsolidated Joint Venture Centers:					
Minimum rents	9.4%	8.2%	7.3%	7.2%	7.4%
Percentage rents	0.4%	0.4%	0.5%	0.6%	0.5%
Expense recoveries(1)	4.3%	3.9%	3.2%	3.1%	3.0%
	14.1%	12.5%	11.0%	10.9%	10.9%

(1)

Represents real estate tax and common area maintenance charges.

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Lease Expirations

The following tables show scheduled lease expirations (for Centers owned as of December 31, 2009) for the next ten years, assuming that none of the tenants exercise renewal options:

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

Consolidated Centers:

Year Ending December 31,	Number of Leases Expiring	Approximate GLA of Leases Expiring(1)	% of Total Leased GLA Represented by Expiring Leases(1)	Ending Base Rent per Square Foot of Expiring Leases(1)	% of Base Rent Represented by Expiring Leases(1)
2010	405	734,699	11.33%	$ 37.02	10.91%
2011	393	811,159	12.51%	$ 37.01	12.04%
2012	317	722,842	11.15%	$ 35.29	10.23%
2013	273	606,831	9.36%	$ 37.15	9.04%
2014	237	510,594	7.88%	$ 35.87	7.34%
2015	209	519,385	8.01%	$ 37.53	7.81%
2016	220	543,483	8.38%	$ 40.11	8.74%
2017	292	754,655	11.64%	$ 40.57	12.28%
2018	256	636,338	9.81%	$ 40.79	10.41%
2019	180	468,021	7.22%	$ 43.21	8.11%

Unconsolidated Joint Venture Centers (at the Company's pro rata share):

Year Ending December 31,	Number of Leases Expiring	Approximate GLA of Leases Expiring(1)	% of Total Leased GLA Represented by Expiring Leases(1)	Ending Base Rent per Square Foot of Expiring Leases(1)	% of Base Rent Represented by Expiring Leases(1)
2010	536	531,222	13.76%	$ 38.39	11.35%
2011	451	489,538	12.68%	$ 39.20	10.68%
2012	360	370,953	9.61%	$ 42.13	8.70%
2013	330	360,034	9.33%	$ 46.77	9.37%
2014	318	371,575	9.63%	$ 49.41	10.22%
2015	301	372,277	9.65%	$ 53.50	11.09%
2016	298	357,090	9.25%	$ 51.54	10.24%
2017	256	363,346	9.41%	$ 45.78	9.26%
2018	211	275,964	7.15%	$ 50.79	7.80%
2019	195	234,524	6.08%	$ 58.75	7.67%

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II. Big Box and Anchors:

Consolidated Centers:

Year Ending December 31,	Number of Leases Expiring	Approximate GLA of Leases Expiring(1)	% of Total Leased GLA Represented by Expiring Leases(1)	Ending Base Rent per Square Foot of Expiring Leases(1)	% of Base Rent Represented by Expiring Leases(1)
2010	10	313,587	3.66%	$ 10.64	4.40%
2011	13	585,637	6.84%	$ 6.87	5.30%
2012	29	1,769,667	20.68%	$ 5.99	13.97%
2013	11	336,464	3.93%	$ 10.72	4.75%
2014	18	827,491	9.67%	$ 7.39	8.05%
2015	14	916,199	10.70%	$ 5.26	6.35%
2016	12	715,430	8.36%	$ 6.08	5.73%
2017	16	382,273	4.47%	$ 15.01	7.56%
2018	20	377,204	4.41%	$ 15.01	7.46%
2019	16	355,612	4.15%	$ 13.83	6.48%

Unconsolidated Joint Venture Centers (at the Company's pro rata share):

Year Ending December 31,	Number of Leases Expiring	Approximate GLA of Leases Expiring(1)	% of Total Leased GLA Represented by Expiring Leases(1)	Ending Base Rent per Square Foot of Expiring Leases(1)	% of Base Rent Represented by Expiring Leases(1)
2010	26	476,985	7.75%	$ 15.63	8.69%
2011	18	350,072	5.69%	$ 7.30	2.98%
2012	27	627,269	10.20%	$ 12.94	9.47%
2013	28	523,790	8.51%	$ 21.26	12.98%
2014	34	737,573	11.99%	$ 14.65	12.59%
2015	36	890,264	14.47%	$ 12.49	12.97%
2016	27	461,563	7.50%	$ 17.43	9.38%
2017	14	197,687	3.21%	$ 23.22	5.35%
2018	10	366,694	5.96%	$ 4.47	1.91%
2019	7	72,030	1.17%	$ 46.90	3.94%

(1) The ending base rent per square foot on leases expiring during the period represents the final year minimum rent, on a cash basis, for tenant leases expiring during the year. Currently, 57% of leases have provisions for future consumer price index increases that are not reflected in ending base rent. Leases for Santa Monica Place have been excluded from the Consolidated Centers because it is under development.

Anchors

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

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

Anchors accounted for approximately 6.9% of the Company's total minimum rent for the year ended December 31, 2009.

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The following table identifies each Anchor, each parent company that owns multiple Anchors and the number of square feet owned or leased by each such Anchor or parent company in the Company's portfolio at December 31, 2009:

Name	Number of Anchor Stores	GLA Owned by Anchor	GLA Leased by Anchor	Total GLA Occupied by Anchor
Macy's Inc.				
Macy's	53	5,212,558	3,421,845	8,634,403
Bloomingdale's(1)	2	255,888	102,000	357,888
Total	55	5,468,446	3,523,845	8,992,291
Sears Holdings Corporation				
Sears	48	3,303,956	3,238,020	6,541,976
Great Indoors, The	1	131,051		131,051
K-Mart	1	86,479		86,479
Total	50	3,521,486	3,238,020	6,759,506
J.C. Penney	45	4,145,973	1,869,157	6,015,130
Dillard's	24	636,569	3,444,317	4,080,886
Nordstrom(2)	14	1,351,723	995,691	2,347,414
Target	11	664,110	811,905	1,476,015
The Bon-Ton Stores, Inc.				
Younkers	6	397,119	212,058	609,177
Bon-Ton, The	1	71,222		71,222
Herberger's	4	402,573		402,573
Total	11	870,914	212,058	1,082,972
Forever 21(3)	9	542,551	324,601	867,152
Kohl's	6	279,400	239,902	519,302
Boscov's	3	301,350	174,717	476,067
Neiman Marcus	3	220,071	221,379	441,450
Home Depot	3	274,402	120,530	394,932
Wal-Mart	2		371,527	371,527
Costco	2	166,718	154,701	321,419
Lord & Taylor	3	320,007		320,007
Burlington Coat Factory	3	74,585	186,570	261,155
Dick's Sporting Goods	3	257,241		257,241
Von Maur	3	246,249		246,249
Belk	3	51,240	149,685	200,925
La Curacao	1		164,656	164,656
Barneys New York	2	62,046	81,398	143,444
Lowe's	1		135,197	135,197
Saks Fifth Avenue	1	92,000		92,000
L.L. Bean	1	75,778		75,778
Cabela's(4)	1		75,000	75,000
Best Buy	1		65,841	65,841
Richman Gordman 1/2 Price	1	60,000		60,000
Sports Authority	1	52,250		52,250
Bealls	1	40,000		40,000
Vacant Anchors(5)	12	1,173,543		1,173,543
Total	276	20,948,652	16,560,697	37,509,349
Anchors at centers not owned by the Company(6)				
Forever 21	6		479,726	479,726

Kohl's	3		270,390	270,390
Burlington Coat Factory(7)	1		83,232	83,232
Vacant Anchors(6)	14		1,081,415	1,081,415
Total	300	20,948,652	18,475,460	39,424,112

(1) The above table includes a 102,000 square foot Bloomingdale's store scheduled to open at Santa Monica Place in August 2010.

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(2)
The above table includes a 122,000 square foot Nordstrom store scheduled to open at Santa Monica Place in August 2010.

(3)
The above table includes a 154,000 square foot Forever 21 store scheduled to open at Fresno Fashion Fair in Summer 2010.

(4)
Cabela's is scheduled to open a 75,000 square foot store at Mesa Mall in Spring 2010.

(5)
The Company is currently seeking various replacement tenants and/or contemplating redevelopment opportunities for these vacant sites.

(6)
The Company owns a portfolio of 24 former Mervyn's stores located at shopping centers not owned by the Company. Of these 24 stores, six have been leased to Forever 21, three have been leased to Kohl's, one has been leased to Burlington Coat Factory and the remaining 14 are vacant. The Company is currently seeking various replacement tenants for these vacant sites.

(7)
Burlington Coat Factory is scheduled to open an 83,232 square foot store at Chula Vista Center in March 2010.

Environmental Matters

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

Based on these assessments, and on other information, the Company is aware of the following environmental issues that may reasonably result in costs associated with future investigation or remediation, or in environmental liability:

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

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

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

See "Risk Factors Possible environmental liabilities could adversely affect us."

Insurance

Each of the Centers has comprehensive liability, fire, extended coverage and rental loss insurance with insured limits customarily carried for similar properties. The Company does not insure certain types of losses (such as losses from wars) because they are either uninsurable or not economically

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insurable. In addition, while the Company or the relevant joint venture, as applicable, further carries specific earthquake insurance on the Centers located in California, the policies are subject to a deductible equal to 5% of the total insured value of each Center, a $100,000 per occurrence minimum and a combined annual aggregate loss limit of $150 million on these Centers. The Company or the relevant joint venture, as applicable, carries specific earthquake insurance on the Centers located in the Pacific Northwest. However, the policies are subject to a deductible equal to 2% of the total insured value of each Center, a $50,000 per occurrence minimum and a combined annual aggregate loss limit of $800 million on these Centers. While the Company or the relevant joint venture also carries terrorism insurance on the Centers, the policies are subject to a $50,000 deductible and a combined annual aggregate loss of $800 million. Each Center has environmental insurance covering eligible third-party losses, remediation and non-owned disposal sites, subject to a $100,000 deductible and a $20 million five-year aggregate limit. Some environmental losses are not covered by this insurance because they are uninsurable or not economically insurable. Furthermore, the Company carries title insurance on substantially all of the Centers for less than their full value.

Qualification as a Real Estate Investment Trust

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

Employees

As of December 31, 2009, the Company and the Management Companies had 2,749 regular and temporary employees, including executive officers (9), personnel in the areas of acquisitions and business development (39), property management/marketing (419), leasing (133), redevelopment/development (98), financial services (286) and legal affairs (61). In addition, in an effort to minimize operating costs, the Company generally maintains its own security and guest services staff (1,685) and in some cases maintenance staff (19). Unions represent twenty-two of these employees. The Company primarily engages a third party to handle maintenance at the Centers. The Company believes that relations with its employees are good.

Seasonality

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

Available Information; Website Disclosure; Corporate Governance Documents

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

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

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

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

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

ITEM 1A. RISK FACTORS

The following factors, among others, could cause our actual results to differ materially from those contained in forward-looking statements made in this Annual Report on Form 10-K and presented elsewhere by our management from time to time. These factors, among others, may have a material adverse effect on our business, financial condition, operating results and cash flows, and you should carefully consider them. It is not possible to predict or identify all such factors. You should not consider this list to be a complete statement of all potential risks or uncertainties, and we may update them in our future periodic reports.

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

Real property investments are subject to varying degrees of risk that may affect the ability of our Centers to generate sufficient revenues to meet operating and other expenses, including debt service, lease payments, capital expenditures and tenant improvements, and to make distributions to us and our stockholders. For purposes of this "Risk Factor" section, Centers wholly owned by us are referred to as "Wholly Owned Centers" and Centers that are partly but not wholly owned by us are referred to as "Joint Venture Centers." A number of factors may decrease the income generated by the Centers, including:

- the national economic climate (including a continuation or worsening of the recent economic downturn and constrained capital and credit markets);

- the regional and local economy (which may be negatively impacted by rising unemployment, declining real estate values, increased foreclosures, higher taxes, plant closings, industry slowdowns, union activity, adverse weather conditions, natural disasters, 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, decreases in rental rates, declining real estate values and the availability and creditworthiness of current and prospective tenants);

- levels of consumer spending, consumer confidence, and seasonal spending (especially during the holiday season when many retailers generate a disproportionate amount of their annual profits);

- perceptions by retailers or shoppers of the safety, convenience and attractiveness of a Center; and increased costs of maintenance, insurance and operations (including real estate taxes).

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

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A continuation or worsening of recent adverse economic conditions and disruptions in the capital and credit markets could harm our business, results of operations and financial condition.

The U.S. economy, the real estate industry as a whole, and the local markets in which our Centers are located have in recent years experienced adverse economic conditions, resulting in an economic recession as well as disruptions in the capital and credit markets. These adverse economic conditions have caused dramatic declines in the stock and housing markets, increases in foreclosures, unemployment and living costs as well as limited access to credit, which have adversely impacted consumer spending levels and the operating results of our tenants. If these conditions continue or worsen, or if similar conditions occur in the future, our tenants may also have difficulties obtaining capital at adequate or historical levels to finance their ongoing business and operations. These events could impact our tenants' ability to meet their lease obligations due to poor operating results, lack of liquidity, bankruptcy or other reasons. Our ability to lease space and negotiate rents at advantageous rates has been and, may continue to be, adversely affected in this type of economic environment, and more tenants may seek rent relief. Any of these events could harm our business, results of operations and financial condition.

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

A significant percentage of our Centers are located in California and Arizona, and eight Centers in the aggregate are located in New York, New Jersey and Connecticut. Many of these states have been more adversely affected by weak economic and real estate conditions than have other states. To the extent that weak economic or real estate conditions, including as a result of the factors described in the preceding risk factors, or other factors continue to affect or affect California, Arizona, New York, New Jersey or Connecticut (or their respective regions) more severely than other areas of the country, our financial performance could be negatively impacted.

We are in a competitive business.

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

Our Centers depend on tenants to generate rental revenues.

Our revenues and funds available for distribution will be reduced if:

- a significant number of our tenants are unable (due to poor operating results, capital constraints, bankruptcy, terrorist activities or other reasons) to meet their obligations;
- we are unable to lease a significant amount of space in the Centers on economically favorable terms; or
- for any other reason, we are unable to collect a significant amount of rental payments.

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A decision by an Anchor or other significant tenant to cease operations at a Center could also have an adverse effect on our financial condition. The closing of an Anchor or other significant tenant may allow other Anchors and/or other tenants to terminate their leases, seek rent relief and/or cease operating their stores at the Center or otherwise adversely affect occupancy at the Center. In addition, Anchors and/or tenants at one or more Centers might terminate their leases as a result of mergers, acquisitions, consolidations, dispositions or bankruptcies in the retail industry. The bankruptcy and/or closure of retail stores, or sale of an Anchor or store to a less desirable retailer, may reduce occupancy levels, customer traffic and rental income, or otherwise adversely affect our financial performance. Furthermore, if the store sales of retailers operating in the Centers decline sufficiently due to adverse economic conditions or for any other reason, tenants might be unable to pay their minimum rents or expense recovery charges. In the event of a default by a lessee, the affected Center may experience delays and costs in enforcing its rights as lessor.

Given current economic conditions, we believe there is an increased risk that store sales of Anchors and/or tenants operating in our Centers may decrease in future periods, which may negatively affect our Anchors' and/or tenants' ability to satisfy their lease obligations and may increase the possibility of consolidations, dispositions or bankruptcies of our tenants and/or closure of their stores.

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

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

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

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

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

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We may be unable to sell properties quickly because real estate investments are relatively illiquid.

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

We have substantial debt that could affect our future operations.

Our total outstanding loan indebtedness at December 31, 2009 was $6.8 billion (which includes $1.3 billion of unsecured debt and $2.3 billion of our pro rata share of joint venture debt). Approximately $247.2 million of such indebtedness matures in 2010 (excluding loans with extensions and refinancing transactions that have recently closed). As a result of this substantial indebtedness, we are required to use a material portion of our cash flow to service principal and interest on our debt, which limits the cash flow available for other business opportunities. We are also subject to the risks normally associated with debt financing, including the risk that our cash flow from operations will be insufficient to meet required debt service and that rising interest rates could adversely affect our debt service costs. In addition, our use of interest rate hedging arrangements may expose us to additional risks, including that the counterparty to the arrangement may fail to honor its obligations and that termination of these arrangements typically involves costs such as transaction fees or breakage costs. Furthermore, a majority of our Centers are mortgaged to secure payment of indebtedness, and if income from the Center is insufficient to pay that indebtedness, the Center could be foreclosed upon by the mortgagee resulting in a loss of income and a decline in our total asset value.

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

Our unsecured credit facilities contain financial covenants, including interest coverage requirements, as well as limitations on our ability to incur debt, make dividend payments and make certain acquisitions. These covenants may restrict our ability to pursue certain business initiatives or certain transactions that might otherwise be advantageous. In addition, failure to meet certain of these financial covenants could cause an event of default under and/or accelerate some or all of such indebtedness which could have a material adverse effect on us.

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

We depend primarily on external financings, principally debt financings, to fund the growth of our business and to ensure that we can meet ongoing maturities of our outstanding debt. Our access to financing depends on the willingness of banks, lenders and other institutions to lend to us based on their underwriting criteria which can fluctuate with market conditions and on conditions in the capital markets in general. Recently, turmoil in the capital and credit markets has significantly limited access to debt and equity financing for many companies. We cannot assure you that we will be able to obtain the financing we need for future growth or to meet our debt service as obligations mature, or that the financing will be available to us on acceptable terms, or at all. Any such refinancing could also impose more restrictive terms.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In addition, the REIT provisions of the Internal Revenue Code impose a 100% tax on income from "prohibited transactions." Prohibited transactions generally include sales of assets that constitute inventory or other property held for sale in the ordinary course of business, other than foreclosure property. This 100% tax could impact our desire to sell assets and other investments at otherwise opportune times if we believe such sales could be considered a prohibited transaction.

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

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

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

We own partial interests in property partnerships that own 47 Joint Venture Centers as well as fee title to a site that is ground-leased to a property partnership that owns a Joint Venture Center and several development sites. We may acquire partial interests in additional properties through joint venture arrangements. Investments in Joint Venture Centers involve risks different from those of investments in Wholly Owned Centers.

We may have fiduciary responsibilities to our partners that could affect decisions concerning the Joint Venture Centers. Third parties may share control of major decisions relating to the Joint Venture Centers, including decisions with respect to sales, refinancings and the timing and amount of additional

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capital contributions, as well as decisions that could have an adverse impact on our status. For example, we may lose our management and other rights relating to the Joint Venture Centers if:

- we fail to contribute our share of additional capital needed by the property partnerships;
- we default under a partnership agreement for a property partnership or other agreements relating to the property partnerships or the Joint Venture Centers; or
- with respect to certain of the Joint Venture Centers, if certain designated key employees no longer are employed in the designated positions.

In addition, some of our outside partners control the day-to-day operations of eight Joint Venture Centers (NorthPark Center, West Acres Center, Eastland Mall, Granite Run Mall, Lake Square Mall, NorthPark Mall, South Park Mall and Valley Mall). We, therefore, do not control cash distributions from these Centers, and the lack of cash distributions from these Centers could jeopardize our ability to maintain our qualification as a REIT. Furthermore, certain Joint Venture Centers have debt that could become recourse debt to us if the Joint Venture Center is unable to discharge such debt obligation.

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

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

Possible environmental liabilities could adversely affect us.

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

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

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

Some of our Centers are located in areas that are subject to natural disasters, including our Centers in California or in other areas with higher risk of earthquakes, our Centers in flood plains or

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in areas that may be adversely affected by tornados, as well as our Centers in coastal regions that may be adversely affected by increases in sea levels or in the frequency or severity of hurricanes and tropical storms.

Uninsured losses could adversely affect our financial condition.

Each of our Centers has comprehensive liability, fire, extended coverage and rental loss insurance with insured limits customarily carried for similar properties. We do not insure certain types of losses (such as losses from wars), because they are either uninsurable or not economically insurable. In addition, while we or the relevant joint venture, as applicable, carries specific earthquake insurance on the Centers located in California, the policies are subject to a deductible equal to 5% of the total insured value of each Center, a $100,000 per occurrence minimum and a combined annual aggregate loss limit of $150 million on these Centers. We or the relevant joint venture, as applicable, carries specific earthquake insurance on the Centers located in the Pacific Northwest. However, the policies are subject to a deductible equal to 2% of the total insured value of each Center, a $50,000 per occurrence minimum and a combined annual aggregate loss limit of $800 million on these Centers. While we or the relevant joint venture also carries terrorism insurance on the Centers, the policies are subject to a $50,000 deductible and a combined annual aggregate loss of $800 million. Each Center has environmental insurance covering eligible third-party losses, remediation and non-owned disposal sites, subject to a $100,000 deductible and a $20 million five-year aggregate limit. Some environmental losses are not covered by this insurance because they are uninsurable or not economically insurable. Furthermore, we carry title insurance on substantially all of the Centers for less than their full value.

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

An ownership limit and certain anti-takeover defenses could inhibit a change of control or reduce the value of our common stock.

The Ownership Limit. In order for us to maintain our qualification as a REIT, not more than 50% in value of our outstanding stock (after taking into account options to acquire stock) may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code to include some entities that would not ordinarily be considered "individuals") during the last half of a taxable year. Our Charter restricts ownership of more than 5% (the "Ownership Limit") of the lesser of the number or value of our outstanding shares of stock by any single stockholder or a group of stockholders (with limited exceptions for some holders of limited partnership interests in the Operating Partnership, and their respective families and affiliated entities, including all three principals). In addition to enhancing preservation of our status as a REIT, the Ownership Limit may:

- have the effect of delaying, deferring or preventing a change in control of us or other transaction without the approval of our board of directors, even if the change in control or other transaction is in the best interest of our stockholders; and

- limit the opportunity for our stockholders to receive a premium for their common stock or preferred stock that they might otherwise receive if an investor were attempting to acquire a block of stock in excess of the Ownership Limit or otherwise effect a change in control of us.

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

Selected Provisions of our Charter and Bylaws. Some of the provisions of our Charter and bylaws may have the effect of delaying, deferring or preventing a third party from making an acquisition proposal for us and may inhibit a change in control that some, or a majority, of our stockholders might

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believe to be in their best interest or that could give our stockholders the opportunity to realize a premium over the then-prevailing market prices for our shares. These provisions include the following:

- a staggered board of directors (which will be fully declassified in 2011) and limitations on the removal of directors, which may make the replacement of incumbent directors more time-consuming and difficult;
- advance notice requirements for stockholder nominations of directors and stockholder proposals to be considered at stockholder meetings;
- the obligation of the directors to consider a variety of factors (in addition to maximizing stockholder value) with respect to a proposed business combination or other change of control transaction;
- the authority of the directors to classify or reclassify unissued shares and issue one or more series of common stock or preferred stock;
- the authority to create and issue rights entitling the holders thereof to purchase shares of stock or other securities or property from us; and
- limitations on the amendment of our Charter and bylaws, the dissolution or change in control of us, and the liability of our directors and officers.

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

The Maryland General Corporation Law also provides that the acquirer of certain levels of voting power in electing directors of a Maryland corporation (one-tenth or more but less than one-third, one-third or more but less than a majority and a majority or more) is not entitled to vote the shares in excess of the applicable threshold, unless voting rights for the shares are approved by holders of two-thirds of the disinterested shares or unless the acquisition of the shares has been specifically or generally approved or exempted from the statute by a provision in our Charter or bylaws adopted before the acquisition of the shares. Our Charter exempts from these provisions voting rights of shares owned or acquired by the principals and their respective affiliates and related persons. Our bylaws also contain a provision exempting from this statute any acquisition by any person of shares of our common stock. There can be no assurance that this bylaw will not be amended or eliminated in the future. The Maryland General Corporation Law and our Charter also contain supermajority voting requirements with respect to our ability to amend our Charter, dissolve, merge, or sell all or substantially all of our assets.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

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ITEM 2. PROPERTIES

The following table sets forth certain information regarding the Centers and other locations that are wholly owned or partly owned by the Company:

Company's Ownership(1)	Name of Center/Location(2)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion/ Renovation	Total GLA(3)	Mall and Freestanding GLA	Percentage of Mall and Freestanding GLA Leased	Anchors
CONSOLIDATED CENTERS:							
100%	Capitola Mall(4) Capitola, California	1977/1995	1988	487,970	196,373	87.8%	Macy's, Kohl's, Sears
50.1%	Chandler Fashion Center Chandler, Arizona	2001/2002		1,325,543	640,383	97.1%	Dillard's, Macy's, Nordstrom, Sears
100%	Chesterfield Towne Center(5) Richmond, Virginia	1975/1994	2000	1,032,283	423,548	86.9%	J.C. Penney, Macy's, Sears
100%	Danbury Fair(5) Danbury, Connecticut	1986/2005	1991	1,292,176	495,968	97.3%	J.C. Penney, Lord & Taylor, Macy's, Sears
100%	Deptford Mall Deptford, New Jersey	1975/2006	1990	1,039,120	342,678	99.6%	Boscov's, J.C. Penney, Macy's, Sears
100%	Fiesta Mall Mesa, Arizona	1979/2004	2009	926,325	408,134	91.3%	Dillard's, Macy's, Sears
100%	Flagstaff Mall Flagstaff, Arizona	1979/2002	2007	347,076	143,064	91.4%	Dillard's, J.C. Penney, Sears
50.1%	Freehold Raceway Mall Freehold, New Jersey	1990/2005	2007	1,665,399	873,775	96.8%	J.C. Penney, Lord & Taylor, Macy's, Nordstrom, Sears
100%	Fresno Fashion Fair Fresno, California	1970/1996	2006	956,296	395,415	95.9%	Forever 21(6), J.C. Penney, Macy's (two)
100%	Great Northern Mall(5) Clay, New York	1988/2005		894,061	564,073	89.4%	Macy's, Sears
100%	Green Tree Mall Clarksville, Indiana	1968/1975	2005	791,448	285,863	68.1%	Burlington Coat Factory, Dillard's J.C. Penney, Sears
100%	La Cumbre Plaza(4) Santa Barbara, California	1967/2004	1989	491,716	174,716	86.1%	Macy's, Sears
100%	Northridge Mall Salinas, California	1972/2003	1994	892,824	355,844	93.9%	Forever 21, J.C. Penney, Macy's, Sears
100%	Oaks, The Thousand Oaks, California	1978/2002	2009	1,104,132	546,639	98.1%	J.C. Penney, Macy's (two), Nordstorm
100%	Pacific View Ventura, California	1965/1996	2001	970,424	321,610	91.2%	J.C. Penney, Macy's, Sears, Target
100%	Panorama Mall Panorama, California	1955/1979	2005	314,305	149,305	99.4%	Wal-Mart
100%	Paradise Valley Mall Phoenix, Arizona	1979/2002	2009	1,152,333	372,204	88.0%	Costco, Dillard's, J.C. Penney, Macy's, Sears
100%	Prescott Gateway Prescott, Arizona	2002/2002	2004	589,854	345,666	84.6%	Dillard's, J.C. Penney, Sears
51.3%	Promenade at Casa Grande Casa Grande, Arizona	2007/	2009	926,155	488,782	91.3%	Dillard's, J.C.Penney, Kohl's, Target
100%	Rimrock Mall Billings, Montana	1978/1996	1999	600,839	289,169	90.1%	Dillard's (two), Herberger's, J.C. Penney
100%	Rotterdam Square Schenectady, New York	1980/2005	1990	581,326	271,551	85.5%	K-Mart, Macy's, Sears
100%		1990/1995	2005	856,895	359,479	94.4%	

	Salisbury, Centre at Salisbury, Maryland						Boscov's, J.C. Penney, Macy's, Sears
84.9%	SanTan Village Regional Center Gilbert, Arizona	2007/	2009	946,855	626,855	98.7%	Dillard's, Macy's
100%	Somersville Towne Center Antioch, California	1966/1986	2004	349,274	176,089	92.7%	Macy's, Sears
100%	South Plains Mall(5) Lubbock, Texas	1972/1998	1995	1,164,443	422,656	85.2%	Bealls, Dillard's (two), J.C. Penney, Sears
100%	South Towne Center Sandy, Utah	1987/1997	1997	1,278,378	501,866	95.8%	Dillard's, Forever 21, J.C. Penney, Macy's, Target
100%	Towne Mall Elizabethtown, Kentucky	1985/2005	1989	352,029	181,157	75.2%	Belk, J.C. Penney, Sears
100%	Twenty Ninth Street(4) Boulder, Colorado	1963/1979	2007	830,159	538,505	84.6%	Home Depot, Macy's
100%	Valley River Center(5) Eugene, Oregon	1969/2006	2007	916,134	340,070	91.6%	J.C. Penney, Macy's, Sports Authority

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Company's Ownership(1)	Name of Center/Location(2)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion/ Renovation	Total GLA(3)	Mall and Freestanding GLA	Percentage of Mall and Freestanding GLA Leased	Anchors
100%	Valley View Center Dallas, Texas	1973/1996	2004	1,032,480	577,047	73.8%	J.C. Penney, Sears
100%	Victor Valley, Mall of(5) Victorville, California	1986/2004	2001	544,534	270,685	95.9%	Forever 21, J.C. Penney, Sears
100%	Vintage Faire Mall Modesto, California	1977/1996	2008	1,124,710	424,361	91.9%	Forever 21, J.C. Penney, Macy's (two), Sears
100%	Westside Pavilion Los Angeles, California	1985/1998	2007	739,822	381,694	97.5%	Macy's, Nordstrom
100%	Wilton Mall(5) Saratoga Springs, New York	1990/2005	1998	740,824	455,220	92.6%	The Bon-Ton, J.C. Penney, Sears
	Total/Average Consolidated Centers			29,258,142	13,340,444	91.2%	
UNCONSOLIDATED JOINT VENTURE CENTERS (VARIOUS PARTNERS):							
33.3%	Arrowhead Towne Center Glendale, Arizona	1993/2002	2004	1,196,849	389,072	95.8%	Dick's Sporting Goods, Dillard's, Forever 21, J.C. Penney, Macy's, Sears
50%	Biltmore Fashion Park Phoenix, Arizona	1963/2003	2006	578,992	273,992	84.2%	Macy's, Saks Fifth Avenue
50%	Broadway Plaza(4) Walnut Creek, California	1951/1985	1994	662,439	216,942	97.6%	Macy's (two), Nordstrom
50.1%	Corte Madera, Village at Corte Madera, California	1985/1998	2005	440,131	222,131	92.3%	Macy's, Nordstrom
50%	Desert Sky Mall(5) Phoenix, Arizona	1981/2002	2007	892,642	282,147	79.3%	Burlington Coat Factory, Dillard's, La Curacao, Sears
25%	FlatIron Crossing Broomfield, Colorado	2000/2002	2009	1,467,566	823,825	97.2%	Dick's Sporting Goods, Dillard's, Macy's, Nordstrom
50%	Inland Center(4) San Bernardino, California	1966/2004	2004	932,759	204,888	94.7%	Forever 21, Macy's, Sears
15%	Metrocenter Mall(4) Phoenix, Arizona	1973/2005	2006	1,121,718	594,469	77.7%	Dillard's, Macy's, Sears
50%	North Bridge, The Shops at(4) Chicago, Illinois	1998/2008		679,639	419,639	91.6%	Nordstrom
50%	NorthPark Center(4) Dallas, Texas	1965/2004	2005	1,947,956	895,636	95.0%	Barneys New York, Dillard's, Macy's, Neiman Marcus, Nordstrom
51%	Queens Center(4) Queens, New York	1973/1995	2004	967,840	411,116	98.1%	J.C. Penney, Macy's
50%	Ridgmar Fort Worth, Texas	1976/2005	2000	1,273,501	399,528	89.9%	Dillard's, J.C. Penney, Macy's, Neiman Marcus, Sears
50%	Scottsdale Fashion Square Scottsdale, Arizona	1961/2002	2009	1,939,632	955,306	90.4%	Barneys New York, Dillard's, Macy's, Neiman Marcus, Nordstrom
33.3%	Superstition Springs Center(4) Mesa, Arizona	1990/2002	2002	1,204,759	441,465	95.0%	Best Buy, Burlington Coat Factory, Dillard's, J.C. Penney, Macy's, Sears
50%	Tysons Corner Center(4) McLean, Virginia	1968/2005	2005	2,207,342	1,319,100	97.3%	Bloomingdale's, L.L. Bean, Lord & Taylor, Macy's, Nordstrom

19%	West Acres Fargo, North Dakota	1972/1986	2001	970,334	417,779	96.2%	Herberger's, J.C. Penney, Macy's, Sears
	Total/Average Unconsolidated Joint Venture Centers (Various Partners)			18,484,099	8,267,035	92.7%	
PACIFIC PREMIER RETAIL TRUST(7):							
51%	Cascade Mall Burlington, Washington	1989/1999	1998	586,585	262,349	87.8%	J.C. Penney, Macy's (two), Sears, Target
51%	Kitsap Mall Silverdale, Washington	1985/1999	1997	849,053	389,070	91.0%	J.C. Penney, Kohl's, Macy's, Sears
51%	Lakewood Center Lakewood, California	1953/1975	2001	2,033,670	968,323	92.4%	Costco, Forever 21, Home Depot, J.C. Penney, Macy's, Target
51%	Los Cerritos Center Cerritos, California	1971/1999	ongoing	1,143,613	488,010	98.4%	Forever 21, Macy's, Nordstrom, Sears

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Company's Ownership(1)	Name of Center/Location(2)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion/ Renovation	Total GLA(3)	Mall and Freestanding GLA	Percentage of Mall and Freestanding GLA Leased	Anchors
51%	Redmond Town Center(4) Redmond, Washington	1997/1999	2004	1,276,583	1,166,583	94.6%	Macy's
51%	Stonewood Mall(4) Downey, California	1953/1997	1991	930,093	356,333	94.6%	J.C. Penney, Kohl's, Macy's, Sears
51%	Washington Square Portland, Oregon	1974/1999	2005	1,458,734	523,707	84.9%	Dick's Sporting Goods, J.C. Penney, Macy's, Nordstrom, Sears
	Total/Average Pacific Premier Retail Trust			8,278,331	4,154,375	92.5%	
SDG MACERICH PROPERTIES, L.P.(7):							
50%	Eastland Mall(4) Evansville, Indiana	1978/1998	1996	1,040,949	551,805	95.6%	Dillard's, J.C. Penney, Macy's
50%	Empire Mall(4) Sioux Falls, South Dakota	1975/1998	2000	1,364,921	619,399	96.4%	J.C. Penney, Kohl's, Macy's, Richman Gordman 1/2 Price, Sears, Target, Younkers
50%	Granite Run Mall Media, Pennsylvania	1974/1998	1993	1,032,675	531,866	86.7%	Boscov's, J.C. Penney, Sears
50%	Lake Square Mall Leesburg, Florida	1980/1998	1995	559,088	263,051	80.2%	Belk, J.C. Penney, Sears, Target
50%	Lindale Mall Cedar Rapids, Iowa	1963/1998	1997	688,616	383,053	92.1%	Sears, Von Maur, Younkers
50%	Mesa Mall Grand Junction, Colorado	1980/1998	2003	848,369	407,161	92.2%	Cabela's(8), Herberger's, J.C. Penney, Sears, Target
50%	NorthPark Mall Davenport, Iowa	1973/1998	2001	1,072,428	421,972	88.5%	Dillard's, J.C. Penney, Sears, Von Maur, Younkers
50%	Rushmore Mall Rapid City, South Dakota	1978/1998	1992	725,403	422,302	86.5%	Herberger's, J.C. Penney, Sears
50%	Southern Hills Mall Sioux City, Iowa	1980/1998	2003	792,737	479,160	86.5%	J.C. Penney, Sears, Younkers
50%	SouthPark Mall Moline, Illinois	1974/1998	1990	1,017,106	439,050	83.1%	Dillard's, J.C. Penney, Sears, Von Maur, Younkers
50%	SouthRidge Mall Des Moines, Iowa	1975/1998	1998	859,748	470,996	74.6%	J.C. Penney, Sears, Target, Younkers
50%	Valley Mall(5) Harrisonburg, Virginia	1978/1998	1992	506,333	191,255	85.9%	Belk, J.C. Penney, Target
	Total/Average SDG Macerich Properties, L.P.			10,508,373	5,181,070	88.0%	
	Total/Average Unconsolidated Joint Venture Centers			37,270,803	17,602,480	91.3%	
	Total/Average before Community Centers			66,528,945	30,942,924	91.3%	
COMMUNITY / SPECIALTY CENTERS:							
100%	Borgata, The(9) Scottsdale, Arizona	1981/2002	2006	93,706	93,706	72.2%	
50%	Boulevard Shops(7) Chandler, Arizona	2001/2002	2004	184,822	184,822	98.4%	
75%	Camelback Colonnade(5)(7) Phoenix, Arizona	1961/2002	1994	619,101	539,101	97.0%	
100%	Carmel Plaza(9) Carmel, California	1974/1998	2006	110,954	110,954	67.7%	

50%	Chandler Festival(7) Chandler, Arizona	2001/2002		503,572	368,375	94.4% Lowe's
50%	Chandler Gateway(7) Chandler, Arizona	2001/2002		255,289	124,238	60.5% The Great Indoors
50%	Chandler Village Center(7) Chandler, Arizona	2004/2002	2006	273,418	130,285	95.7% Target
32.9%	Estrella Falls, The Market at(7) Goodyear, Arizona	2009/	2009	233,692	233,692	91.9%
100%	Flagstaff Mall, The Marketplace at(4)(9) Flagstaff, Arizona	2007/		267,527	146,997	72.6% Home Depot
100%	Hilton Village(4)(9) Scottsdale, Arizona	1982/2002		96,956	96,956	86.4%
24.5%	Kierland Commons(7) Scottsdale, Arizona	1999/2005	2003	436,783	436,783	95.9%

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Company's Ownership(1)	Name of Center/Location(2)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion/ Renovation	Total GLA(3)	Mall and Freestanding GLA	Percentage of Mall and Freestanding GLA Leased	Anchors
100%	Paradise Village Office Park II(9) Phoenix, Arizona	1982/2002		46,834	46,834	100.0%	
34.9%	SanTan Village Power Center(7) Gilbert, Arizona	2004/	2007	491,037	284,510	86.1%	Wal-Mart
100%	Tucson La Encantada(9) Tucson, Arizona	2002/2002	2005	249,890	249,890	88.8%	
	Total/Average Community / Specialty Centers			3,863,581	3,047,143	89.7%	
	Total before major development and redevelopment properties and other assets			70,392,526	33,990,067	91.1%	
MAJOR DEVELOPMENT AND REDEVELOPMENT PROPERTIES(9):							
100%	Northgate Mall San Rafael, California	1964/1986	2009 ongoing	712,771	242,440	(10)	Kohl's, Macy's, Sears
100%	Santa Monica Place Santa Monica, California	1980/1999	2009 ongoing	524,000	300,000	(10)	Bloomingdale's(11), Nordstrom(11)
100%	Shoppingtown Mall Dewitt, New York	1954/2005	2000	967,186	554,627	(10)	J.C. Penney, Macy's, Sears
	Total Major Development and Redevelopment Properties			2,203,957	1,097,067		
OTHER ASSETS:							
100%	Former Mervyn's(9)(12)	Various/2007		1,081,415			
100%	Forever 21(9)(12)	Various/2007		479,726			
100%	Kohl's(9)(12)	Various/2007		270,390			
100%	Burlington Coat Factory(9)(12)(13)	Various/2007		83,232			
100%	Paradise Village ground leases Phoenix, Arizona(9)	Various/2002		89,359	89,359	46.4%	
30%	Wilshire Boulevard(7) Santa Monica, CA	1978/2007		40,000	40,000	100.0%	
	Total Other Assets			2,044,122	129,359		
	Grand Total at December 31, 2009			74,640,605	35,216,493		

(1) The Company's ownership interest in this table reflects its legal ownership interest but may not reflect its economic interest since each joint venture has various agreements regarding cash flow, profits and losses, allocations, capital requirements and other matters.

(2) With respect to 69 Centers, the underlying land controlled by the Company is owned in fee entirely by the Company, or, in the case of Joint Venture Centers, by the joint venture property partnership or limited liability company. With respect to the remaining 17 Centers, the underlying land controlled by the Company is owned by third parties and leased to the Company, the property partnership or the limited liability company pursuant to long-term ground leases. Under the terms of a typical ground lease, the Company, the property partnership or the limited liability company pays rent for the use of the land and is generally responsible for all costs and expenses associated with the building and improvements. In some cases, the Company, the property partnership or the limited liability company has an option or right of first refusal to purchase the land. The termination dates of the ground leases range from 2011 to 2132.

(3) Includes GLA attributable to Anchors (whether owned or non-owned) and Mall and Freestanding Stores as of December 31, 2009.

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

(5) These properties have a vacant Anchor location. The Company is currently seeking various replacement tenants and/or contemplating redevelopment opportunities for these vacant sites.

(6) Forever 21 is scheduled to open a 154,000 square foot store at Fresno Fashion Fair in Summer 2010.

(7) Included in Unconsolidated Joint Venture Centers.

(8) Cabela's is scheduled to open a 75,000 square foot store at Mesa Mall in Spring 2010.

(9) Included in Consolidated Centers.

(10) Tenant spaces have been intentionally held off the market and remain vacant because of major development or redevelopment plans. As a result, the Company believes the percentage of mall and freestanding GLA leased at these major development properties is not meaningful data.

(11) Santa Monica Place closed for redevelopment in January 2008 and is scheduled to reopen in August 2010 with a Bloomingdale's and a Nordstrom.

(12) The Company owns a portfolio of 24 former Mervyn's stores located at shopping centers not owned by the Company. Of these 24 stores, six have been leased to Forever 21, three have been leased to Kohl's, one has been leased to Burlington Coat Factory and the remaining 14 former Mervyn's locations are vacant. The Company is currently seeking replacement tenants for these vacant sites. With respect to 12 of the 24 stores, the underlying land is owned in fee entirely by the Company. With respect to the remaining 12 stores, the underlying land is owned by third parties and leased to the Company pursuant to long-term building or ground leases. Under the terms of a typical building or ground lease, the Company pays rent for the use of the building or land and is generally responsible for all costs and expenses associated with the building and improvements. In some cases, the Company has an option or right of first refusal to purchase the land. The termination dates of the ground leases range from 2015 to 2027.

(13) Burlington Coat Factory is scheduled to open an 83,232 square foot store at Chula Vista Center in March 2010, in a space previously occupied by Mervyn's.

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Mortgage Debt

The following table sets forth certain information regarding the mortgages encumbering the Centers, including those Centers in which the Company has less than a 100% interest. The information set forth below is as of December 31, 2009 (dollars in thousands):

Property Pledged as Collateral	Fixed or Floating	Annual Interest Rate(1)	Carrying Amount(1)	Annual Debt Service	Maturity Date	Balance Due on Maturity	Earliest Date Notes Can Be Defeased or Be Prepaid
Consolidated Centers:							
Capitola Mall(2)	Fixed	7.13%	$ 35,550	$ 4,560	5/15/11	$ 32,724	Any Time
Carmel Plaza(3)	Fixed	8.15%	24,309	2,424	5/1/10	24,109	Any Time
Chandler Fashion Center(4)	Fixed	5.50%	163,028	12,514	11/1/12	152,097	Any Time
Chesterfield Towne Center(5)	Fixed	9.07%	52,369	6,576	1/1/24	1,087	Any Time
Danbury Fair Mall	Fixed	4.64%	163,111	14,700	2/1/11	155,205	Any Time
Deptford Mall	Fixed	5.41%	172,500	9,336	1/15/13	172,500	Any Time
Deptford Mall	Fixed	6.46%	15,451	1,212	6/1/16	13,877	Any Time
Fiesta Mall	Fixed	4.98%	84,000	4,092	1/1/15	84,000	Any Time
Flagstaff Mall	Fixed	5.03%	37,000	1,836	11/1/15	37,000	Any Time
Freehold Raceway Mall(4)	Fixed	4.68%	165,546	14,208	7/7/11	155,522	Any Time
Fresno Fashion Fair(6)	Fixed	6.76%	167,561	13,248	8/1/15	154,596	Any Time
Great Northern Mall	Fixed	5.11%	38,854	2,808	12/1/13	35,566	Any Time
Hilton Village	Fixed	5.27%	8,564	444	2/1/12	8,600	Any Time
La Cumbre Plaza(7)	Floating	2.11%	30,000	336	12/9/10	30,000	Any Time
Northgate, The Mall at(8)	Floating	6.90%	8,844	528	1/1/13	8,844	Any Time
Northridge Mall(9)	Fixed	8.20%	71,486	5,436	1/1/11	70,481	Any Time
Oaks, The(10)	Floating	2.28%	165,000	3,276	7/10/11	165,000	Any Time
Oaks, The(11)	Fixed	6.90%	88,297	2,071	7/10/11	88,297	Any Time
Oaks, The(11)	Floating	2.83%	3,927	77	7/10/11	3,297	Any Time
Pacific View	Fixed	7.20%	85,797	7,224	8/31/11	83,046	Any Time
Panorama Mall(12)	Floating	1.31%	50,000	552	2/28/10	50,000	Any Time
Paradise Valley Mall(13)	Floating	6.30%	85,000	4,680	8/31/12	82,250	Any Time
Prescott Gateway	Fixed	5.86%	60,000	3,468	12/1/11	60,000	Any Time
Promenade at Casa Grande(14)	Floating	1.70%	86,617	1,428	8/16/10	86,617	Any Time
Rimrock Mall	Fixed	7.57%	41,430	3,840	10/1/11	40,025	Any Time
Salisbury, Center at	Fixed	5.83%	115,000	6,660	5/1/16	115,000	Any Time
Santa Monica Place	Fixed	7.79%	76,652	7,272	11/1/10	75,544	Any Time
SanTan Village Regional Center(15)	Floating	2.93%	136,142	3,408	6/13/11	136,142	Any Time
Shoppingtown Mall	Fixed	5.01%	41,381	3,828	5/11/11	38,968	Any Time
South Plains Mall(16)	Fixed	9.49%	53,936	5,448	3/1/29		Any Time
South Towne Center	Fixed	6.39%	88,854	6,648	11/5/15	81,161	Any Time
Towne Mall	Fixed	4.99%	13,869	1,200	11/1/12	12,316	Any Time
Tucson La Encantada(2)	Fixed	5.84%	77,497	4,344	6/1/12	74,931	Any Time
Twenty Ninth Street(17)	Fixed	10.02%	106,703	5,604	3/25/11	104,425	Any Time
Valley River Center	Fixed	5.59%	120,000	6,696	2/1/16	120,000	Any Time
Valley View Center	Fixed	5.81%	125,000	7,152	1/1/11	125,000	Any Time
Victor Valley, Mall of(18)	Floating	2.09%	100,000	1,836	5/6/11	100,000	Any Time
Vintage Faire Mall	Fixed	7.92%	62,186	6,096	9/1/10	61,372	Any Time
Westside Pavilion(19)	Floating	3.24%	175,000	3,912	6/5/11	175,000	Any Time
Wilton Mall(20)	Fixed	11.08%	39,575	4,188	11/1/29		Any Time
			$ 3,236,036				

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